**U.S. Restricts Semiconductor Exports in Bid to Slow China’s Military Advance (WSJ October 7, 2022)**

The U.S. imposed new export restrictions on advanced semiconductors and chip-manufacturing equipment Friday in an effort to prevent American technology from advancing China’s military power.

The rules will require U.S. chip makers to obtain a license from the Commerce Department to export certain chips used in advanced artificial-intelligence calculations and supercomputing

—crucial technologies for modern weapons systems, senior administration officials said.

The U.S. already requires licenses for exports of many advanced technologies to Chinese entities deemed to be working against U.S. national-security interests. Friday’s move expands that to include exports of crucial cutting-edge chips and equipment that can’t be obtained elsewhere. The rules will also allow the U.S. to block foreign-made chips that are manufactured with U.S. technology, the officials said.

The restrictions are some of the broadest the U.S. has ever enacted against China’s chip industry, veering from previous actions that often targeted individual companies and a narrower subset of technology.

Officials described them as necessary to keep China from building up its military, developing new, state-of-the-art weaponry and further enhancing its surveillance network, already one of the world’s most sophisticated.

Allowing China and its military access to the most advanced chips and chip-making equipment “poses profound national-security risks,” the official said.

The Semiconductor Industry Association said it was assessing the impact of the new rules.

The new restrictions also include a restriction on chip-making machinery capable of making some of the most advanced number-crunching chips as well as computer-memory and data- storage chips, the officials said. Further controls are being placed on items China could use to develop its own manufacturing-equipment industry, they said.

The semiconductor industry was born in the U.S. but has shifted outside of the country in recent decades, mostly to Taiwan, South Korea and China, a state of affairs U.S. officials and legislators see as a worrying national-security vulnerability.

Sarah Kreps, who leads Cornell University’s Tech Policy Lab, cautioned that the U.S. action could be for naught unless it can convince other nations to also deny China advanced technology.

Advanced chips are increasingly a pillar of geopolitical power, underpinning both military systems and data-processing capabilities that drive modern economies. The U.S. is working to get allies on board with the restrictions and enact similar ones themselves.

The rules appeared to carve out at least one concession to some of those allies. Chip makers based in South Korea and Taiwan operate large factories in China, and could see those businesses disrupted if U.S. restrictions cover all facilities in China.

The U.S. has long sought to limit the development of China’s semiconductor industry by placing companies on the entity list, including telecom giant Huawei Technologies Co. and the country’s largest chip maker, Semiconductor Manufacturing International Corp., or SMIC.

The clampdown intensified amid the trade wars of the Trump administration, and the Biden administration has largely picked up where its predecessor left off.