



April 11, 2025

The Honorable Howard Lutnick
Secretary
U.S. Department of Commerce
1401 Constitution Ave NW
Washington, D.C. 20230

Jeffrey Kessler
Under Secretary for Industry and Security
U.S. Department of Commerce
1401 Constitution Ave NW
Washington, D.C. 20230

Dear Secretary Lutnick and Under Secretary Kessler:

We write to express concern regarding the recent surge in orders placed by Chinese firms for Nvidia's H20 server chips, and to strongly recommend that the Bureau of Industry and Security (BIS) swiftly issue clear guidance restricting the export of these powerful AI GPUs to China.

As you know, Chinese technology giants, including ByteDance, Alibaba, and Tencent, have rapidly placed orders totaling approximately \$16 billion for Nvidia's H20 chips.¹ These H20 GPUs, notably upgraded with high-bandwidth memory, provide enhanced inference capabilities that are critical for reinforcement learning, test-time compute, and synthetic data generation—key technologies in the development of frontier AI models. Persistent efforts by Chinese companies to obtain H20 chips could be highly detrimental to the continued leadership of American innovation.

Experts note that these chips are significantly more powerful for inference tasks than even the previously banned Nvidia H100 GPUs.² Allowing the unrestricted export of over a million of these GPUs directly facilitates China's ambitions to surpass the United States in critical AI capabilities, potentially undermining our national security and economic leadership. Prominent AI labs in China, such as DeepSeek, have already demonstrated their capacity to leverage even fewer resources for significant AI advancements, illustrating the acute risk posed by such large-scale acquisitions.

At a time of rising economic tensions, the export of H20 chips to China may needlessly fuel a global rival's drive to out-compete the United States in innovation. As the Trump Administration works to level the playing field with China on trade, limiting exports of this critical technology would provide the Administration with additional leverage. Just as China placed export

¹ Liu, Qianer. [Nvidia Faces Dilemma After Chinese Firms Rush to Order \\$16 Billion in New AI Chips](#). The Information. April 2, 2025.

² Fist et al. [An Action Plan for American Leadership in AI](#). Institute for American Progress. March 17, 2025.

restrictions on rare earth elements to the United States, the Administration has an opportunity to limit one of our most valuable exports to China: high-end chips.³

Given these pressing concerns, we strongly encourage BIS to immediately issue a clear directive that the H20 GPUs fall under existing export control regimes, effectively restricting their sale to entities within China. Within this directive, we urge BIS to:

1. Issue an immediate clarification that H20 chips will be subject to export controls to China and other countries of concern, consistent with previous statements from your administration indicating intent to restrict these chips.
2. Accelerate the timeline for implementing these restrictions to prevent the rush orders from being fulfilled, recognizing that Chinese entities are specifically attempting to circumvent anticipated controls.
3. Establish a clear timeline for industry to comply with these restrictions, recognizing the manufacturing and supply chain realities faced by companies like Nvidia.

This decisive action will provide essential clarity for U.S. companies, mitigate strategic risks, and affirm America's commitment to maintaining leadership and security in the global AI race. Your leadership and timely action in this matter are crucial to safeguarding the United States' technological edge and national security.

Sincerely,

A handwritten signature in black ink, appearing to read "Brad Carson". The signature is fluid and cursive, with the first name "Brad" being larger and more prominent than the last name "Carson".

Brad Carson
President, ARI

³Lewis, Jackson. [China hits back at US tariffs with export controls on key rare earths](#). Reuters. April 4 2025.