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Congress of the United States
House of Representatives

SELECT COMMITTEE ON THE CHINESE COMMUNIST PARTY

December 18, 2024

The Honorable Amy A. Karpel
Chair
U.S. International Trade Commission
500 E Street, SW
Washington, D.C. 20436

Dear Chair Karpel,

We write today in response to the notice from the United States International Trade Commission (Commission) inviting submissions from members of the public and interested government agencies concerning the public interest in light of the November 15, 2024 Initial Determination on Violation of Section 337 issued by the Administrative Law Judge (ALJ) in Investigation No. 337-TA-1351 (*In re Certain Active Matrix Organic Light-Emitting Diode Display Panels and Modules for Mobile Devices, and Components Thereof*). We believe that in order to protect U.S. national security interests, the Commission must exercise its statutory authority to ban imports of BOE's patent infringing displays.

This investigation involves patent infringement by Mianyang BOE Optoelectronics Co., Ltd., which is an affiliate of BOE Technology Group Co., Ltd. (BOE), based in the People's Republic of China (PRC). Indeed, the ALJ's Initial Determination concluded that BOE had infringed on multiple U.S. patents. However, the ALJ troublingly recommended against an exclusion order banning imports of BOE's displays, on the basis that the infringement lacked a sufficient "impact on the industry in the United States." By adopting an overly narrow view of how the PRC's infringing and anticompetitive practices harm U.S. industry, this decision raises significant national security concerns.

We draw the Commission's attention to our September 2024 letter to Secretary of Defense Lloyd Austin, which details our findings regarding the national security risk posed by BOE.¹ As described in our letter, displays are increasingly playing a role in advanced military applications, and the PRC has groomed BOE as its national champion in the display industry. BOE directly supplies displays to the People's Liberation Army (PLA) and operates out of a "military-civil fusion enterprise zone" that supports Huawei Technologies Co. Ltd. (Huawei).

BOE has risen to dominance in the global display industry in recent years by benefiting from a variety of PRC-backed anticompetitive practices, including aggressive state-sponsored subsidization, as well as intellectual property (IP) theft—as has now been

¹ Letter from Representative John Moolenaar, Chairman, House Select Committee on the CCP, to the Honorable Lloyd Austin, Secretary, U.S. Department of Defense (Sep. 24, 2024).

established by the investigation before the Commission. These anticompetitive practices have been squeezing non-Chinese display producers out of the market, leaving a growing number of U.S. national defense applications that depend on display technology increasingly beholden to the PRC, to the detriment of U.S. industry and our national security.

If the Commission declines to ban imports of BOE's displays—which has been clearly implicated in infringing on U.S. patents—BOE's IP theft will continue to benefit the PRC's military-civil fusion strategy, and BOE's growing dominance in the display industry will leave the United States overly reliant on the PRC for an advanced technology critical to military applications. Additionally, the Commission will be sending a dangerous message to the PRC that its companies can continue to steal American IP at will.

Therefore, the Committee urges the Commission to impose a wide-ranging remedy in this investigation that will protect U.S. national security interests and keep infringing displays produced by BOE and other Chinese companies from entering the U.S. market.

Thank you for your attention to this important matter.

Sincerely,



John Moolenaar

Chairman

House Select Committee on the CCP