

**ALERT** 

## New White House Strategy Document Offers Strong Rebuke of China

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This week, the White House submitted to Congress a new "strategic approach" to address and counter China's predatory policies that hamper U.S. trade and national security interests. Notably, this strategy document comes at a time of heightened political and economic tension between the United States and China and continues to up the ante in this critically important dispute.

The strategy calls for a "fundamental reevaluation" of the U.S.-China relationship. Key points include the following:

- Economic Threats: The document states that China has not lived up to its promises when it joined the World Trade Organization (WTO) in 2001, noting that the country continues to maintain a non-market economy structure, encourages and facilitates intellectual property theft and forced technology transfers, and leverages its economic power for political concessions.
- Human Rights Concerns: According to the strategy, the
  Communist Party of China is purging political opposition,
  stifling freedom of speech and access to information,
  surveilling its citizens, and abusing dissidents. Such policies
  have resulted in the detention of more than a million Uighurs
  and members of other ethnic minorities in indoctrination
  camps.
- National Security Threats: The document states that China's
  military build-up poses challenges for global commerce and
  supply chains. China continues to try to dominate global
  information and communications technology through unfair
  practices, such as data localization policies for geopolitical

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purposes.

• U.S. Response: The strategy highlights U.S. efforts already underway to combat China's influence, including the Department of Justice focus on countering intellectual property (IP) theft, enforcing the Foreign Agents Registration Act (FARA); securing the telecommunications supply chain; strengthening the Committee on Foreign Investment in the United States (CFIUS); cracking down on unfair trade practices; and ensuring the U.S. is leading the way on cutting edge tech.

While highlighting U.S. responses, the strategy emphasizes China's agency in shaping outcomes, stating that "United States policies are not premised on an attempt to change the [People's Republic of China's] domestic governance model," and that "[w]hether the PRC eventually converges with the principles of the free and open order can only be determined by the Chinese people themselves." According to the strategy, however, "the United States does not and will not accommodate Beijing's actions that weaken a free, open, and rules-based international order."

Congress asked the Trump Administration to put together and submit the strategy as part of the 2019 National Defense Authorization Act (NDAA).

Read the full report here.

Nicole Hager, a Law Clerk in Wiley's International Trade Practice, contributed to this alert.

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