

August 11, 2015

The Honorable Barack Obama
President of the United States of America
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

We respectfully request that you use the opportunity provided by your upcoming Summit with President Xi Jinping of China to seek significant progress in improving the bilateral relationship for the U.S. information and communications technology (ICT) sector.

For nearly four decades, the United States and China have consistently pursued a mutually beneficial policy of encouraging economic openness and reducing barriers to bilateral trade and investment, including in the ICT sector. That policy has created space for the commercial relationship to grow substantially, to the benefit of both countries and their citizens. Those benefits are now at risk, however, as a result of increasing and proliferating threats to national cybersecurity as well as China's approach to defining its national security interests. To ensure these shared benefits endure, and further advance mutual economic and security interests, it is critical that we place our ICT relationship with China on a constructive footing by addressing the difference in approaches to national security.

Since your last Summit with President Xi in November 2014, China has increasingly pursued policies that have adversely affected the ability of U.S. ICT firms (and the companies that rely on them) to do business in China. These measures include the "secure and controllable" guidelines for the banking sector, a new program to acquire or indigenize U.S. semiconductor technology, a new national security law, new restrictions on cross-border data flows, and draft counter-terrorism and cybersecurity laws. Similarly, new national security requirements, including the draft Foreign Investment Law and related measures, raise fundamental questions about whether commitments by China to open its markets to trade and investment will produce the intended results.

In light of these concerning trends, we respectfully request that you seek through your meetings with President Xi to achieve three specific goals that could help place our bilateral ICT relationship back on a positive trajectory:

- First, the United States and China should reaffirm their commitment to open markets, particularly in the ICT sector, recognizing the significant benefits that both countries enjoy from integration into global ICT industry value chains.

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- Second, the United States and China should confirm the bedrock principle – reflected in their existing international obligations – that in pursuing measures to protect national security, they should ensure that measures affecting the ICT sector are: (i) necessary to advance a legitimate security objective; (ii) narrowly-tailored to achieve that objective; (iii) the least restrictive of open trade and competition as possible. In particular, both sides should commit to refrain from embedding in their national security laws, regulations, and policies specific requirements related to economic security that are designed to advance policies that distort markets and restrict open competition.
- Finally, the United States and China should agree, at the highest levels of government, to ensure that an ongoing high-level consultation mechanism exists and is dedicated to minimize any disruption to mutually-beneficial global ICT trade through the achievement of these goals.

We thank you in advance, Mr. President, for your consideration of these requests, and we stand ready and willing to discuss them with you and your Administration in greater detail.

Signed,

American Chamber of Commerce in China
American Chamber of Commerce in Shanghai
BSA | The Software Alliance
Coalition of Services Industries (CSI)
Computer & Communications Industry Association (CCIA)
Computing Technology Industry Association (CompTIA)
Consumer Electronics Association (CEA)
Information Technology Industry Council (ITI)
National Association of Manufacturers (NAM)
National Foreign Trade Council (NFTC)
Semiconductor Equipment & Materials International (SEMI)
Semiconductor Industry Association (SIA)
Software and Information Industry Association (SIIA)
TechNet
Telecommunications Industry Association (TIA)
U.S. Chamber of Commerce
US-China Business Council
United States Council for International Business (USCIB)
United States Information Technology Office (USITO)