



# U.S. House of Representatives

COMMITTEE ON WAYS AND MEANS

SUBCOMMITTEE ON TRADE

1139 LONGWORTH HOUSE OFFICE BUILDING

(202) 225-3625

Washington, DC 20515

September 11, 2025

The Honorable Donald J. Trump  
President of the United States of  
America  
The White House  
Washington, DC 20520

Dear President Trump,

We write to express our profound concern with the arrangement you have reported in which you plan to take a 15% cut of the sales revenue of certain advanced semiconductor chips sales in China in exchange for issuing the export licenses that permit those sales. We urge you to reconsider this approach, which we view as unlawful, an egregious abuse of national security protections, and a dangerous precedent that may irretrievably damage America's security and economic interests. We request an immediate briefing by senior members of your administration to explain the details of the arrangement that you negotiated, including an explanation of the legal and constitutional basis for taxing the exports of American firms.

In response to legitimate national security fears, U.S. administrations of both parties have carefully tightened export restrictions on the sale of advanced semiconductor chips to China in recent years. Your own Administration announced in early April 2025 that it would expand export restrictions by imposing export licensing requirements on the sale of certain advanced semiconductor chips, including the H20 and MI308 chips made by NVIDIA and AMD, and equivalent chips. The Department of Commerce has not issued export licenses for the chips until now, with one senior cabinet official admitting that the licenses were a bargaining chip in your trade discussions with China.<sup>1</sup>

The decision to treat congressionally authorized national security export restrictions as a bargaining chip to be traded away seriously undermines the credibility of the U.S. export control regime, as pointed out recently by congressional colleagues.<sup>2</sup> Now, however, we learn that your administration is not just trading away our security interests as part of a bargain with the Chinese, but that you actually intend to take a cut of those proceeds. You, yourself, have been quoted confirming that the 15% cut of chip sales was in exchange for the

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<sup>1</sup> Dou, E. (July 28, 2025) Trump's retreat on China Chip Ban Triggers Policy Spat, *Washington Post*, available at: <https://www.msn.com/en-us/news/politics/trump-s-retreat-on-china-chip-ban-triggers-policy-spat/ar-AA1Js2AR?ocid=BingNewsVerp> ("We held it up, and then, in the magnets deal with the Chinese, we told them that we would start to resell them," Lutnick said.)

<sup>2</sup> Letter to Sec. Lutnick from U.S. Reps. Krishnamoorthi and Meeks, July 27, 2025 available at: [https://democrats-selectcommitteeontheccp.house.gov/sites/evo-subsites/democrats-selectcommitteeontheccp.house.gov/files/evo-media-document/7.27.2025\\_letter-to-commerce-dept-re-export-controls.pdf](https://democrats-selectcommitteeontheccp.house.gov/sites/evo-subsites/democrats-selectcommitteeontheccp.house.gov/files/evo-media-document/7.27.2025_letter-to-commerce-dept-re-export-controls.pdf)

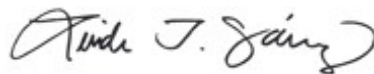
release of the licenses.<sup>3</sup> Senior cabinet officials and administration spokespeople are now openly considering how this new model could expand in the future to other companies.<sup>4</sup>

Under the U.S. Constitution, Art. 1, Sec.9, Clause 5 reads “[n]o Tax or Duty shall be laid on Articles exported from any State. This clause categorically bars the imposition of taxes on exports.<sup>5</sup> In addition to the clear and unambiguous constitutional prohibition on levying taxes on exports, federal law also forbids this practice with even greater specificity. The Export Controls Act of 2018 states clearly, “[n]o fee may be charged in connection with the submission, processing, or consideration of any application for a license....”<sup>6</sup> It appears crystal clear that the promise of payments you have extracted from U.S. firms is unlawful under both the spirit and letter of the law.

Aside from the apparent illegality of the “revenue sharing” arrangement, the notion of charging U.S. companies to export establishes a dangerous precedent that both threatens America’s national security and opens the door to rampant corruption. If the chips in question pose an unacceptable national security risk to the United States, as the Bureau of Industry and Security has already determined, then there is no percentage of sales that can justify endangering America’s national security. Licenses should be issued based on technical requirements impartially applied by BIS experts in order to mitigate risk, and not on the basis of a mafia-style shake-down.

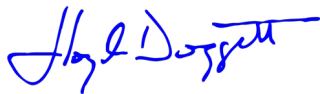
We request, as a matter of urgency, that you reverse the arrangement and have senior officials from your administration brief Congress.

Sincerely,




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Linda Sánchez  
Member of Congress




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Lloyd Doggett  
Member of Congress




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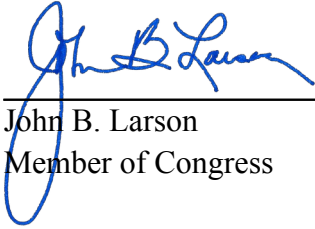
Mike Thompson  
Member of Congress

<sup>3</sup> McCarthy, S and Mattingly, P. (Aug. 11, 2025) *Nvidia and AMD Will Give US 15% of China sales*, CNN, available at: <https://www.cnn.com/2025/08/11/china/us-china-trade-nvidia-chips-intl-hnk> (“I said, ‘If I’m going to do that, I want you to pay us as a country something because I’m giving you a release.’”)

<sup>4</sup> See, e.g., McCormick, M. (Aug. 13, 2025) U.S. Treasury Secretary Floats Rolling Out Export Tax to More Industries, *Financial Times*, available at: <https://www.ft.com/content/1434c913-be45-44b4-8947-4b53fadc9cd7>

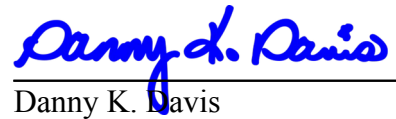
<sup>5</sup> United States v. IBM, 517 U.S. 843, (1996).

<sup>6</sup> 50 USC 4815(c) (prohibiting fees)



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John B. Larson  
Member of Congress



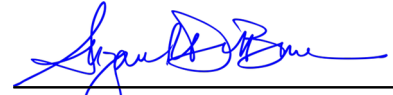
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Danny K. Davis  
Member of Congress



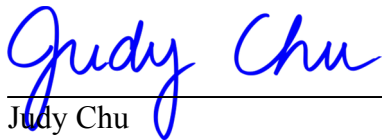
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Terri A. Sewell  
Member of Congress



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Suzan K. DelBene  
Member of Congress



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Judy Chu  
Member of Congress



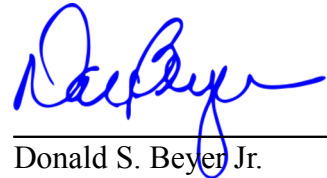
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Gwen S. Moore  
Member of Congress



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Brendan F. Boyle  
Member of Congress



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Donald S. Beyer Jr.  
Member of Congress



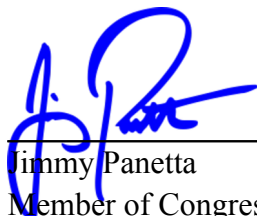
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Dwight Evans  
Member of Congress



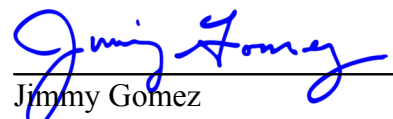
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Bradley Scott Schneider  
Member of Congress



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Jimmy Panetta  
Member of Congress



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Jimmy Gomez  
Member of Congress

cc: Secretary Bessent  
Secretary Lutnick  
Ambassador Greer