Technology itself is not always the sole concern animating U.S. tech policy. In the China context, U.S. leaders have sometimes used the technology relationship as a pawn in wider bilateral negotiations. For example, the Trump administration used its Entity List designations of ZTE and Huawei to help advance broader trade talks with China. During the talks, Trump rescinded the ZTE designation as a personal gesture to Xi, and held out the prospect of sparing Huawei during subsequent negotiations.\textsuperscript{442} Yet Trump did not use these chits to secure major concessions on tech-related issues like intellectual property protection. He accepted relatively weak commitments on those issues and instead bargained for China to buy more U.S. agricultural products and grant market access to American financial services firms. In a roundabout way, Trump used the leverage of technological controls to move China on unrelated matters.

The Entity List designations of ZTE and Huawei, and the attempted ban and forced sale of TikTok, suggested a template. These episodes taught U.S. policymakers that they held the power of life and death over certain Chinese tech companies, and that Beijing prizes these companies enough to bargain over their fate. Given how much Washington wants from China in numerous domains, and how few reliable tools the United States has for bringing Beijing to the table, there is strong temptation to use technology controls as a bargaining chip in non-technology-oriented negotiations.

\textit{It is hard enough to design a U.S. tech policy that succeeds on its own terms. This can become virtually impossible if tech issues become entangled with unrelated objectives.}
This kind of maneuver should be rare, however. Because U.S.-China technology ties are so important and sensitive in their own right, there are few other issues salient enough to justify their use as a bargaining chip. Doing so risks adding even more pressure to an increasingly fragile technology relationship. It is hard enough to design an American tech policy that succeeds in addressing the complex set of challenges and opportunities that China represents. This can become virtually impossible if tech issues become entangled with, and subordinated to, unrelated policy objectives.

**RECOMMENDED POLICIES AND PROCESSES**

The president should instruct regulatory agencies, diplomats, and trade negotiators not to use China-related technology restrictions as leverage for unrelated matters, barring exceptional circumstances. Biden should consider exceptions only when they are likely to advance a handful of supreme priorities, such as combating climate change. Before making an exception, the president should ask the Intelligence Community and his negotiating team about the odds that doing so would help win valuable concessions from Beijing.

**CASE STUDIES**

**Phase One trade talks.** Trump’s maneuvers in trade talks with China illustrate both the promise and the peril of using technology controls as general bilateral leverage. ZTE was originally placed on the Entity List in 2016 for violating U.S. sanctions against Iran and North Korea. So when Trump later granted the company a reprieve to advance his trade talks with China, domestic critics argued that he had compromised U.S. national security. The gambit did make sense in theory. The Phase One trade talks provided a rare opportunity to address structural issues in the U.S.-China economic relationship—a prospect of surpassing value to the American people. By comparison, unyielding enforcement of sanctions on Iran and North Korea was relatively unimportant.

In the end, though, Trump squandered whatever leverage these tactics gave him. He chose to focus his Phase One deal on minor matters like the trade deficit, while neglecting more central grievances such as Chinese subsidies and forced technology transfer. The Entity List maneuver therefore accomplished little—except that it caused China and many other observers to see the list itself as a tool of realpolitik, not a legitimate national security instrument.
Climate change. The Biden administration may face its own decision points in climate change negotiations with China. China has already made some recent climate commitments, but much more work remains. Given the paramount importance of addressing climate change, Biden should consider whether defensive technology measures could serve as bargaining chips—tightening restrictions to increase U.S. leverage, or loosening them to facilitate a deal. The Justice Department, for example, agreed in September 2021 to resolve charges against Huawei CFO Meng Wanzhou, allowing her to leave Canadian custody and return to China. Two Chinese scholars told the South China Morning Post that the move would make Beijing more willing to cooperate on climate and other issues. Weeks later, the United States and China signed a new bilateral climate agreement.

KEY OFFENSIVE POLICIES

Washington is right to seek leverage over Beijing, though the best and most appropriate sources of leverage will vary depending on the issue at hand. In general, the United States will have the strongest leverage when it can rally multiple major countries to its side. The Biden administration has therefore tried to build coalitions of allies and partners on such issues as China’s human rights record, its cyber operations, and more. Granted, building and sustaining these international coalitions is a challenging task. Compared to the United States, most other countries—even close U.S. partners such as the Five Eyes, the European Union, Japan, and South Korea—tend to be more accommodative toward China. Biden can help set America’s China-related global diplomacy on the right course, but these diplomatic challenges will likely outlast his administration.
OBTAINING GENERAL LEVERAGE OVER CHINA


