The previous chapter argued for a centrist technological decoupling strategy in which U.S. government restrictions play a small but important role. Government tech restrictions by themselves cannot ensure U.S. technological preeminence over the long haul, but they can sometimes frustrate Chinese dominance in the short run. The United States should therefore focus its restrictions on a select set of technology areas where China verges on securing unique, strategically significant, and long-lasting advantages. This would buy time for longer-term investments in American technological leadership, competitiveness, and resilience to succeed—helping the United States address the full range of its tech challenges, including those that only partially relate to China. Carefully tailoring and communicating these restrictive policies would also help Washington preserve its influence over the pace and scope of technological decoupling, reducing the likelihood of a damaging runaway process. A balanced approach to the U.S.-China technology relationship would provide American leaders with maximum options during an era of strategic uncertainty and flux. It would also improve the odds of bilateral cooperation on urgent global challenges, like climate change, and preserve space to address pressing domestic crises.

Not everyone will agree with this strategy. Restrictionists may find it naïve, and cooperationists may consider it dangerous. So much the better; American policymakers need to hear robust debate, especially in this early phase of technological decoupling. Responsible voices from all three camps should continue weighing in on the most fundamental questions: In what ways does today’s U.S.-China technology relationship help or hurt America—in the technology arena, and beyond? How will this cost-benefit calculus change over time, and
how should the United States balance its present and future needs amid inherent uncertainty? Meanwhile, how can Washington maintain control of the technological decoupling process and prevent triggering a more severe, violent break than it intends? Strategies should be judged by the clarity, factual grounding, and analytical rigor of their answers to these questions.

THE NEED FOR PRACTICAL GUIDANCE

Once a strategy is established, it must then be translated into policies and processes to guide U.S. government decisions. Without a practical set of standards, even the best strategy can result in inconsistent and ad hoc decisionmaking. In particular, the U.S. government must devise ways to determine which technology areas require China-related restrictions and which do not. While restrictionists, centrists, and cooperationists have varying appetites for technological decoupling and China-oriented controls, they must all face a version of this line-drawing problem when turning their high-level visions into tangible policy.

Meaningful guidance must move past generalities and express clear choices. That means describing what different federal agencies should do with specific authorities that they have. It is no simple task. Analytically, it requires evaluating a host of technology areas and weighing numerous costs and benefits through the lens of multiple expert disciplines. Politically, the charged tenor of China discourse in the United States makes American leaders and analysts reluctant to publicly cheerlead any form of bilateral technology cooperation, even where the benefits outweigh the costs. Thus, while many observers say that technological decoupling should be bounded and partial, there are few comprehensive, detailed proposals for how and where to draw such boundaries.

Any strategy for technological decoupling must face a line-drawing problem when turning its high-level vision into tangible policy.

The easy part is identifying the highest-risk, most strategically sensitive technology areas where U.S. government controls are clearly desirable. 5G telecommunications equipment and semiconductors are two well-known examples. The United States has already imposed substantial restrictions in both areas, and experts broadly support them even while debating key details. The hard part, often, is naming lower-risk areas—technologies where continued U.S.-China interdependence would be permissible and actually beneficial to American interests. But Washington needs real limits to bound the decoupling process and prevent a costly, self-destructive overreach. The more clearly such limits can be articulated in practical policymaking standards, the more effectively the U.S. government can make decisions and manage the expectations of other governments and private actors worldwide.
BREAKING DOWN THE POLICY PROBLEMS

This report takes a step-by-step approach to develop useful policy guidance. It begins by breaking down the many U.S. interests at stake into nine distinct policy objectives for technological decoupling. National security objectives include maintaining a military edge over China, limiting Chinese national security espionage, preventing Chinese sabotage in a crisis, limiting Chinese influence operations, and denying support for Chinese or China-enabled authoritarianism and repression. Economic objectives include countering unfair Chinese practices and intellectual property theft, and competing and leading in strategic industries. Then there are ancillary objectives—non-technology goals that also influence American decoupling policy: obtaining general leverage over China, and shaping U.S. domestic narratives. These nine objectives, although linked, raise many distinct issues and dilemmas. They cannot be treated as interchangeable responses to an undifferentiated mass of “China tech threats”—an all-too-typical approach. Of course, real-world decision-making often involves weighing multiple policy objectives simultaneously.

The next step, and the heart of this report, is a careful review of the role U.S. technology controls should play in achieving these policy objectives. Taking each objective in turn, the report weighs the risks and benefits of U.S.-China technological interdependence against the risks and benefits of U.S. government technology controls, in line with the overall (centrist) strategy described above. This analysis leads to a series of proposed dividing lines—implementable standards for determining which technology areas warrant U.S. government restrictions and which do not. Specific examples help to illustrate how these dividing lines would work in practice. Finally, there are brief discussions of “offensive” (domestic self-improvement) measures critical for achieving each policy objective. While technology controls are the primary subject of this report, they must not become the primary focus of policymakers.

Because U.S. policymakers face complex dilemmas, these recommendations would require further vetting and debate by implementing agencies. They would also need refinement to a higher level of detail. While this report’s proposals aim to be specific and actionable, agencies need to draw still finer distinctions in real-world policymaking. For this reason, many of the recommendations lay out analytic processes that agencies should follow—questions to ask, objectives to prioritize, and standards to apply—rather than firm outcomes. Case studies illustrate how these processes might play out in specific technology areas, though agencies would need to arrive at their own conclusions based on internal expertise (including classified information) and outside perspectives.
Reasoned deliberation does not always determine actual U.S. policy, of course. Political imperatives, unexpected crises, and bureaucratic quirks all play a role. But it is essential for Washington to develop strong decisionmaking processes to inform the use of China-oriented technology controls. Good processes push high-level U.S. officials to consider key issues earlier, more frequently, and in a more focused, structured way than would otherwise happen. They frame policy dilemmas for principals and help to clarify questions that require resolution by the president. Over time, high-quality government deliberations also teach the permanent national security apparatus—the many thousands of staffers and outside analysts who shape conventional thinking in Washington—to ask better questions about technological decoupling.
Although the analysis and recommendations in this section are grounded in the centrist strategy outlined earlier, the analytical structure and methodology used can be readily adopted by restrictionists or cooperationists to frame their own arguments.