

Congress of the United States
House of Representatives

COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY

2321 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6301

(202) 225-6371
www.science.house.gov

May 31, 2023

The Honorable Sethuraman Panchanathan
Director
National Science Foundation
2415 Eisenhower Avenue
Alexandria, VA 22314

Dear Director Panchanathan,

We write to conduct oversight of the implementation of the research security provisions included in the CHIPS and Science Act of 2022.¹

Congress, as well as both the current and previous administrations, has recognized the need for strong research security protocols to protect the integrity of taxpayer-funded research. It is imperative that academic institutions conducting research funded by the federal government adhere to these policies to safeguard those investments and protect our research from being stolen and used by adversaries. The threat to our intellectual property is very real, as the Chinese Communist Party (CCP) has made clear in its efforts to steal our research results. Yet at least one prominent academic institution has accepted significant funding from China without disclosing it to the Federal government. This makes it all the more urgent that the National Science Foundation implement its new research security protocols.

Section 223 (42 U.S.C. §6605) of the National Defense Authorization Act of 2021² requires individual disclosures of the amount, type, and source of all current and pending research support received by individuals when applying for federal research and development grants. Congress established additional institutional disclosure requirements in Section 10339B (42 U.S.C. §19040) of the CHIPS and Science Act. This legislation requires institutions of higher education to report any foreign financial support of \$50,000 or more to the Director of the National Science Foundation.

¹ [P.L. 117-167](#)

² [P.L. 116-283](#)

It has recently come to our attention that the University of California Berkeley (UC Berkeley) failed to disclose to the Federal government \$240 million in investments from the Chinese municipal government for the Tsinghua-Berkeley Shenzhen Institute (TBSI), a joint research initiative, as well as other contracts with the Chinese government dating back to 2014.³ In exchange for monetary contributions, UC Berkeley officials offered exclusive tours of cutting-edge semiconductor research facilities to Chinese delegations connected to the TBSI. These delegations included Chinese researchers as well as multiple senior Chinese government officials. This is especially troubling given that there are no divisions between China's government and its business and academic community, and the CCP has publicly disclosed that its plan to surpass the U.S. in science and technology involves stealing the results of our research, whether through foreign talent programs, forced acquisition, or other illicit means. The CCP's interest in dominating advanced semiconductor manufacturing is what led the United States and the European Union to enact major policy changes to protect the global supply of semiconductors.⁴ Allowing adversarial nations to access research facilities at the leading edge of semiconductor design is unacceptable, especially when that access is given by a U.S. research institution that receives over \$700 million annually⁵ in funds from the Federal government.

In addition to receiving support from the Chinese government, UC Berkeley also explored additional funding opportunities with dozens of Chinese companies, including Huawei, ZTE and DJI, which were later sanctioned by the U.S. government. Each of these companies has been identified as a threat to the safety and privacy of U.S. citizens.^{6,7} Whether they operate on our telecommunications networks or in the national air space, technology platforms with any capacity to collect or transmit data are easily coopted by the Chinese surveillance state and we must be vigilant about protecting them. Research institutions like UC Berkeley support the development of these advanced technologies and have a responsibility to ensure their work is not weaponized by our adversaries.

Since 2015, at least twenty-one executives from Chinese entities have served one term on TBSI's industrial advisory board, whose mission is to strengthen ties between TBSI and industry partners; support the creation of joint laboratories, collaborative research projects, and visiting

³ Yuichiro Kakutani. "Berkeley's \$220M Mistake Exposed in Massive Deal with China," *The Daily Beast*, May 22, 2023, at <https://www.thedailybeast.com/uc-berkeley-failed-to-disclose-dollar220m-tech-deal-with-china-to-us-government#:~:text=The%20university%20has%20failed%20to,campus%20is%20still%20under%20construction>.

⁴ Brookings, Bringing Economics Back into EU and U.S. Chips Policy, December 20, 2022, at <https://www.brookings.edu/techstream/bringing-economics-back-into-the-politics-of-the-eu-and-u-s-chips-acts-china-semiconductor-competition/>.

⁵ National Center for Science and Engineering Statistics. Higher Education R&D Survey: U. California, Berkeley. Accessed May 24, 2023 at <https://ncesdata.nsf.gov/profiles/site?method=report&tin=U3266001&id=h3>

⁶ Council on Foreign Relations, "Is China's Huawei a Threat to U.S. National Security?," February 8, 2023, at <https://www.cfr.org/backgrounder/chinas-huawei-threat-us-national-security#:~:text=In%202022%2C%20an%20FBI%20investigation.about%20the%20U.S.%20nuclear%20arsenal>.

⁷ Federal Communications Commission, "Carr Calls for Review of DJI, Citing National Security Risks", October 19, 2021, at <https://www.fcc.gov/document/carr-calls-review-dji-citing-national-security-risks>

industry fellows; establish sustainable funding models to provide resources for research; and recruit students and faculty through targeted fellowships, endowed chairs, and other forms of support.⁸

This close relationship between UC Berkeley and China’s “university-government-industry partnership” is a perfect example of the necessity for strong research security and transparency protocols to safeguard proprietary American research and intellectual property. Troublingly, UC Berkeley is not the only American university collaborating with TBSI. The External Advisory Board for TBSI is comprised of nine members, five of which are faculty or administrators from institutions of higher education, including the Massachusetts Institute of Technology (MIT), Harvard University, and Texas A&M University.

NSF’s work is at the vanguard of protecting taxpayer-funded research investments, and these examples demonstrate the value and urgency of implementing the new Congressionally-mandated research security provisions.

To ensure transparency and timely implementation of the new research security protocols, we ask that you please provide written responses to the following questions no later than June 15, 2023.

1. Where is NSF in the process of implementing the new requirements established by the CHIPS and Science Act?
2. Specifically, what progress has NSF made on Section 10339B (42 U.S.C. §19040) of the CHIPS and Science Act? Have you begun the process of collecting annual institution disclosures to foster necessary transparency with the Foundation and the Federal government?
3. How do you learn about allegations of failure to disclose required information? Does NSF have plans to conduct assessment and analysis of these institutional disclosures?
4. While waiting to implement the disclosure requirements directed in Section 10339 B (42 USC §19040) of the CHIPS and Science Act, does NSF examine the semiannual institutional reporting to the Department of Education that’s required in Section 117 of the Higher Education Act of 1965?
5. Do you have a process for recipient institutions to correct inaccurate or incomplete disclosures?

⁸ TBSI, “Introduction of Tsinghua-Berkeley Shenzhen Institute Industrial Advisory Board,” October 19, 2015, at <https://www.sigs.tsinghua.edu.cn/english/2015/1019/c3758a25605/page.psp>.

6. What actions can NSF take to enforce disclosure requirements? Does the Foundation require any additional authorities to address enforcement of institutional disclosure requirements?
7. How does NSF determine whether a failure to disclose justifies an enforcement action?
8. Has news of Berkley's failure to disclose this funding to the Department of Education led to further scrutiny by NSF of the \$64 million that UC Berkely received in FY 2021⁹? Why or why not?
9. Has any of the \$511 million that UC Berkeley received from NSF since 2015 been used to support researchers affiliated with TBSI?

In addition to a written response to the listed questions, we welcome the opportunity for our staff to be briefed at your earliest convenience. Please return a written response by June 15, 2023. We thank you for your attention to this matter and look forward to working with you to continue to safeguard taxpayer-funded investments in academic research.

Sincerely,



Frank Lucas
Chairman
House Committee on Space, Science, and
Technology



Mike Collins
Chair
Subcommittee on Research and Technology

cc: The Honorable Zoe Lofgren, Ranking Member, House Committee on Science, Space, and Technology

⁹ National Center for Science and Engineering Statistics. Higher Education R&D Survey: U. California, Berkeley. Accessed May 24, 2023 at <https://ncesdata.nsf.gov/profiles/site?method=report&tin=U3266001&id=h3>.