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H. RES. 697

Expressing the sense of the House of Representatives relating to the Communist Party of China's "Made In China 2025" Plan and publicly-known malign Communist Party of China's actions supporting the goals of its "Made in China 2025" plan.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 18, 2023

Ms. SHERRILL (for herself, Mr. GALLAGHER, and Mr. KRISHNAMOORTHY) submitted the following resolution; which was referred to the Committee on Foreign Affairs

RESOLUTION

Expressing the sense of the House of Representatives relating to the Communist Party of China's "Made In China 2025" Plan and publicly-known malign Communist Party of China's actions supporting the goals of its "Made in China 2025" plan.

1 *Resolved,*

2 **SECTION 1. THE COMMUNIST PARTY OF CHINA'S "MADE IN**
3 **CHINA 2025" PLAN.**

4 The House of Representatives finds the following:

5 (1) In 2006, the Communist Party of China (in
6 this resolution referred to as "CCP") intensified its
7 focus on science and technology innovation as a na-

1 tional goal under the “Medium- and Long-Term
2 Plan for Science and Technology Development” and
3 its 13th and 14th Five-Year Plans.

4 (2) The “Made in China 2025” plan (in this
5 resolution referred to as “MIC2025”), issued in
6 2015, under the 13th Five Year Plan is the CCP’s
7 10-year national science and technology industrial
8 policy that seeks to vault China into global leader-
9 ship in the research and manufacturing of advanced
10 science and technology tools, applications, and prod-
11 ucts, while using a whole-of-society approach, deep
12 government intervention, and market protections for
13 the People’s Republic of China (in this resolution re-
14 ferred to as “PRC”) businesses in the select sectors.

15 (3) MIC2025 prioritizes raising high bars to
16 foreign market access, while increasing PRC invest-
17 ments in and government and business focus on
18 proactively acquiring technology and knowledge
19 abroad on these advanced science and technology
20 areas:

21 (A) Advanced information technology and
22 telecommunications services.

23 (B) Advanced machining and robotics.

24 (C) Aerospace engineering and equipment.

1 (D) Maritime infrastructure, equipment,
2 and next generation vessels.

3 (E) Advanced railway infrastructure.

4 (F) Renewable energy products, batteries,
5 and electric vehicles.

6 (G) Advanced materials.

7 (H) Innovative farming equipment, tech-
8 nology, and agriculture.

9 (I) Biotechnology, pharmaceuticals, and
10 advanced medical equipment.

11 (J) Next generation electrical equipment.

12 (4) MIC2025 sector development will further
13 integrate emerging technologies, such as advance
14 semiconductors, 3D printing, cloud computing, big-
15 data analytics, quantum computing, artificial intel-
16 ligence (AI), and new forms of energy.

17 (5) The PRC's leader Xi Jinping, who currently
18 holds the role of State Chairman of the PRC, Gen-
19 eral Secretary of the Chinese Communist Party, and
20 Chairman of the Central Military Commission,
21 states that CCP plans to lessen the PRC's reliance
22 on foreign markets for goods and services by 2025
23 and a goal for at least seventy-percent self-suffi-
24 ciency in MIC2025 areas by using foreign tech-

1 nology acquisitions and joint ventures to acquire, do-
2 mestically produce, and then sell these goods abroad.

3 (6) The PRC’s stated goal in its MIC2025 pol-
4 icy is to advance production in the PRC from prod-
5 ucts that are “Made in China” to those that are
6 “Created in China”, using the underpinnings of
7 MIC2025 to transform foreign innovations into a
8 homegrown industrial base to promote scientific,
9 technological, and manufacturing independence.

10 (7) In 2021, the CCP’s Central Committee pub-
11 lished a resolution on its self-made achievements
12 over the course of the past century, stating that
13 PRC “self-reliance in science and technology” and
14 its “bolstered . . . creation, protection, and applica-
15 tion of intellectual property rights” are key tenets of
16 boosting the CCP’s position, while not including ref-
17 erences to foreign trade or economic and commercial
18 partnerships as a part of its advancement.

19 (8) In November 2022, during the CCP’s Party
20 Congress, the CCP noted again that science and
21 technological innovation are core tenets of the PRC’s
22 development and according to the PRC’s Ministry of
23 Science and Technology, international collaborative
24 science and technology efforts are ultimately focused
25 on boosting the PRC’s security.

1 (9) Importantly, that along with the MIC2025
2 plan, there is a policy of “dual-circulation”, both
3 policies which are overseen by General Secretary Xi
4 Jinping, that seek to transfer into the PRC the
5 globe’s innovative technical ideas and products,
6 produce them domestically for their own large popu-
7 lation, and then sell them abroad to obtain growing
8 shares of foreign markets, all the while protecting
9 those domestic businesses from foreign competition.

10 (10) To further support “dual-circulation” and
11 speed its MIC2025 developments, the PRC uses offi-
12 cially sanctioned tools such as unfair government
13 subsidies, state-sponsored talent acquisition pro-
14 grams, lax labor and environmental regulations, co-
15 erced foreign investments and acquisitions, direct
16 state investments and policy direction, burdensome
17 paperwork requirements for foreign firms, and
18 forced transfers of intellectual property.

19 (11) The CCP broadly uses a national concept
20 of military-civil fusion to adapt and adopt civilian
21 technologies—either domestically produced or taken
22 from abroad—to boost its military capabilities.

23 (12) The CCP has over the past few years and
24 especially in 2023, broadened and deepened the
25 scope of its counterintelligence and data security

1 laws, along with the use of these laws against busi-
2 nesses from other countries.

3 (13) MIC2025 is rapidly coming to a close, and
4 the next steps include a CCP desire to dominate
5 international standard setting by 2035 and be the
6 global leader in technological innovation, manufac-
7 turing, industrial production, and military capabili-
8 ties by 2049, supported by its 14th Five Year Plan
9 and its National Medium- to Long-Term Science
10 and Technology Development Plan. These plans' in-
11 tentions focus on basic science, domestication of crit-
12 ical commercial areas and getting the PRC to the
13 forefront of "this century's critical technologies".

14 **SEC. 2. PUBLICLY-KNOWN MALIGN CCP ACTIONS SUP-**
15 **PORTING ITS MIC2025 GOALS.**

16 The House of Representatives finds the following:

17 (1) In March 2023, the PRC Commerce Min-
18 ister stated that 2023 would be a year of
19 "Invest[ing] in China", in front of global business
20 executives, stating the PRC sought to boost invest-
21 ments in its manufacturing and high-tech sectors
22 and that the PRC would reduce restrictions on for-
23 eign firms. However, the government took immediate
24 actions to the contrary.

1 (2) In April 2023, the National People’s Con-
2 gress passed an updated and newly expanded coun-
3 terespionage law stating that any, “attempts to ille-
4 gally obtain or share state secrets or other data, ma-
5 terials, or items related to national security or na-
6 tional interests, which are carried out by or for for-
7 eign elements other than an espionage organization
8 . . .” is punishable, without defining “national secu-
9 rity”, “national interests”, or organizations of con-
10 cern, while reiterating the policy that all aspects of
11 society are to collect, report, and defend against any
12 transgressions against the government.

13 (3) In 2023, PRC authorities raided global con-
14 sulting firms Bain & Company, Capvision, and
15 Mintz Group on the grounds of collecting and as-
16 sessing PRC business data, which have been a rou-
17 tine part of these companies’ business operations.

18 (4) General Secretary Xi Jinping has overseen
19 an expansive growth in national security laws that
20 are loosely defined and nebulously enforced with no
21 legal recourse and requiring mandatory cooperation.
22 These laws include the new Counterespionage Law,
23 the National Security Law, the Foreign NGO Man-
24 agement Law, the National Intelligence Law, the

1 Hong Kong National Security Law, and the Data
2 Security Law.

3 (5) In 2023, PRC regulators put on notice
4 United States semiconductor company Micron Tech-
5 nologies by embarking on a surprise investigation
6 without claiming any vulnerabilities in Micron’s
7 products and without concrete evidence that PRC
8 regulators needed to “secur[e] the information of in-
9 frastructure of [China’s] supply chain”, ostensibly
10 for national security reasons.

11 (6) In 2023, the PRC’s State Administration
12 for Market Regulation reportedly slowed and denied
13 its review process slowed its review process of United
14 States global acquisitions and mergers, while requir-
15 ing United States firms make available all of their
16 products in the PRC that are available to other
17 countries in a likely effort to dull United States ex-
18 port controls.

19 (7) In 2022, the Department of Justice indicted
20 the PRC firm Hytera Communications Corp for
21 retro-engineering and stealing proprietary Motorola
22 technology, which Hytera then sold abroad.

23 (8) In 2021, a PRC front company named
24 “LinkOcean” falsified its business information to
25 steal and transfer to a PRC military university on

1 the Department of Commerce's Entity List over
2 \$100,000 in special underwater marine technologies.

3 (9) In 2020, the PRC software technology firm
4 Baidu used fake ad-clicking software to boost its ad
5 revenues, while stealing user information and trans-
6 mitting it back to the PRC.

7 (10) Since 2020, the CCP has not fulfilled its
8 obligations under the Phase One Trade Agreement
9 between the United States and the PRC and con-
10 tinues to require the transfer of sensitive United
11 States agricultural company knowledge to PRC
12 firms.

13 (11) In 2019, United States firm Akhan Semi-
14 conductor's proprietary glass was stolen by PRC
15 telecommunications firm Huawei, who attempted to
16 retro-engineer it in violation of United States export
17 control law.

18 (12) In 2018, United States wind energy firm
19 ASMC, after signing a sales deal with the PRC firm
20 Sinovel Wind Group Co., Ltd., had its proprietary
21 intellectual property stolen by Sinovel, who then
22 manufactured ASMC's products and sold the prod-
23 ucts in the United States.

1 (13) In 2017, PRC cyber actors were caught
2 widely illicitly collecting private business information
3 on sectors across the MIC2025 portfolio.

4 (14) In 2016, a PRC seed company illicitly ac-
5 quired and intended to smuggle proprietary seeds
6 from Iowa to the PRC, while to this day the PRC
7 agricultural seed market remains blocked from for-
8 eign competition.

9 (15) Throughout the 2020s, PRC state-sanc-
10 tioned cyber actor “APT 41” conducted operations
11 in line with MIC2025, stealing at least hundreds of
12 billions of dollars worth of intellectual property from
13 multinational corporations, much of which was
14 emerging technology or not yet invented products.

15 (16) According to a Center for Strategic and
16 International Studies analysis of publicly known
17 PRC espionage cases, which vastly outnumber any
18 other foreign state, almost half of the perpetrators
19 were military affiliates, almost half used cyber
20 means to steal data, and over half sought to collect
21 commercial information.

22 (17) The PRC’s Tax Bureau previously ordered
23 United States companies doing business in the PRC
24 to use software purposefully loaded with malicious
25 malware.

1 (18) PRC “Talent Programs” have been used
2 to select certain well-placed individuals to target cer-
3 tain United States research sectors to compromise
4 intellectual property, tarnishing the sanctity of open
5 and transparent norms of international research,
6 international academic collaboration, and America’s
7 vibrant and vital foreign student researcher popu-
8 lation.

9 (19) The China Scholarship Council, which fa-
10 cilitates high performing PRC students studying
11 abroad and foreign students to study in the PRC,
12 has been found to require students sign Council con-
13 tracts that require reporting on their work to PRC
14 officials and limitations on students’ academic free-
15 dom while abroad.

16 (20) The CCP allows forced labor, low environ-
17 mental standards, mandated overproduction of prod-
18 ucts, and minimal worker safeguards, all of which
19 act as non-monetary subsidies to cheapen products
20 from the PRC.

21 (21) Since General Secretary Xi Jinping as-
22 sumed power, he re-asserted the role of state-owned
23 enterprises in the economy and increased the pur-
24 chases of shares in private PRC businesses.

1 (22) The Department of Commerce, because of
2 continued PRC government intervention into impor-
3 tant sectors of the PRC economy, continues to cer-
4 tify that the PRC remains a non-market economy,
5 alongside the Republic of Armenia, the Republic of
6 Azerbaijan, the Republic of Belarus, Georgia, the
7 Kyrgyz Republic, the Republic of Moldova, the Rus-
8 sian Federation, the Republic of Tajikistan,
9 Turkmenistan, the Republic of Uzbekistan, and the
10 Socialist Republic of Vietnam.

11 (23) Upon widespread public acknowledgment
12 and initial United States action to confront
13 MIC2025, the CCP still abides by, but no longer
14 publicly acknowledges MIC2025 or the detailed
15 plans, intentions, and activities to accomplish its
16 14th Five Year Plan or long-term science and tech-
17 nology goals.

18 **SEC. 3. SENSE OF THE HOUSE OF REPRESENTATIVES.**

19 It is the sense of the House of Representatives that—

20 (1) the United States finds itself in not only a
21 security and diplomatic competition, but one heavily
22 based upon economic and commercial competition;

23 (2) the CCP seeks to dominate the sectors in
24 MIC2025 through unfair trade practices, such as
25 forced labor, low environmental standards, illegal

1 subsidies, and stolen foreign research and intellec-
2 tual property, and then create and recreate the prod-
3 ucts in the PRC often to be sold abroad at cheaper-
4 than-market rates, with the ultimate goal being to
5 undercut, if not bankrupt, United States businesses
6 and stifle United States manufacturing and invest-
7 ments in critical future technologies;

8 (3) all United States businesses, research insti-
9 tutions, and United States Federal entities involved
10 in cutting edge research and design—no matter
11 their size, funding, or where they are located—are
12 MIC2025 targets for CCP disruption, intelligence
13 collection, intellectual property theft, unfair competi-
14 tive practices, and commercial coercion;

15 (4) United States science and technology firms
16 should prepare themselves for growing unfair trade
17 practices and continued theft of intellectual prop-
18 erty, particularly as Xi Jinping’s tenure continues;

19 (5) United States public, private, and non-profit
20 collaboration will drive United States innovation and
21 must do so with speed and purpose, as this era of
22 strategic competition will be won by close, coordi-
23 nated, and collaborative work between the United
24 States public, private, and non-profit sectors and
25 strategic partners abroad;

1 (6) United States businesses, non-profits, aca-
2 demia, and Federal entities should review their secu-
3 rity practices to protect their buildings, technology,
4 products, proprietary knowledge, and personnel from
5 all undue foreign interference and espionage, includ-
6 ing instituting thorough screenings and reviews for
7 business or research collaborations with countries
8 and entities that are named in sanctions or export
9 control documents or are known to use illicit third
10 party entities, such as “shell companies”, to subvert
11 import restrictions or obfuscate dual-use military in-
12 terests in seemingly benign civilian research efforts;

13 (7) United States businesses, non-profits, aca-
14 demia, and Federal entities involved in MIC2025
15 areas should review and invest in Federal and State
16 guidelines on cybersecurity practices and tools, re-
17 search security standards, and counterintelligence
18 risk postures;

19 (8) every United States Government agency and
20 department should orient their internal resources
21 and postures to prepare for an era of strategic com-
22 petition with the CCP, which will affect security,
23 diplomatic, economic, and commercial factors;

24 (9) Federal entities should also seek to boost
25 outreach to the private, academic, and non-profits

1 sectors to find new ways to partner in science and
2 technical efforts, alongside new ways to protect
3 United States innovation;

4 (10) United States Government agencies and
5 departments should review their regulations and
6 processes to ensure that internal rulemaking does
7 not unnecessarily slow the United States ability to
8 compete with the CCP and that it protects United
9 States ingenuity and commercial products, while
10 keeping pace with the rate of scientific, techno-
11 logical, manufacturing, and commercial advance-
12 ments;

13 (11) the Department of Commerce finds itself
14 at the frontline of global strategic competition;

15 (12) Congress should support the Department
16 of Commerce's efforts at home and abroad while
17 conducting rigorous oversight to ensure the Depart-
18 ment is prioritizing the long-term interest of the na-
19 tional security, economic security, and well-being of
20 the United States;

21 (13) Federal entities should support United
22 States private and research institutions organiza-
23 tions that seek to diversify their supply chains, in-
24 crease their understanding of the level of PRC-pro-

1 duced content in their supply chains, or extend trade
2 relationships with new Pacific partners;

3 (14) United States treaty allies and non-treaty
4 partners have a tremendous part to play in strategic
5 competition and the United States Government
6 should seek to bolster diplomatic and commercial re-
7 lationships with these partners;

8 (15) the United States desires a stable and fair
9 playing field in its commercial relationships abroad,
10 with reciprocal access and mutual benefits, and the
11 United States values international research and de-
12 velopment relationships based upon trust and good-
13 will; and

14 (16) opposes the above-mentioned unfair, ag-
15 gressive actions and policies of the CCP and sup-
16 ports the people of the PRC in creating an economy
17 that is open to honest global partnership, free from
18 malign intent, and aligns with the norms of modern
19 global trade.

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