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## United States Senate

COMMITTEE ON COMMERCE, SCIENCE,  
AND TRANSPORTATION

WASHINGTON, DC 20510-6125

WEBSITE: <https://commerce.senate.gov>

August 11, 2021

Mr. Jeremy Pelter  
Acting Under Secretary  
Bureau of Industry and Security  
1401 Constitution Ave. NW  
Washington, DC 20230

Dear Acting Under Secretary Pelter:

The Bureau of Industry and Security (BIS) plays a critical role in combatting threats to national security posed by Chinese companies and protecting the U.S. technology industry. To that end, the Department of Commerce issued a Final Rule further restricting access by Huawei to U.S. technologies by adding additional non-U.S. affiliates of Huawei to the Entity List, removing the Temporary General License for Huawei and replacing it with a more limited authorization, and expanding the scope of Foreign Direct Product Rule to tighten Huawei's ability to procure items that are the direct product of specified U.S. technology or software.<sup>1</sup>

My staff contacted the BIS seeking details about the licensing component of the rule as part of ongoing oversight about compliance with this rule by leading hard disk drive suppliers. Following an informal briefing, officials claimed that the information sought by staff is subject to Section 1761(h) of the Export Control Reform Act of 2018, which allows the Bureau to withhold certain information based on confidentiality concerns. However, the information requested neither focused on any particular company's compliance nor could have resulted in a breach of confidentiality for a company under investigation.

My staff has reviewed evidence suggesting possible non-compliance with this rule. As part of my investigation, I request responses to the following questions so my staff can ensure Huawei is not gaining unlawful access to U.S. technologies:

1. How many companies have sought a license to ship to Huawei or its affiliates under this Final Rule?
2. How many of those applications have been processed and granted?

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<sup>1</sup> Addition of Huawei Non-U.S. Affiliates to the Entity List, the Removal of Temporary General License, and Amendments to General Prohibition Three (Foreign-Produced Direct Product Rule), 85 FR 51596 (Aug. 20, 2020).

3. How many applications have been denied?

Please provide responses to these questions to Chief of Investigations Robert Turner at [Robert\\_Turner@commerce.senate.gov](mailto:Robert_Turner@commerce.senate.gov) by the close of business on August 16, 2021. Huawei poses a serious threat to American national security interests and I encourage BIS to take decisive and swift action against any company found to be circumventing this rule.

Thank you for your attention to this important matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Roger F. Wicker", written over the printed name below.

Roger F. Wicker  
Ranking Member  
Commerce, Science, and Transportation Committee