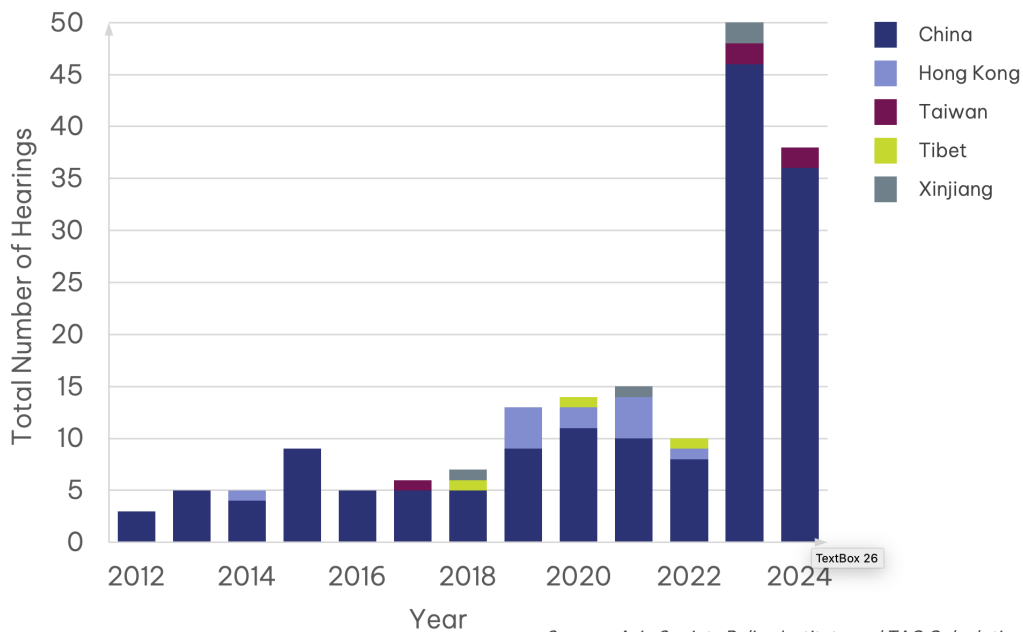


FEBRUARY 10, 2025

# Commentary: The 119th Congress and China: Widespread Interest but Doubtful Legislative Outcomes

## Number of Congressional Hearings on China



## Key Takeaways

- Much Talk, Less Action:** Bipartisan interest in China on Capitol Hill is wide but not deep. In 2024, Congress held nearly 40 China-focused hearings – a slight drop from 50 in 2023 – and debated over 800 China-related resolutions, bills, and amendments. But aside from a piece of nearly unanimous legislation to force ByteDance to divest TikTok – now suspended by President Donald Trump – no significant bills impacting China or U.S.-China relations were signed into law.



- **Trump in Charge:** The Republican-controlled Congress in 2025 will look to President Trump to drive the legislative agenda. China policy issues that previously enjoyed bipartisan support (i.e., outbound investment screening, export controls, biotechnology restrictions) will be placed on the back burner until the new administration reviews Biden-era executive orders and sets its policy directions – unless specific events prompt bipartisan legislation to snowball into law.
- **More Partisanship:** As the 119<sup>th</sup> Congress reacts to President Trump’s swift and aggressive policymaking style, previous bipartisan amity on China issues may fray. Democrats seem likely to resist the President’s agenda by picking at the details of issues like tariffs, the mooted revocation of normal trade relations, and other China competition issues, setting political limits on legislative activity until the midterm elections in 2026 – against the backdrop of very narrow Republican majorities in both Congressional chambers.
- **Lots of Small Issues and One Big One:** Much of the legislative agenda carried over from 2024 – blocking certain Chinese biopharmaceutical companies, codifying investment restrictions, or closing the de minimis loophole – would create sector-specific problems, and hurt certain classes of corporations. But they would not lead to deep changes in U.S.-China ties or U.S. economic competitiveness. The main exception to this is the idea of permanently revoking China’s status as a normal trading partner, which would be a structural and historic change. For that reason, President Trump is likely to retain control over that lever for use in his own China strategy.

## Looking Back on the 118<sup>th</sup> Congress

Although the 118<sup>th</sup> Congress spent a lot of time and energy on China policy, substantive changes to U.S. law governing the U.S.-China relationship largely failed to reach the President’s desk. [Legislation](#) forcing ByteDance to divest TikTok in the United States was the notable exception. Bipartisan interest in China remains wide, but not deep.

In 2024, Congress held nearly 40 China-focused hearings – less than the roughly 50 in 2023 – and debated over 800 China-related resolutions, bills, and amendments. Speaker of the House Mike Johnson (R-LA) made good on his [promise](#) to dedicate a full week of legislative activity to China policy. In September, the House passed [25 pieces](#) of China legislation, yet nearly all of these fell short in the Senate during the lame duck legislative session.



By the end of the 118<sup>th</sup> Congress in 2024, major China policy proposals that had consumed Congressional attention and bandwidth either failed to be passed or were watered down.

- **Outbound Investment** – The House Select Committee on China spent much of 2024 negotiating with various House and Senate stakeholders to reach compromise on a proposal – mirroring a Biden Administration [Executive Order](#) (EO) – to establish a program at the Treasury Department to both prohibit and require notification of outbound U.S. investments to China in certain strategic sectors. Although a compromise on language was reached, the Comprehensive Outbound Investment National Security (COINS) Act fell out of the year-end government spending package at the last minute. Republican leaders in both the Senate and House introduced a version of this [bill](#) that will likely be taken up this year.
- **BIOSECURE** – Congress spent much of 2024 debating the [BIOSECURE Act](#) which prohibits federal contracting with certain Chinese biotechnology firms (including BGI, MGI, Complete Genomics, WuXi Apptec, and WuXi Biologics) among other changes to address China’s role in biotechnology supply chains. Despite passing the House (306–81) during “China week,” Senator Rand Paul (R-KY) and Rep. Jim McGovern (D-MA) were able to successfully convince their respective political party leadership to keep BIOSECURE off the Senate floor and out of the year-end government funding and annual defense bills. Senator Paul is now the chairman of the Senate Committee on Homeland Security and Government Affairs and will exert a high degree of influence over any future efforts to pass BIOSECURE in the Senate.
- **De Minimis** – The House Ways and Means Committee advanced the End China’s De Minimis Abuse Act out of committee along party lines in April 2024. Negotiations with the Senate Finance Committee stalled despite bipartisan support for changing the law. In lieu of Congressional action, the White House issued an [executive order](#) to crack down on exploitation of the de minimis exemption and called on Congress to codify the change in statute. The Trump Administration is currently [reviewing](#) the Biden EO with a particular focus on assessing the loss of tariff reviews and risk of importing narcotics and counterfeit products under the current implementation of the exemption.
- **Countering CCP Drones Act** – During “China Week,” the House passed by voice vote Rep. Elise Stefanik’s (R-NY) [Countering CCP Drones Act](#) which would’ve immediately added Chinese drone maker DJI to the FCC Covered List and



effectively banned DJI from operating on U.S. communications infrastructure. However, the proposal was watered down during negotiations with the Senate. Despite significant lobbying efforts to kill the bill, compromise text was included in the [FY25 National Defense Authorization Act](#) that required an appropriate national security agency to make a determination on the national security risks posed by DJI, as well as Autel Robotics, within one year. If no determination is made, these entities will be added to the FCC Covered List.

## Legislative Landscape for 2025

In addition to control of the White House, Republicans currently enjoy a three-seat majority in the Senate and a five-seat majority in the House. However, due to vacancies from Presidential appointments, House Republicans cannot afford to lose one defection from their majority until early April. Speaker Johnson has struggled to manage the right wing of the House Republican Conference and his ability to negotiate with the Senate and White House will continue to be constrained. Heading into 2025, there are a several structural political factors that will shape legislative activity on China.

- **Trump's White House:** In 2017, Congressional leaders presented President Trump with a policy agenda for him to endorse. First moves on the budget reconciliation process were complete before inauguration day. Now, President Trump is actively driving the Republican agenda – [outlining](#) domestic priorities for budget reconciliation, driving negotiations over [raising](#) the debt ceiling, and governing by [executive orders](#) – even where Congress is positioned to pass the same measures (i.e., repealing portions of the Inflation Reduction Act). The swift and aggressive policymaking out of the White House early in the term has set the pace for the relationship with Congress. Policymakers interested in aggressively pushing major pieces of China legislation across the finish line – outbound investment screening, biotechnology restrictions, de minimis reform – are likely to wait to see where the Administration moves on these issues first. President Trump's current interest in finding a deal to keep TikTok operating in the United States is the preeminent example of why no Congressional policymaker wants to get ahead of the President on China – much less [Taiwan](#) – for now.
- **Domestic Policy:** The White House and Congress are focused on passing a major budget reconciliation bill that drives the President's domestic agenda on border, immigration, energy, and tax policy by April. Congress will also have to tackle a number of competing priorities along the way: confirming Presidential appointees, passing a budget by March 14, raising the debt ceiling, possible



disaster relief for California wildfires, and responding to the White House's direct [challenges](#) to Congress's enumerated powers in the Constitution.

Legislating on foreign policy and national security is going to take a back seat until mid-to-late 2025 absent an international crisis and will inevitably be largely subsumed to efforts to pass the annual defense bill.

- **Trade and Tariff Negotiations:** On January 20, President Trump initiated a comprehensive set of trade and economic directives in his [America First Trade Policy Memorandum](#). By April, reviews of China's compliance with Phase One Trade Agreement, the China Section 301 Investigation, legislative proposals to revoke Permanent Normal Trade Relations (PNTR) with China, export controls, Office of Information and Communication Technology and Services (ICTS) rulemaking, and the Outbound Investment Security Program should be complete. However, as the comprehensive review process gets underway, the President [declared](#) a national emergency regarding the trafficking of drugs across U.S. borders and imposed a 25 percent tariff on imports from Mexico and Canada, as well as a 10 percent tariff on China. The view from Congress is that these early reviews and tariffs are designed to kick start leverage building for negotiations and will rapidly evolve. Congressional leadership will generally want to sequence any proposals to codify the existing set of tariffs on China or revoke PNTR with White House actions and not get ahead of the President who has demonstrated a strong interest in controlling all the levers of tariff policy for negotiations with China.
- **Personnel as Policy:** At working levels, the new administration is primed to be populated by Congressional staffers who have been actively involved in China policy debates over the last several years. For example, many of the personnel running the current reviews of export controls on chips and chipmaking equipment or outbound investment screening shaped Congressional oversight of the Biden Administration's development and implementation of these tools. These staffers now have an opportunity to adjust these programs to reflect new priorities. Additionally, they will seek to leverage relationships in Congress when new authorities or Congressional political pressure on the interagency is needed to drive policy outcomes. For the next two years, a more cooperative relationship between administration actors and Congressional oversight will shape China policy and inform Congressional leveraging of its "bully pulpit" on China.



## Key Watchpoints

As with previous years, “bipartisan consensus” on China can snowball at the right time into legislation that could produce structural changes to how the United States will prosecute strategic competition with China. Republican control of the White House and Congress until at least 2027 means that legislation has the potential to move quickly at the direction of the President. However, President Trump’s policy preferences and most importantly, use of his powers under Article 2 of the Constitution, will regularly be at odds with some Congressional Republicans’ preferences. There are a number of key watchpoints that will dictate how this tension is resolved and establish political guardrails for legislative activity on China:

- **Tariff Wars:** While President Trump might prefer to use tariffs to correct economic [imbalances](#) with U.S. trading partners, deter [replacement](#) of the dollar as a common currency, or secure [cooperation](#) on counternarcotics and immigration initiatives, there is a remnant of Congressional Republicans who will question both the [economic impact](#) of this tool of choice and the [authority](#) of the President to wield it. Specifically, early legal fights over whether the President has the authority to impose tariffs under the International Emergency Economic Powers Act (IEEPA) – which provides extensive power to address national emergencies and is the basis for many economic sanctions programs – will set a precedent for how Congress and the President will work together to advance the President’s trade and tariff agenda. If courts determine that the President does not have legal authority to use IEEPA to implement tariffs, will Congress pass a law delegating those additional authorities to the executive? Will the President revert to relying on other statutes – including [Section 301](#), [Section 232](#), [Section 201](#) authorities – to drive his trade and tariff agenda? Will Congress try to pass [exemptions](#) for key sectors? Expect a continuous struggle between Congress and the President on tariff policies for the remainder of Trump’s presidency.
- **PNTR:** Congressional debate around revoking PNTR for China has recently been given a blessing by the Trump Administration. While bipartisan Congressional interest in revoking PNTR has increased over the last several years, appetite for fundamentally restructuring the U.S. – China economic relationship over the long run remains unclear and will inevitably be influenced by how President Trump seeks to control the levers of tariff policy himself. The President has already moved to impose tariffs on China and he will seek to keep a steady hand over the PNTR debate in Congress to ensure that he maintains continued leverage in his negotiations with Beijing. A key early warning sign that legislation to revoke PNTR – like this bipartisan [proposal](#) from House Select Committee on China



Chairman Rep. John Moolenaar (R-MI) and Sen. Tom Cotton (R-AR) – will gain momentum is a commitment by House Ways and Means Chairman Rep. Jason Smith (R-MO) to mark up a PNTR bill in 2025.

- **TikTok:** A lot of ink has already been spilled on future of TikTok’s operations in the United States, but President Trump’s [EO](#) delaying enforcement of The Protecting Americans from Foreign Adversary Controlled Applications Act ([Pub. L. 118-50, div. H](#)) until April 5 has dampened enthusiasm for aggressively legislating on data privacy and security issues related to China. Until a clear outcome for TikTok has been reached, expect Congress to initially defer to the Executive Branch to tackle policy concerns surrounding data security and privacy issues arising from China-origin connected products. Codification of previous EOs on connected vehicles or data transfers could follow after agency reviews are complete.
- **Hong Kong:** During his time in the Senate, Secretary of State Marco Rubio spearheaded a number of initiatives to drive U.S. policy on Hong Kong. In particular, he was instrumental in bills that advocated for economic sanctions in response to human rights abuses and the erosion of Hong Kong’s political autonomy from mainland China. He also already raised [concerns](#) about Hong Kong-based entities being an enabler of Chinese government interests abroad. Prior to his appointment, Rubio led the Senate effort to require the State Department to determine if Hong Kong Trade and Economic Offices (HKETOs) should continue to operate in the United States and benefit from certain diplomatic privileges. The [HKETO Certification Act](#) passed the House (413-3) during “China week” in September and Rubio is likely to support its passage in 2025 – which will complement his ability as Secretary of State to drive change on Hong Kong policy issues.
- **Comprehensive China Competition Legislation:** Over the course of the last two Congresses there have been [multiple attempts](#) to leverage “bipartisan consensus on China” and pass comprehensive China competition bills. Last fall the House passed [25 pieces](#) of legislation during “China week” yet failed to secure Senate support for nearly all of these measures. Additionally, Chairman of the Senate Foreign Relations Committee Senator Jim Risch (R-ID) introduced the [STRATEGIC Act](#) to define the baseline for China competition legislation in the 119<sup>th</sup> Congress. After the initial legislative focus on domestic policy priorities get addressed in the first eight months of 2024, look to Senate Majority Leader John Thune and Speaker Johnson to take their own turn at driving comprehensive China competition bills that not only addresses those ideas left behind in the 118<sup>th</sup> Congress but respond to new White House priorities.