

Corporations

American corporations wield significant political influence domestically and are some of the most significant sources of American soft power abroad. Foreign leverage over American corporations can thus advance important strategic interests of the country in question. In addition, as Chinese corporations go abroad, they, too, bring with them the potential of being leveraged by the Chinese government to advance China's interests. This section examines improper influence in the US corporate sector, as well as the potential for future influence because of significant economic exposure to China.

The US-China economic relationship is large and multifaceted. Trade statistics illustrate just one aspect of this tangled web: In 2017, the United States exported goods worth \$130 billion to China, while importing goods worth \$505 billion.¹ With trade also comes extensive foreign investment, as well as significant levels of employment of each country's citizens. Since 2000, the cumulative value of Chinese foreign direct investment (FDI) in the United States has exceeded \$140 billion, with US investment in China being more than double that amount.² In the United States, there is more Chinese investment in the real estate sector than any other area. But until recently more deals are being done in the information technology sector, which has attracted the growing attention of the Committee on Foreign Investment in the United States (CFIUS).

China is increasingly willing to engage in aggressive forms of economic statecraft.³ This includes not just denial of access to, or harassment in, China's own market, but also targeting of other countries' domestic economies and companies. These actions are sometimes state-led; at other times China's state-run media will encourage "consumer-led" boycotts (as in the cases of Japan, Norway, and South Korea, among others).⁴ Chinese corporations abroad are all well aware of Chinese official policy and understand the value of acting in support of their country's foreign or industrial policy objectives. China's growing commercial presence in other countries' economies strengthens its ability to potentially influence their politics.

This section examines corporate sector influence through three lenses: (1) the use of business-related United Front organizations in the United States; (2) Chinese companies operating in America; and (3) Chinese pressuring and manipulation of American companies as vectors of influence. All three approaches are cause for concern, yet the pressuring manipulation of American corporations has generally attracted less attention.

This section intends to highlight three main developments. First, China is supporting an increasing number of local chambers of commerce in the United States with direct ties to CCP officials. Second, as Chinese companies have become more global, they have also grown more sophisticated in their efforts to socialize and localize themselves in their new American communities, but also acquire political influence in the United States. Finally, China increased its efforts to pressure, co-opt and sometimes even coerce foreign corporations with the aim of influencing politics in their home countries.

The Use of Business-Related United Front Organizations

Consistent with the practice of other nations, major Chinese firms operating in America are represented by a chamber of commerce network. Analysis detailed below suggests that China also operates an extensive list of United Front organizations purporting to be regional chambers of commerce. China's public-facing chamber in the United States is known as the China General Chamber of Commerce (CGCC), which was founded in 2005. It is headquartered in New York with five regional operations in Chicago, Houston, Los Angeles, San Francisco, and Washington, DC. Its website states that it has 1,500 member companies, both Chinese and non-Chinese. The organization's chair is Bank of China USA president and CEO Xu Chen. Its website lists more than sixty individuals, many from state-owned companies, in governance roles; its website lists a staff of nine.

Consistent with business organizations of other countries, the CGCC engages in a mix of political engagement with its host and home countries (e.g., testifying at the US International Trade Commission⁵ and hosting officials from the Chinese Ministry of Commerce⁶); informational activities for its members (e.g., a lunch-and-learn on labor and safety issues in the United States);⁷ and promotional activities (e.g., dinner galas and charity events). The CGCC is actively engaged with senior American political and business leaders. In July 2017, it hosted a welcome luncheon at the National Governors Association meeting in Rhode Island, at which the governors of Maryland, Kentucky, Alaska, Arizona, Louisiana, and Rhode Island attended. In September 2017, the group organized the visit of the governors of Alaska and Missouri to China.⁸

Inconsistent with the practice of other countries, China also oversees an extensive network of local chambers of commerce. This raises a question of their possible ties to the Chinese party-state, and whether these chambers may be misrepresenting themselves as local concerns when they are instead activated by, or in liaison with, the Chinese government. Research for this project has identified thirty-one business-focused organizations operating in the United States that are explicitly associated with or whose profiles and activities are highly suggestive of involvement with United Front work.⁹ Most of these groups are concentrated in Greater Los Angeles and New York City, two principal communities of the Chinese diaspora. They are typically organized by hometown province of origin. This count

does not include many other professional diaspora groups that may be used to facilitate China's influence operations.

Such Chinese groups have increased their activity in the United States since 2015,¹⁰ and many of these groups have had interactions with the United Front Work Department and other Chinese officials both in the United States and in China, contacts that are distinctly different from invitations to embassy or consular diplomats and bear further scrutiny.¹¹



At least eleven of the chambers identified in this analysis were established in 2016 or later, consistent with heightened activity observed in other sectors of society dedicated to projecting China's soft power and influence abroad. (Tellingly, China's spending on diplomacy has doubled to \$9.5b per year under Xi Jinping.)¹² The US-Zhejiang General Chamber of Commerce's WeChat description explicitly references a 2015 provincial directive on strengthening the province's overseas Chinese connections (see screenshot). Many of these groups maintain their own presence, via a website or, increasingly, the WeChat social media platform. In one instance, our researcher's antivirus software blocked an intrusion attempt while researching the US-Fujian Chamber of Commerce.

Chinese Companies Operating in America as a Vector of Influence

More than 3,200 Chinese-owned companies operate in the United States, employing 140,000 Americans.¹³ Chinese establishments operate in all but ten congressional districts.¹⁴ As Chinese companies' presence in the US economy grows, given the United Front's penchant for using civil society organizations for its purposes, they bring with them several potential risks. First, their potential to be used by Beijing may result in activities that are contrary to US interests, as evidenced by intense scrutiny of their investment activities by CFIUS and reported warnings by counterintelligence officials. Second, growing access to the US political system, even if currently used to advance legitimate economic interests, creates openings for future exploitation by the Chinese government. Third, Chinese companies may effectively "export" corrupt or unethical business practices.

Activities Contrary to US Interests

The technology sector has been the most consistent and prominent source of concern. In 2012, the Intelligence Committee of the US House of Representatives declared Chinese technology companies Huawei and ZTE a national security threat given the firms' alleged ties to the Chinese military and the potential for their technology to

be exploited for espionage or cyberattacks.¹⁵ Both companies were key providers of technology at the African Union headquarters building, where investigators have found widespread electronic infiltration traceable to China, whose state-owned firms constructed the building.¹⁶ Both Huawei and ZTE have also been accused of bribery abroad to win contracts.¹⁷

For years, the federal government has actively discouraged American companies, local governments, and allied countries from partnering with Huawei. Nonetheless, the company's global presence has continued to grow, and it is playing an important role in setting standards for 5G wireless technology.¹⁸ In April 2018, the United States announced sanctions against ZTE for violating restrictions on sales to Iran and North Korea, barring American companies from transacting with the company. This would have effectively put ZTE out of business because of its dependence on American inputs, but shortly thereafter, and against the objections of many in Congress, the Trump administration agreed to a settlement that would allow the firm to stay in business.

There are other instances of companies being used to advance objectives contrary to the US interest. For example, front companies have been used to aid in the illegal export of sensitive technologies to China. In another instance, *Newsweek* in 2016 reported that the United States was investigating the acquisition by the Chinese company Fosun of a US insurer that has sold legal liability insurance to senior American intelligence officials.¹⁹

Growing Access to the US Political System

Although federal campaign contributions by foreign nationals or companies are illegal in US federal elections, there are alternative avenues for foreign corporate interests to influence the US political system, as the Australians have learned. These include lobbying, indirect campaign contributions via US subsidiaries, and the hiring of former senior government officials. All these approaches, while currently legal, are discussed below to demonstrate the full spectrum of activities Chinese entities are involved with and to highlight where they may raise questions of impropriety.

Lobbying The most direct and legal route to the American political system is lobbying. For example, within one day of President Trump tweeting his openness to a settlement with ZTE Corporation that would keep it from going out of business, the company signed a contract with lobbying firm, Mercury Public Affairs. The lead on the ZTE account was Bryan Lanza, a former Trump campaign official.²⁰ Also in 2018, the former senior advisor to Secretary of Commerce Wilbur Ross was hired as chief of International Corporate Affairs for another Chinese firm, HNA. Both instances underscore the need for updated revolving-door policies, particularly with respect to foreign corporations that are subject to significant state control.²¹

All told, major Chinese companies publicly acknowledge spending \$3.8 million on federal lobbying in 2017 and \$20.2 million in total since 2000,²² modest amounts by global standards. The Chinese e-commerce behemoth, Alibaba, was the largest source of expenditures in 2017, accounting for \$2 million, followed by technology company ZTE (\$510k), Sinopec (\$384k),²³ and the Wanda America Group (\$300k), affiliated with Dalian Wanda.²⁴ More difficult to track is Chinese corporate participation in American trade associations. In early 2018, two Chinese companies have joined two major lobbying groups noted for their political heft.²⁵

Indirect Donations A key exception to the ban on foreign federal campaign contributions is permitted through activity conducted via a US subsidiary of a foreign company. The Federal Election Commission has written that “where permitted by state law, a US subsidiary of a foreign national corporation may donate funds for state and local elections if (1) the donations derive entirely from funds generated by the subsidiaries’ US operations, and (2) all decisions concerning the donations, except those setting overall budget amounts, are made by individuals who are US citizens or permanent residents.”

This exception inherently creates the potential for exploitation, particularly given the intrinsic difficulties of monitoring and enforcement. For example, the *Intercept* has reported that American Pacific International Capital (APIC), an American subsidiary of a corporation owned by a Chinese citizen, contributed \$1.3 million to the Super PAC of presidential candidate Jeb Bush on the advice of a prominent Republican campaign finance lawyer.²⁶ (Neil Bush, the brother of George W. and Jeb Bush, and former ambassador Gary Locke have served as advisors of American Pacific International.)²⁷

Employees of Chinese enterprises, who in making the donations are presumably American citizens, are also active donors. A review of campaign donation data finds that several individuals cited as members of the China General Chamber of Commerce or employed by member firms have made recent campaign contributions. For example, two individuals associated with HNA Group, including Tan Xiandong, the group’s president, in 2017 donated \$2,500 each to the congressional campaign of Greg Pence, the brother of the vice president.²⁸

In May 2018, China-based companies reportedly invited Chinese to attend several Republican Party fund-raising dinners at which President Trump would appear. The invitations prominently featured the Republican Party’s logo along with that of China Construction Bank, making it appear as if there was some formal connection.²⁹ The Republican Party and China Construction Bank both denied awareness of the solicitations in their name. Foreigners may attend fund-raisers so long as they do not pay their own entry, another instance in which the fungibility of money makes it easy to skirt this rule.

Hiring of Former Senior Government Officials In other countries (such as Australia, UK, France, and Germany), former senior government officials routinely take positions with Chinese companies. This pattern appears less pronounced in the United States. A prominent exception is the law firm Dentons, which merged with the Chinese law firm Dacheng in 2015³⁰ and employs numerous former government officials, including former ambassadors, members of Congress, mayors, and generals.³¹

Earlier in 2018, Bloomberg News reported on the Imperial Pacific casino, a Chinese-owned company operating in the American territory of Saipan. Its large transaction volumes have raised concerns about potential money laundering. It has also made millions of payments to family members of the territory's governor and, at one time, counted the former governors of three states as well as the former directors of the CIA and FBI as members of its board or advisors.³²

State and Local Politics Many states do not have prohibitions against foreign contributions in local races.³³ One of the most notable examples of an individual contributor comes from Virginia, where in 2013 and 2014, Wang Wenliang, a Chinese industrialist who was expelled from China's national legislature in 2016, contributed \$120,000 to Governor Terry McAuliffe's campaign.³⁴

Chinese firms are also involved in lobbying at the state and local level, another means of acquiring legitimate influence. While the quality of data reporting and aggregation for local and state-level lobbying is not always as robust as that at the federal level, this project was able to identify more than \$1 million in state-level lobbying expenses over the past decade by Chinese firms. BYD Motors, which produces buses for public transit in the United States, Huawei, and Wanda America Group were among the biggest spenders on lobbying.

A 2017 complaint with the Federal Election Commission against the California subsidiary of Dalian Wanda is illustrative of the potential for exploitation granted by the US-subsidiary exception. The FEC found that Lakeshore, a Chicago real estate company whose principals are US citizens, was the source of the money that funded a local ballot initiative in California that would have blocked a Wanda competitor from expanding. Wanda acknowledged that the money for the measure had come from Lakeshore, with which Wanda does business, in the form of a \$1.2 million loan. In its conclusion, the FEC did not rule on whether foreign restrictions applied to ballot measure activity. Further, it argued that even if those restrictions did apply, because "none of the funds at issue appear to originate with a foreign national" (i.e., they came from Lakeshore); that because the Wanda deputy manager who was listed as the principal officer of the Ballot Measure Committee was an American citizen (the general manager is a Chinese national); and that the funds originated in and would be paid back by revenues generated

in the United States, the activity was not in violation of laws against foreign campaign activity.³⁵

“Exporting” Corrupt or Unethical Business Practices

China scores poorly on international indices of corruption.³⁶ As Chinese companies expand abroad, it is possible that they could have a deleterious effect simply by exporting suspect business practices. An industry of particular importance is banking. The “big four” Chinese banks all operate in the United States, where their assets have increased sevenfold between 2010 and 2016 to \$126.5 billion.³⁷ They are often extensively involved in real estate transactions of Chinese firms operating in the United States. In 2015, 2016, and 2018, China Construction Bank,³⁸ the Agricultural Bank of China,³⁹ and Industrial & Commercial Bank of China⁴⁰ were respectively subject to enforcement action by the Federal Reserve for not doing enough to fight money laundering.

Chinese corporations in the United States can also hinder the rule of law in other ways. When responding to lawsuits in US courts, Chinese state-owned enterprises have claimed exemption due to sovereign immunity; in other instances, Chinese firms with an American legal presence have refused to comply with US investigations by claiming that cooperation would violate Chinese law.⁴¹ These actions inhibit the ability of the US government to regulate commerce and put American competitors at a disadvantage within their own country.

Chinese Manipulation of American Companies as a Vector of Influence⁴²

American companies play a significant role in American foreign and domestic politics and their leaders regularly are selected to take positions of leadership in government. As a result, corporate America’s traditional role in favor of engagement with China, given the country’s market potential, has had significant weight in American policy toward the country.⁴³ China, for its part, welcomed foreign companies’ investment as part of its policy of reform and opening up in the hope of spurring economic development.

China’s relationship with corporate America has become increasingly fraught. In this report and elsewhere, China’s state-directed efforts to facilitate the theft of intellectual property, the lifeblood of developed economies, are well documented. China’s forced transfer of technology by foreign firms, as a condition of operating in China, is one of the main complaints of both the Trump administration and the European Union.

But China’s ability to pressure US companies also encompasses three other more elusive dimensions. First, recognizing the importance of American companies in American politics, China has frequently cultivated, even leveraged, American executives to lobby against policies it opposes. Where cultivation fails, it has threatened or exercised

economic retaliation. For example, in June 2018, the *Wall Street Journal* reported that Xi warned a group of global CEOs that China would retaliate with “qualitative measures” targeted at their companies, if the United States did not back off from the tariff war.⁴⁴ Second, China is seeking to pressure American companies into legitimizing its geopolitical claims and interests, for example by demanding that Western firms overtly acknowledge that Taiwan is an irreversible part of China. Third, China has wooed American companies with both sticks and carrots into serving its strategic interests abroad, most notably via its interactions with Hollywood.

China’s source of leverage over American companies comes from its large domestic market and its key role in international supply chains; by contrast, China holds little direct ownership in American companies. American affiliates (i.e., those at least half-owned by American multinational companies) employ 1.7 million Chinese workers and are indirectly responsible for the employment of millions more.⁴⁵ More than fifty American companies report that they generate at least 20 percent of their revenues from China.⁴⁶ Naturally, many companies (and industry associations) with large stakes in China lobby the American government on issues related to China, often seeking to exert a moderating influence on US policy. This is not in itself evidence of improper influence, but it merits scrutiny and should be weighed in the context of other evidence in this section.⁴⁷

Seeking to Influence American Politics via Corporate Interests

China does, in fact, exert influence on how at least some American companies and corporate executives interact with the American government. This influence generally takes two forms. In the first, China relies on American corporations to retard efforts by the American government to investigate and sanction Chinese behavior deemed harmful to national economic or strategic interests. For example, some American corporations have expressed reservations about cooperating with US trade investigations for fear of retaliation by China.

Chinese officials also regularly convene senior American executives at special meetings with government officials or major conferences. During these engagements, Western CEOs’ positive comments on the country receive wide play in the foreign and domestic media, one of many ways in which the Party continues to seek the appearance of outside legitimization for domestic purposes. In addition, China uses these meetings to attempt to coerce American executives to take China’s side in disputes with the US government. As the risk of a trade war mounted in spring 2018, Chinese officials explicitly warned gathered executives to lobby the US government to back down or risk disruption to their business in China.⁴⁸ The US government does not strategically convene foreign business leaders, let alone instruct them to use their influence to shape policy favorable to the United States in their home countries.

Advancing Strategic Interests Abroad: A Case Study of Hollywood

As its market power mounts, China is increasingly able to leverage foreign corporations not just to influence their home governments, but also to advance China's broader strategic interests around the world. The most visible manifestation of this strategy is the Party-state's effort to influence Hollywood in a bid to advance China's global soft power agenda.

American popular culture has enjoyed worldwide influence for decades and is a key element of the country's soft power. However, by the end of the Hu Jintao era, China's leaders had begun calling for their country, too, to become a soft power leader, a theme Xi Jinping has continued to stress. The subsequent surge in Chinese spending on entertainment, or its "cultural industries,"⁴⁹ as it calls this sector, amid flat revenues in the United States, has made China's market a compelling one for Hollywood, despite continued quotas limiting the number foreign films that can be shown in China. In 2017, the Chinese box office reached \$7.9 billion on growth of 21 percent, whereas the US market grew just 2 percent to \$11.1 billion.⁵⁰ (Foreign films account for roughly half of China's total, most of which is attributable to Hollywood.)

In the 2010s, in addition to investing in its domestic film industry and maintaining a restrictive import regime, the Chinese government encouraged the country's media companies to enter into alliances or attempt to acquire outright American entertainment companies. Collectively, these strategies have raised concerns about self-censorship, the co-opting of the American film industry to advance Chinese narratives, and ultimately, the risk that the industry will lose its independence.

Hollywood, represented by the Motion Picture Association of America, has long cultivated close ties to the American government, which it has used to open access to China. For example, media scholar Aynne Kokas notes that in 2012, Vice President Joe Biden met with then Chinese vice president Xi Jinping to discuss China's quota on foreign films.⁵¹ During Xi's visit, Biden also helped broker an agreement between DreamWorks and a group of Chinese investors. Ultimately, in response to these efforts and WTO action, China increased its annual quota of imported films from twenty to thirty-four.

Film studios can attempt to circumvent the import quota by coproducing films with Chinese partners. This can invite censorship directly into the production process, potentially affecting what global audiences see, as opposed to censorship that affects only what the Chinese market sees.⁵² Examples abound of studios that have cast Chinese actors, developed and/or cut scenes specific to the Chinese market, or preemptively eliminated potentially objectionable references to China from scripts even when source material has called for it.

Aware of the Chinese market's growing centrality to the film industry, major studios are also reluctant to produce any film that would upset China, even if that specific film was

not intended for the China market, for fear that all films by the studio would be blocked. Indeed, the last spate of movies made for general circulation that addressed topics that the Chinese government deemed sensitive were released in 1997 and included such productions as *Red Corner*, *Seven Years in Tibet*, and *Kundun*. Several prominent American entertainers have been subject to bans by China, most often for their association with the Dalai Lama. In an interview with the *Hollywood Reporter*, actor Richard Gere, an outspoken advocate of Tibetan culture, stated, “There are definitely movies that I can’t be in because the Chinese will say, ‘Not with him.’”⁵³

Beyond self-censorship, American studios and creative personnel are at risk of being actively co-opted in advancing Chinese soft power. Chinese political and entertainment leaders are conscious that American entertainment companies have played an outsize role in defining China, from *Mulan* to *Kung Fu Panda*. By the time the third edition in the *Panda* franchise had been released, however, it was being coproduced with a Chinese partner. The list of films portraying China in a positive light grow each year, such as the space films *Gravity* and *The Martian*, a movie backed by Chinese money in which the American protagonists are saved by the Chinese. Ironically, in *Gravity*, a central plot twist involves the shooting down of a satellite by the Russians. In fact, the only nation to have shot down a satellite in real life is China. These positive portrayals, of course, are not inherently objectionable—and they may, indeed, provide a constructive countervailing force in an otherwise deteriorating relationship. The issue is: How do these portrayals come to be: In other words, has independent artistic vision been manipulated by political pressures to maintain commercial standing?

The rush of Chinese investment into the American film industry has raised legitimate concerns about the industry’s outright loss of independence. In 2012, Dalian Wanda acquired the AMC cinema chain, followed in 2016 by the acquisition of the Legendary Entertainment studio. Before encountering political trouble at home, Wanda’s chairman announced a desire to invest in each of the six major Hollywood studios. Since then, other announced partnerships and investments have faded, principally because of Beijing’s pushback against what it deemed to be grossly excessive, and often ill-considered, foreign investment plans by Chinese companies.⁵⁴

Conclusion and Recommendations

Through control of its companies operating abroad, growing influence over foreign companies, and the rapid activation of business-related United Front groups, China is using commercial interests as an important means of exercising “sharp power” influence. As with other sectors, much of China’s activity is, regardless of its intent, legal and thus should not be disparaged. The appropriate response to this commercial challenge must be temperate and multifaceted. In some areas, it will require that the political system increase its transparency regarding or reduce its exposure to corporate money entirely, which, given

its fungibility, ultimately renders any distinction between domestic and foreign sources meaningless. Corporations should also provide greater clarity on their financial and supply chain exposure to China and disclose the presence of CCP members in joint- or wholly owned ventures. In certain instances, new limitations on corporate activity that is harmful to the national interest may be required.

American business leaders should become better versed in the evolving nature of China's global ambitions, especially in the use of United Front tactics for influencing almost all aspects of China's interaction with the United States. American corporations should raise their voices through chambers of commerce or other collective commercial entities that can collectively represent their interests when a company confronts pressures or coercion. To more effectively resist growing Chinese pressures, American corporations will most certainly need to find new ways to cooperate more closely with each other, and at times even in coordination with the US government. Like think tanks, universities, other civil society organizations, and media outlets, American companies will be most vulnerable to Chinese pressure when they are atomized and isolated. In this sense, the challenges with which US corporations are confronted by a rising authoritarian China with a far more ambitious global agenda are not so dissimilar to those confronted by those other sectors of American society highlighted in this report. Each confronts an un-level playing field that lacks reciprocity.

To help rectify these imbalances, in certain instances, the US government should be the one to coordinate collective action, as it recently sought to do with the US airline industry. It may also need to be more prepared to impose reciprocal penalties on Chinese companies or even compensate American companies for losses when they stand up to punitive action from China as an additional incentive to maintain resolve.

Most important, corporate executives, their boards, and their shareholders must double their efforts to exercise the kind of principled leadership and restraint that will help them resist the loss of corporate control in pursuit of short-term profit. This includes not only individual companies but also their representative organizations, notably the US Chamber of Commerce, the US-China Business Council and other specific trade associations. These bodies not only need to promote American business interests by pushing back against Chinese restrictions where necessary but they also need to adopt a heightened awareness of the role that corporations must play in protecting both their own interests and the national economic security of the United States itself.

In the corporate sector, China is not just taking advantage of the openness of American markets, which are rightfully a point of pride for the United States and a pillar of our economic vitality, but it is also exploiting American capitalism's short-termism. This latter predilection could end up being as much of a threat to the ability of American corporations to maintain healthy economic relations with China as Beijing's very strategic and targeted United Front tactics.

NOTES

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- 2 “Chinese Investment Monitor.” Rhodium Group. Accessed September 3, 2018. <http://cim.rhg.com/interactive/china-investment-monitor>.
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- 4 Bland, Ben, Tom Hancock, and Bryan Harris. “China Wields Power with Boycott Diplomacy.” *Financial Times*. May 3, 2017. <https://www.ft.com/content/c7a2f668-2f4b-11e7-9555-23ef563ecf9a>.
- 5 “CGCC Participates in Public Hearing on Section 301 Investigation of China and Voices for the Legal Rights and Interests of Chinese Enterprises in the United States.” China General Chamber of Commerce—U.S.A. October 10, 2017. <https://www.cgccusa.org/en/cgcc-participates-in-public-hearing-on-section-301>.
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- 7 “CGCC Hosts 2017 ‘Lunch & Learn’ Series No. 5: Understanding Labor and Safety Issues in the US & Get Prepared for Natural Disasters and Emergencies.” China General Chamber of Commerce—U.S.A. November 6, 2017. <https://www.cgccusa.org/en/cgcc-hosts-2017-lunch-learn-series-no-5-understanding-labor-and-safety-issues>.
- 8 “CGCC Promotes State-Province Economic and Trade Cooperation between China and US - Alaska and Missouri Governors’ Trip to China.” China General Chamber of Commerce—U.S.A. October 6, 2017. <https://www.cgccusa.org/en/cgcc-promotes-state-province-economic-and-trade-cooperation-between-china-and-us-alaska-and-missouri-governors-trip-to-china>.
- 9 Organizations that can reasonably be considered part of United Front activities, include (official English translations where available): American-Chinese Commerce Development Association (美国华人工商业联合会); America-China Enterprise Chamber of Commerce (美中企业总商会); China Enterprise Council (洛杉矶中资且也协会); American Chinese National Chamber of Commerce (美国华人总商会); American One Belt, One Road Chamber of Commerce (美国一带一路总商会); America Beijing Chamber of Commerce (美国北京总商会); US-Hebei Chamber of Commerce (美国河北总会上); Chongqing-Sichuan Chamber of Commerce (庆穿渝同乡总商会); American Fujianese Business Association (美国福建商会); US-China Guangdong Chamber of Commerce (每种广东商会); US California-Hebei Chamber of Commerce (美国加州河北商会); US-China Chamber of Commerce (美国总商会); US-Henan Business Alliance Association (美国河南联合总商会); US-Inner Mongolia Chamber of Commerce (美国内蒙古总商会); US-Jiangsu General Chamber of Commerce (美国江苏总商会); US-Jiangxi Chamber of Commerce (美国江西总商会); US-Macau Chamber of Commerce (美国澳门总商会); US-Minjiang Chamber of Commerce (美国闽江总商会); US-Northwest China Chamber of Commerce (美国大西北总商会); American Shandong Chamber of Commerce (美国山东总商会); US-Shanghai Chamber of Commerce (美国上海总商会); US-Shanxi Chamber of Commerce (美国山西总商会); US-Shanxi Jin Chamber of Commerce (美国山西晋商会); Eastern US-Shenzhen Chamber of Commerce (美国东深圳总商会); US-Tianjin Chamber of Commerce (美国天津总商会); US Silicon Valley - Tianjin Chamber of Commerce (美国硅谷天津总商会); Chinese Chamber of Commerce in Washington State (华盛顿州中国总商会); US-Wenzhou General Chamber of Commerce (美国温州总商会); Chamber Zhejiang Chamber of Commerce USA (美国浙江商会) [San Francisco]; and US-Zhejiang General Chamber of Commerce (全美浙江总商会) [Los Angeles]; Los Angeles Hunan Chamber of Commerce (洛杉矶湖南总商会), likely rebranded from US-Changsha Chamber of Commerce (美国长沙总商会).

10 Several of these groups conduct outreach to elected officials. Summaries of Chinese New Year and other galas regularly mention the presence of American officials or their representatives. The Philadelphia-based Shenzhen Chamber's New Year's party included a city council member and a county commissioner. A member of the House of Representatives from California has appeared at several events hosted by different organizations, including a January 2018 forum organized by the Wenzhou chamber that was subsequently featured prominently on the website of another United Front organization, the All America Chinese Youth Federation. In another instance, the former mayor of a California city attended a meeting hosted by a chamber welcoming a visiting Overseas Chinese affairs official from Hebei province. There is no reason to believe that any of these politicians are aware of the groups' interactions with the Chinese party-state. See "美东深圳总商会、美东深圳联谊会携手中美交流协会举办中秋敬老联欢晚会." 东南网. September 29, 2017. http://usa.fjsen.com/2017-09/29/content_20192454.htm; Ren, Richard. "美国温州总商会举办华人商会合作论坛 凝聚海外华力量." All America Chinese Youth Federation. January 27, 2018. <http://www.aacyf.org/?p=8242>; "河北海外联谊会代表团到访湾区, 加州河北商会举办座谈会热烈欢迎." 美国加州河北商会 (Silicon Valley-Hebei Chamber). November 21, 2017. <https://mp.weixin.qq.com/s/Xt1CII2rsFsUsluLHr9tw>.

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- China’s government directs significant attention toward American technology companies in an effort to control the flow of information in Chinese society. Many of these companies’ services in China are blocked outright or are subject to intrusive national security reviews or other regulatory obstacles. Regardless, many American companies redouble their attempted engagement with the Chinese government. But in

doing so, they not only become subject to the restrictions on Chinese technology users, but they also help to legitimize China's vision for "cyber-sovereignty," an issue that has become an important ongoing global governance debate. In some cases, they may even be inadvertently advancing China's goals for military technological superiority. American technology CEOs, including those from Google, Apple, and Cisco, are prominent attendees at the World Internet Conference. At one installment of the conference, a Chinese antiterrorism expert argued that Beijing should increase its pressure on foreign internet companies such as Twitter, which he argued should be punished for tweets that "defame the party, Chinese leaders, and related national strategies." Facebook has been notably solicitous of the Chinese government in an effort to enter the Chinese market, reportedly developing a tool that could be used by a third party to censor content. Despite being blocked in China, Facebook nonetheless generates significant advertising revenues from Chinese companies seeking to reach foreign consumers. As it seeks to reenter the Chinese market, Google's willingness to facilitate that country's national artificial intelligence priorities stand in contrast to its decision to end limited AI cooperation with the US Department of Defense. In June 2018, Tsinghua announced that Google's AI chief would serve as an adviser to that university's new center for artificial intelligence research. The company is already involved in research at Peking University and the University of Science and Technology of China, among others. Artificial intelligence is a declared strategic priority for the Chinese government with significant military implications. The Chinese government is actively coordinating the efforts of not just its universities, but also nominally private companies such as Baidu. Commenting on Google's AI China Center, at which several hundred engineers are employed, former deputy defense secretary Bob Work has stated, "anything that's going on in that center is going to be used" by the Chinese military. In the summer of 2018, it was reported that Google was considering reentering the Chinese market with a censored search engine, but Chinese government officials have discounted the prospect and many of Google's own employees have expressed opposition.

China also seeks to enlist foreign corporations to reinforce its so-called "core interests" in ways that have influenced what they feel comfortable saying even outside of China. In early 2018, for example, foreign companies, particularly in the travel industry, were targeted for listing Hong Kong, Taiwan, Macau, and Tibet as separate entities on their websites rather than as sovereign parts of China. The Civil Aviation Administration of China sent letters to international airlines demanding that any references to these destinations except as part of China be removed from their materials and websites. In May, the Trump administration declared the Chinese government's order to airlines to be "Orwellian nonsense and part of a growing trend by the Chinese Communist Party to impose its political views on American citizens and private companies" with which they might not necessarily agree. At the direction of the American government, the airlines initially and collectively declined to follow Beijing's orders, as the US government considered the issue a diplomatic matter to be resolved between governments. However, when China declined to negotiate with the US government over the issue, by July the airlines partially met Beijing's demands by referring only to cities.

Targeting foreign companies' speech extends beyond Taiwan to China's fraught relationship with its ethnic minorities. At Marriott, an employee responsible for managing the company's social media accounts unwittingly liked a tweet by a pro-Tibet group and was fired as a result of the backlash. The company's website and app were blocked in China for one week, at unknown financial cost. Daimler, the German car manufacturer, was similarly forced to apologize for posting a reference to the Dalai Lama, the exiled Tibetan spiritual leader, on social media. In the latter two cases, the companies were targeted even though the social services on which they were posting were blocked inside China. See Martina, Michael. "Exclusive: In China, the Party's Push for Influence inside Foreign . . ." *Reuters*. August 24, 2017. <https://www.reuters.com/article/us-china-congress-companies/exclusive-in-china-the-partys-push-for-influence-inside-foreign-firms-stirs-fears-idUSKCN1B40JU>; Wong, Chun Han, and Eva Dou. "Foreign Companies in China Get a New Partner: The Communist Party." *Wall Street Journal*. October 29, 2017. <https://www.wsj.com/articles/foreign-companies-in-china-get-a-new-partner-the-communist-party-1509297523>; "Command and Control: China's Communist Party Extends Reach into Foreign Companies." *Washington Post*. Denyer, Simon. January 28, 2018. https://www.washingtonpost.com/world/asia_pacific/command-and-control

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