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United States Senate
COMMITTEE ON THE JUDICIARY
WASHINGTON, DC 20510–6275

November 17, 2026

VIA ELECTRONIC TRANSMISSION

The Honorable Howard Lutnick
Secretary
Department of Commerce

Dear Secretary Lutnick:

I am writing with concerns regarding security threats to artificial intelligence (AI) posed by the People's Republic of China (PRC). In 2018, my Senate colleagues and I urged the first Trump administration to restrict PRC access to U.S.-made advanced military and dual-use technologies.[1] I have also written to 11 government agencies about protecting the U.S. supply of critical technologies.[2] More recently, I have written to 9 AI companies regarding the PRC's targeting of American AI technologies through state-backed programs, corporate infiltration, and coercive tactics.[3] As you are aware, the PRC will do whatever it takes to overtake U.S. AI leadership, and chips and semiconductors are essential to AI development.

On January 15, 2026, the Department of Commerce (Commerce) Bureau of Industry and Security (BIS) promulgated a regulation revising its license review policy for exporting Nvidia H200 chips and its equivalents to China.[4] This revision permitted the export of Nvidia H200 chips to China on a case-by-case basis, rather than the previous presumption of denial.[5] Still, BIS remains responsible for reviewing license applications to ensure that the foreign entity receiving the chips is not a national security risk.[6] According to public reports, Commerce BIS has approved roughly two dozen Chinese entities to buy or install Nvidia H200 chips.[7]

Recent reporting alleges that some of the firms approved to purchase or install Nvidia chips exist only on paper and have ties to entities blacklisted by the U.S.[8] Reporting also alleges that some firms Commerce BIS has approved to purchase chips or assemble them into servers are contractors for the Chinese military and have close ties with companies on Commerce's Entity List.[9] As you know, companies on the Entity List have been identified as possibly being "involved in activities contrary to the national security or foreign policy interests of the United States," and are subject to restrictions.[10]

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[1] Senator Charles E. Grassley, *Grassley, Bipartisan Group of Senators Urge Administration to Safeguard Critical Military and Dual-Use Technology from China*, News Releases (May 23, 2018), https://www.grassley.senate.gov/news/news-releases/grassley-bipartisan-group-senators-urge-administration-safeguard-critical.
[2] *See, e.g.,* Letter from Senator Charles E. Grassley, Chairman, Senate Committee on the Judiciary, to the Honorable Lloyd Austin, Secretary, Department of Defense (Jan. 14, 2025), https://www.grassley.senate.gov/imo/media/doc/grassley_to_dod_-_critical_technology.pdf.
[3] Senator Charles E. Grassley, *Grassley, Banks Press American AI Companies On Chinese Espionage Safeguards*, News Release (May 1, 2026), https://www.grassley.senate.gov/news/news-releases/grassley-banks-press-american-ai-companies-on-chinese-espionage-safeguards.
[4] Revision to License Review Policy for Advanced Computing Commodities, 91 Fed. Reg. 1684 (Jan. 15, 2026).
[5] 15 C.F.R. § 748.4.
[6] Anna Swanson, Kalley Huang, and Keith Bradsher, *U.S. Cleared Nvidia Chips to Chinese Firms With Empty Offices and Troubling Ties*, New York Times (Nov. 7, 2026), https://www.nytimes.com/2026/11/07/business/economy/nvidia-chips-chinese-firms.html.
[7] *Id.*
[8] *Id.*
[9] *Id.*
[10] 15 C.F.R. § 744.11.

On November 16, 2026, Commerce BIS issued an interim final rule (IFR), "written by and at the direction of the Department of the Treasury and National Security Council."[11] The IFR is meant to address PRC remote access to data centers in third countries and diversion of advanced semiconductors to the PRC.[12] If implemented, the IFR will reportedly require a license for exports, reexports, or transfers of advanced semiconductors to Indonesia, Malaysia, Singapore, Brazil, and Thailand.[13] While the IFR is a step in the right direction, questions remain about Commerce BIS's enforcement of export license controls for advanced semiconductors and the IFR underscores the inherent risk in dealing with entities associated with the communist regime in China.

Protecting America's critical technologies from falling into the hands of the PRC is crucial to national and economic security. So that Congress may conduct independent oversight of Commerce BIS's efforts to safeguard American AI and technologies from the PRC, provide answers to the following questions no later than December 1, 2026:

1. How many export licenses from Nvidia has Commerce BIS approved since the change from presumption of denial review to case-by-case review took effect? How many export licenses were denied under the presumption of denial review? Provide the same information for case-by-case review. Provide all records, including all license applications.[14]

2. Explain, in detail, the process to undertake and conclude a security review to allow the export of Nvidia H200 chips or equivalents to China and other countries. In your answer, describe how long a case-by-case review usually takes and whether that timing was consistent for reviews in this matter, the Commerce BIS officials involved, and whether officials from other agencies are also involved.

Thank you for your prompt review. Should you have questions, please contact Jonathan Kane on my Committee staff at (202) 224-5225.

Sincerely,



Charles E. Grassley
Chairman
Committee on the Judiciary

[11] Department of Commerce, Bureau of Industry and Security, *BIS Issues Rule Addressing Remote Access to American Super Intelligence Technology*, Press Release (Nov. 16, 2026), https://www.bis.gov/press-release/bis-issues-rule-addressing-remote-access-american-super-intelligence-technology.
[12] Department of Commerce, *Addressing Remote Access to Advanced Semiconductors* (Nov. 16, 2026), https://www.bis.gov/media/documents/rin-0694-ak50.pdf.
[13] *Id.*
[14] "Records" include any written, recorded, or graphic material of any kind, including letters, memoranda, reports, notes, electronic data (emails, email attachments, and any other electronically created or stored information), calendar entries, inter-office communications, meeting minutes, phone/voice mail or recordings/records of verbal communications, and drafts (whether they resulted in final documents).