

United States Senate

September 14, 2022

Mr. Tim Cook
Chief Executive Officer
Apple Inc.
One Apple Park Way
Cupertino, CA 95014

Dear Mr. Cook,

I write regarding Apple's ill-advised plans to do business with a dangerous Chinese chipmaker, Yangtze Memory Technologies Corporation (YMTC).

YMTC is a key player in the Chinese Communist Party's (CCP) campaign to dominate the semiconductor industry. YMTC has seized market share thanks to an estimated \$24 billion in government subsidies. These subsidies have allowed YMTC to poach engineers and sell its flash-memory products below cost, to the detriment of firms in the United States and allied countries. YMTC also collaborates with Chinese companies sanctioned by the U.S. government for human rights abuses and collaboration with the People's Liberation Army (PLA) on military-modernization projects. As a result, members of Congress from both parties have called on the Biden administration to add YMTC to the Entity List, and the Commerce Department may blacklist the company.

China has made great strides in strategic sectors like semiconductors due to subsidies and outright theft, but so far, its national champions lack legitimacy—and rightfully so. Your company's decision may change that.

I urge you to rethink Apple's decision to do business with YMTC. Apple and far too many other American companies already rely on China for manufacturing and supplies. Adding another Chinese company to Apple's supply chain, particularly one with close ties to the CCP and PLA, compounds these risks. If Apple continues to court untrustworthy Chinese companies like YMTC, it will do grave harm to its shareholders, its customers, and our country. As there is bipartisan support to address the threat posed by YMTC, I must stress for you and your shareholders the risks of this partnership with an entity that may soon be the target of U.S. government action.

With these concerns in mind, I request that you answer the following questions:

1. Can Apple confirm that their products using YMTC chips will not be available for purchase in the U.S. market or through any e-commerce platform available in the United States? If not, what safeguards does Apple have in place to protect U.S. national security and consumer data security from the CCP?
2. Did Chinese authorities require Apple to use YMTC's chips as part of its new iPhone 14? If not, on what basis did Apple make its decision to use YMTC chips, despite the threat posed by YMTC?
3. How did YMTC's ties to companies sanctioned for human rights abuses factor into Apple's decision?
4. Have members of Apple senior leadership considered the risk resulting from Apple making itself reliant on an entity that is likely the target of future U.S. government action?

Sincerely,



Tom Cotton
United States Senator