

**U.S. NATIONAL SECURITY
AND MILITARY/COMMERCIAL
CONCERNS WITH THE
PEOPLE'S REPUBLIC OF CHINA**

VOLUME II



**SELECT COMMITTEE
UNITED STATES HOUSE OF REPRESENTATIVES**

REPORT

OF THE

SELECT COMMITTEE ON U.S. NATIONAL SECURITY AND MILITARY/COMMERCIAL CONCERNS WITH THE PEOPLE'S REPUBLIC OF CHINA

SUBMITTED BY
MR. COX OF CALIFORNIA, CHAIRMAN

January 3, 1999 — Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed (subject to declassification review)

May 25, 1999 — Declassified, in part, pursuant to House Resolution 5, as amended,
106th Congress, 1st Session

U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1999

A NOTE ON REDACTION

The Final Report of the Select Committee on U.S. National Security and Military/Commercial Concerns with the Peoples Republic of China was unanimously approved by the five Republicans and four Democrats who served on the Select Committee.

This three-volume Report is a declassified, redacted version of the Final Report. The Final Report was classified Top Secret when issued on January 3, 1999, and remains so today. Certain source materials included in the Final Report were submitted to the Executive branch during the period August–December 1998 for declassification review in order to facilitate the production of a declassified report. The Select Committee sought declassification review of the entire report on January 3, 1999. The House of Representatives extended the life of the Select Committee for 90 days for the purpose of continuing to work with the Executive Branch to declassify the Final Report. A series of further extensions was voted by the House of Representatives until the final declassification review was completed in May 1999. Following an extended series of negotiations between the House of Representatives and the Executive branch, a number of material deletions have been made to the Final Report.

As a result of these deletions, a number of significant events, facts, and analyses have been omitted from this declassified Report. In several cases, important factual examples substantiating conclusions in the report have been deleted. In other cases, explicit findings of the Select Committee have been suppressed. The Select Committee's classified Final Report, therefore, remains the definitive product of its investigation and analysis.

U.S. Government Printing Office
Washington, D.C.

Top Secret Report Date: January 1999
Declassified Report Release Date: May 1999

Additional copies of this report may be obtained from the U.S. Government Printing Office, Washington, D.C. 20402 upon written request and payment of document fees and standard shipping costs.

Printed in the United States of America

Members of the Select Committee



United States House of Representatives 105th Congress

REP. CHRISTOPHER COX, CHAIRMAN

Chairman, House Policy Committee
Vice Chairman, Committee on Government Reform and Oversight
Vice Chairman, Committee on Commerce,
Subcommittee on Oversight and Investigations

REP. NORM DICKS, RANKING DEMOCRAT

Ranking Member, Permanent Select Committee on Intelligence
Ranking Member, Committee on Appropriations,
Subcommittee on the Interior

REP. PORTER GOSS, VICE CHAIRMAN

Chairman, Permanent Select Committee on Intelligence
Chairman, Committee on Rules,
Subcommittee on Legislative and Budget Process

REP. DOUG BEREUTER

Vice Chairman, Committee on International Relations
Chairman, Subcommittee on Asia and the Pacific
Member, Committee on Banking and Financial Services

REP. JAMES V. HANSEN

Chairman, Committee on Standards of Official Conduct
Member, Committee on National Security
Chairman, Committee on Resources,
Subcommittee on National Parks and Public Lands

REP. JOHN M. SPRATT, JR.

Member, Committee on National Security
Ranking Member, Committee on the Budget

REP. CURT WELDON

Chairman, Committee on National Security,
Subcommittee on Military Research and Development
Member, Committee on Science

REP. LUCILLE ROYBAL-ALLARD

Member, Committee on Banking and Financial Services
Member, Committee on the Budget

REP. BOBBY SCOTT

Ranking Member, Committee on the Judiciary,
Subcommittee on the Constitution
Member, Committee on Education and the Workforce

VOLUME I

All-Volume Overview

CHAPTER 1

**Commercial and Intelligence Operations:
PRC Acquisition of U.S. Technology**

CHAPTER 2

**PRC Theft of U.S. Thermonuclear
Weapons Design Information**

CHAPTER 3

High Performance Computers

CHAPTER 4

PRC Missile and Space Forces

VOLUME II

All-Volume Overview

CHAPTER 5

Satellite Launches in the PRC: Hughes

CHAPTER 6

Satellite Launches in the PRC: Loral

CHAPTER 7

**Protecting Sensitive Information
at PRC Launch Sites**

CHAPTER 8

**The Role of Commercial Space Insurance
in Technology Transfer to the PRC**

VOLUME III

All-Volume Overview

CHAPTER 9

**Statutory and Regulatory Controls:
The Export of Our Militarily Sensitive Technology**

CHAPTER 10

**Manufacturing Processes:
PRC Efforts to Acquire Machine Tool and
Jet Engine Technologies**

CHAPTER 11

Recommendations

Appendices

