

# What To Expect From The House Select Committee On China

By **Claire Reade, David Skillman and Marne Marotta** (February 13, 2023)

In an early vote of the 118th Congress, the U.S. House of Representatives sent a strong signal that China policy may be one of the few areas where we can expect bipartisan cooperation.

The vote — 365-65 — established the Select Committee on the Strategic Competition Between the United States and the Chinese Communist Party.

Given this mandate, the select committee may be influential in establishing the conditions necessary for legislation to be adopted — or not— by the Congress' other committees of jurisdiction.

Comprising 13 Republicans and 11 Democrats, the committee is to investigate and submit policy recommendations on the status of the Chinese Communist Party's economic, technological and security progress, and its competition with the U.S.

Rep. Mike Gallagher, R-Wis., will serve as chairman and Rep. Raja Krishnamoorthi, D-Ill., as ranking member of the committee.

Gallagher represents Wisconsin's 8th congressional district, encompassing Green Bay and northeast Wisconsin. He also serves as a member of the House Armed Services Committee and on the House Select Committee on Intelligence.

Earlier in his career, Gallagher served in the Marine Corps as an intelligence officer, at times serving as staff to Gen. David Petraeus' U.S. Central Command. He also served as staff to the Senate Foreign Relations Committee and holds a Ph.D. in international relations from Georgetown University.

Krishnamoorthi represents Illinois' 8th congressional district, which includes some of Chicago's western and northwestern suburbs.

He serves as a member of the House Oversight and Reform Committee and on the House Permanent Select Committee on Intelligence. In addition, Krishnamoorthi is a member of the Congressional Asian Pacific American Caucus.

In a statement on his appointment to the committee, Krishnamoorthi highlighted China's threats against Taiwan's democracy, its weaponization of TikTok and theft of American intellectual property, saying he looks forward to working with members on both sides of the committee to counteract China's escalating aggression and ensure that the U.S. is "prepared to overcome the economic and security challenges" that China presents.[1]

Gallagher and Krishnamoorthi have a history of working together on a range of issues, including co-chairing the Middle-Class Jobs Caucus, introducing a bipartisan infrastructure bill[2] and cosponsoring legislation aimed at TikTok.[3]

## Initial Matters Under Consideration



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Gallagher has mentioned several issues that interest him and that will be among those on which the committee is initially focused. In addition, he has emphasized that he wants to work with his Democratic colleagues to find issues of interest to both sides of the aisle.

In particular, Gallagher has expressed an interest in investigating TikTok's data practices — and by extension, data practices in general — with regard to China; the \$18 billion backlog in weapons and military equipment that has been authorized by Congress but not yet delivered to Taiwan; and domestic industries that may be economically dependent on China or that feature supply chains heavily exposed to China.

Of note, Gallagher also hopes to review initiatives led by allies in the Indo-Pacific region that may be ripe for American investment and to review Chinese land purchases near U.S. military bases.

We discuss each of these topics in greater detail below.

### ***Cybersecurity***

As the new chairman of the House Armed Services Cyber Subcommittee, Gallagher will be able to advance his cyber policy agenda through legislation that falls within the Armed Services Committee's jurisdiction, including the National Defense Authorization Act.

Gallagher previously served as a co-chair of the U.S. Cyberspace Solarium Commission, which issued a report on "the implementation of [a] strategy of layered cyber deterrence" with several legislative proposals that Congress has yet to consider.[4] His work with the committee is likely to buttress this work.

One issue likely to attract Gallagher's attention is legislation to increase coordination among the intelligence community, civilian agencies and the private sector, especially for systemically important entities. Gallagher has also expressed an interest in increasing cybersecurity at ports and maritime transport.

In addition to the Solarium report proposals, Gallagher will likely investigate TikTok's data practices. Gallagher, Krishnamoorthi and Sen. Marco Rubio, R-Fla., introduced legislation in December to prohibit all transactions from TikTok and any other social media company in or under the influence of China, Russia or any foreign country of concern.[5] Gallagher and Rubio highlighted their concerns with TikTok in a November op-ed in the Washington Post.[6]

While Gallagher's initial focus may be centered on TikTok, he is very interested in looking more comprehensively at how the U.S. can and should decouple from China when it comes to data. Industries that transfer data to China may be subject to investigations focused on their practices and policies related to security, access and links to the Chinese government.

### ***Taiwan***

Gallagher said in a December 2022 interview that he wants to hold a field hearing in New York with the Federal Reserve and various financial actors to "tease out the financial and economic implications of a kinetic confrontation over Taiwan" because he does not think financial actors are pricing in the potential risk of investing in China.[7]

Gallagher has also said he wants to elevate the discussion beyond what the U.S. is

providing to Taiwan and have a discussion on why Taiwan matters.

### ***Supply Chain and Trade***

Gallagher is interested in restoring local supply chains and ending critical economic dependencies on China.[8] The committee will likely investigate the economic and national security implications of U.S. reliance on suppliers in China, the resiliency of critical supply chains and the feasibility of onshoring or "friendshoring" critical supply chains.

Based on Gallagher's previous statements, industries, including the semiconductor, energy, technology, telecommunications, defense, rare earth minerals, pharmaceutical and medical device industries, are likely to see investigatory activity.

As mentioned above, Gallagher is also interested in investigating domestic companies that may be too reliant on China in other ways.

Gallagher may also have trade policy interests. For example, he has previously said the revocation of permanent normal trade relations with China should be on the table.[9]

There may also be interest in the ongoing digital trade negotiations of the Indo-Pacific Economic Framework for Prosperity, which may implicate some of the data concerns noted above.

In addition, the Section 301 tariffs on Chinese imports, the quadrennial review of these tariffs and the exclusions process are likely to be of interest to the committee as well.

### ***Investment Concerns***

Gallagher has outlined several investment concerns.

#### *Outbound Investment in China*

Gallagher noted that lawmakers' concerns have focused on Chinese investments in the U.S. over the past five years, and that this focus should transition to enhanced scrutiny of outbound U.S. investment into China.[10]

#### *Endowment and Pension Plan Investments in China*

Gallagher is interested in working with colleges and universities that have figured out, or are trying to figure out, the right guardrails on endowment investments in China.[11] This interest extends to state and local pension funds as well.

#### *Chinese Purchases of Agricultural Land and Real Estate*

Gallagher has signaled his interest in broadening scrutiny of Chinese investment in the U.S. beyond traditional assets to include American farmland and real estate, especially land near military bases.

Many of those topics are expected to be generally bipartisan in concept, as Democrats frequently share similar concerns with regard to data security, the U.S.-Taiwan relationship and supply chain matters.

The committee, however, is expected to take a relatively partisan line on U.S.-China

cooperation on climate matters, especially with regard to supply chain connections to China for environmentally friendly goods.

### **Select Committee Influence on Legislation**

The committee does not have the power to take legislative action on bills or resolutions, but it is tasked with submitting policy recommendations and legislative proposals to the relevant standing committees. The committee, as described by Gallagher, will have three functions:

1. Elevating topics that he sees as receiving insufficient attention by policymakers;
2. Coordinating issues that fall within more than one standing committee's jurisdiction; and
3. Highlighting work already championed in the House of Representatives.

Legislative proposals must be submitted to the appropriate standing committees within 30 days of adoption by the committee, and policy recommendations are due by Dec. 31, 2023.

Stakeholders should therefore pay close attention to the committee's agenda to consider whether a defensive engagement strategy or proactively raising legislative interests with the committee may be appropriate, independent of the committee's oversight activities.

Gallagher himself said he hopes to compile a list of legislation that has the potential to pass in a divided Congress. Specifically, he aims to identify 10 to 20 pieces of legislation for advancement in Congress.

### **Timing of Select Committee Hearings**

We expect the committee will use February to organize and hire staff to support committee activities. Gallagher has indicated he hopes the committee will hold its first hearing no later than March.

### **Select Committee Members**

The committee is made up of 13 Republican and 11 Democratic members.

Republican members include Reps. Jim Banks, R-Ind.; Andy Barr, R-Ky.; Neal Dunn, R-Fla.; Carlos Gimenez, R-Fla.; Ashley Hinson, R-Iowa; Dusty Johnson, R-S.D.; Darin LaHood, R-Ill.; Blaine Luetkemeyer, R-Mo.; John Moolenaar, R-Mich.; Dan Newhouse, R-Wash.; Michelle Steel, R-Calif.; and Rob Wittman, R-Va.

Democratic members include Reps. Jake Auchincloss, D-Mass.; Shontel Brown, D-Ohio; Kathy Castor, D-Fla.; André Carson, D-Ind.; Ro Khanna, D-Calif.; Andy Kim, D-N.J.; Seth Moulton, D-Mass.; Mikie Sherrill, D-N.J.; Haley Stevens, D-Mich.; and Ritchie Torres, D-N.Y.,

Members of the committee also serve on nearly all the standing committees that could advance legislation aimed at China. It may therefore be possible for committee members who are also members of standing committees with overlapping jurisdiction on China-related issues to find common ground to advance legislation.

For example, in addition to serving as chairman of the committee, Gallagher also serves as chairman of the House Armed Services Cybersecurity Subcommittee, which has jurisdiction

over U.S. Department of Defense policy, programs and accounts related to cybersecurity, information technology and information operations, among other issues.[12]

Gimenez serves on the House Homeland Security Cybersecurity and Infrastructure Protection Subcommittee, which has jurisdiction over the Cybersecurity and Infrastructure Security Agency and the Science and Technology Directorate.[13]

And Dunn serves on the House Subcommittee on Communications & Technology, which has jurisdiction over international electronic communications, cybersecurity, privacy and data security, among other issues.[14]

Since all three members serve on standing committees with potentially overlapping jurisdiction on cybersecurity, the committee may serve as a way for the three standing committees to work together to pursue cybersecurity legislation.

## **Conclusion**

While many stakeholders are watching the select committee's oversight targets with keen interest, there may be opportunities to advance China-related policy ideas through the committee's reporting function. Although the committee cannot act on legislation, it can adopt and refer legislation out to the committees of jurisdiction.

As one of the few areas where we are likely to see bipartisan cooperation in the 118th Congress, it may be worth considering whether stakeholders' policy goals may be advanced through the committee.

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[1] <https://krishnamoorthi.house.gov/media/press-releases/congressman-raja-krishnamoorthi-appointed-serve-ranking-member-house-select>.

[2] 117th Congress — 1st Session H. R. 762.

[3] 117th Congress — 2nd Session H. R. 9508.

[4] <https://www.solarium.gov/report/legislative-proposals>.

[5] <https://gallagher.house.gov/media/press-releases/gallagher-rubio-introduce-bipartisan-legislation-ban-tiktok>.

[6] <https://www.washingtonpost.com/opinions/2022/11/10/marco-rubio-ban-tiktok-america-china-mike-gallagher/>.

[7] <https://thedispatch.com/newsletter/uphill/rep-mike-gallaghers-plans-for-the-select-committee-on-china/>.

[8] <https://www.foxnews.com/opinion/america-locked-china-cold-war-win>.

[9] <https://thedispatch.com/newsletter/uphill/rep-mike-gallaghers-plans-for-the-select-committee-on-china/>.

[10] <https://www.bloomberg.com/news/articles/2022-12-19/new-house-panel-on-china-to-scrutinize-us-china-investments?leadSource=uverify%20wall&sref=PVRqwF14>.

[11] <https://thedispatch.com/newsletter/uphill/rep-mike-gallaghers-plans-for-the-select-committee-on-china/>.

[12] <https://armedservices.house.gov/subcommittees/cyber-innovative-technologies-and-information-systems-117th-congress>.

[13] <https://homeland.house.gov/subcommittees/cybersecurity-infrastructure-protection-and-innovation/>.

[14] <https://energycommerce.house.gov/committees/subcommittee/communications-technology>.