Congress of the United States
House of Representatives
SELECT COMMITTEE ON CHINA

December, 12 2025

The Honorable Howard W. Lutnick
Secretary
U.S. Department of Commerce
1401 Constitution Avenue Northwest
Washington, D.C. 20230

Dear Secretary Lutnick:

Recent reporting on the decision to approve H200 sales to China has cited assessments suggesting that Huawei's chip capabilities increasingly rival Nvidia's. As one of these reports put it: "White House officials focused on a Huawei AI platform known as CloudMatrix 384 that relies on the company's newer Ascend chips, the person said. Officials found that CloudMatrix 384 performed as well as a similar Nvidia system known as NVL72 that uses their most advanced Blackwell-design chips."[1] The same report indicated that the decision factored in estimates that Huawei's production capacity for its Ascend 910C chip would rise sharply in 2026 to "a few million."[2]

Huawei has sought to end-run U.S. technology controls by linking ever-greater numbers of less capable chips together to achieve individual server output comparable to Nvidia's results.[3] While the Cloud Matrix 384 does outperform Nvidia's NVL72 on a single-server benchmark, it only does so by using more than five times as many chips.[4] Moreover, this comparison fails to capture the single most decisive factor in advanced AI development: aggregate compute. Measuring by its total amount of available compute, it is clear that Huawei and China remain far behind the United States. As SemiAnalysis correctly notes, "China has no power constraints, just silicon constraints."[5]

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[1] Ludlow, Edward, and Maggie Eastland. "Trump's Nvidia H200 Reprieve Spurred by Huawei's AI Gains." *Bloomberg*, December 9, 2025.
[2] Ibid.
[3] Goh, Brenda. "U.S. Exaggerating Huawei's AI Chip Achievements, China State Media Quotes CEO as Saying." *Reuters*, June 10, 2025. https://www.reuters.com/business/media-telecom/us-exaggerating-huaweis-ai-chip-achievements-china-state-media-quotes-ceo-saying-2025-06-10/.
[4] Patel, Dylan, Daniel Nishball, Myron Xie, Patrick Zhou, Ivan Chiam, AJ Kourabi, Christopher Seifel, and Doug O'Laughlin. "Huawei AI CloudMatrix 384 – China's Answer to Nvidia GB200 NVL72." *SemiAnalysis*, April 16, 2025.
[5] Ibid.

Huawei has been quick to argue that the 910C is a genuine competitor to Nvidia GPUs.[6] Some in the United States have echoed this point to call for increasing chip sales to China in an effort to "lock in" the U.S. tech stack. What Huawei has been less willing to acknowledge is that available evidence suggest that its flagship chip was not made in China, but in Taiwan and South Korea. In October, TechInsights, a semiconductor analysis organization, found that the critical components of the 910C were manufactured by Taiwan's TSMC and South Korea's Samsung and SK Hynix.[7] The Department of Commerce has taken commendable action to crack down on this blatant violation of export controls by holding TSMC accountable for at the nearly three million chips produced for a Huawei shell company.[8] In the aftermath of that action, China will now be forced to rely on domestic production of the 910C. It is far from clear that China could achieve this production at scale, or even at all.

In July, Huawei announced its next design, the 910D, which would be produced by SMIC. Notably, the 910D is a step backward in capability and features a less advanced node than the 910C. Given China's relentless indigenization drive, the fact that the 910D is a step backward in capability represents a tacit admission that China's domestic fabs, without the benefit of illegal production abroad, are not yet able to replicate the 910C's sophistication at scale.[9]

As a result, the 910C should be considered a case study in ensuring the effectiveness of U.S. export control policy. Controls on semiconductor manufacturing equipment and high-bandwidth memory have prevented China's chip champions SMIC and CXMT from producing the key components required for producing advanced AI chips at scale. Huawei's only path to meeting China's internal demand has been to illegally procure chips from Taiwan – a humiliation the CCP would prefer to avoid at all costs. In November, the *Wall Street Journal* reported that China's shortage of advanced chips is now so severe that the Chinese government is rationing SMIC's capacity to prioritize Huawei's orders.

While Huawei struggles to cheat its way toward meeting domestic AI-chip demand, the United States has accumulated roughly 75 percent of the world's AI computing power.[10] The combination of Nvidia's chip designs and TSMC's production capability has cemented a substantial U.S. lead over China. This year, several U.S. champions – Google, Amazon, and Microsoft – have intensified efforts to compete with Nvidia in chip design, while TSMC continues to expand U.S. production. Further underscoring China's weakness, reports on

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[6] Goh, Brenda. "U.S. Exaggerating Huawei's AI Chip Achievements, China State Media Quotes CEO as Saying." *Reuters*, June 10, 2025. https://www.reuters.com/business/media-telecom/us-exaggerating-huaweis-ai-chip-achievements-china-state-media-quotes-ceo-saying-2025-06-10/.

[7] Hawkins, Mackenzie. "Huawei Used TSMC, Samsung, SK Hynix Components in Top AI Chips." *Bloomberg*, October 3, 2025.

[8] Freifeld, Karen. "TSMC Could Face $1 Billion or More Fine from US Probe, Sources Say." *Reuters*, April 8, 2025.

[9] "AInvest.com. "Huawei's AI Ecosystem: A Strategic Challenge to Nvidia's Dominance and Its Implications for Global Tech Markets." *AInvest.com*, July 28, 2025. https://www.ainvest.com/news/huawei-ai-ecosystem-strategic-challenge-nvidia-dominance-implications-global-tech-markets-2507/."

[10] Pilz, Konstantin F., Robi Rahman, James Sanders, Luke Emberson, and Lennart Heim. "The US Hosts the Majority of GPU Cluster Performance, Followed by China." *Epoch AI*, June 5, 2025. https://epoch.ai/data-insights/ai-supercomputers-performance-share-by-country

December 10 revealed that DeepSeek, Beijing's premier AI champion, is now forced to rely on smuggled Nvidia chips to continue training its models.[11]

As AI evolves, aggregate computing power – not theoretical per-chip efficiency – will remain the engine of progress. Export controls that President Trump put in place have been highly effective in securing the U.S. lead and forcing China into increasingly desperate illicit procurement. Approving the sale of cutting-edge chips to Chinese companies risks undercutting the extraordinary strategic advantage that President Trump achieved in his first term. In the President's second term, realizing the full potential of President Trump's AI Action Plan and AI executive orders depends on preserving and expanding that advantage.

I am fully committed to advancing President Trump's vision for enduring U.S. AI dominance. His actions to ensure America is first in AI will set the country up for success for generations. I have serious concerns that granting China access to potentially millions of chips that are generations beyond its domestic capabilities will undermine those objectives. However, I request a briefing from your team on the evidence and analysis underlying the H200 decision no later than January 15, 2026. Therefore, I look forward to this discussion and to working together to ensure we achieve President Trump's AI vision for America.

I look forward to your response.

Sincerely,

John Moolenaar
Chairman

[11]Bergen, Mark. "China's DeepSeek Uses Banned Nvidia Chips for AI Model, *The Information* Says." *Bloomberg*, December 10, 2025. https://www.bloomberg.com/news/articles/2025-12-10/china-s-deepseek-uses-banned-nvidia-chips-for-ai-model-the-information-says