

Congress of the United States

WASHINGTON, DC 20515

November 20, 2023

Senator Jack Reed, Chairman
Senate Armed Services Committee
228 Russell Senate Office Building
Washington, D.C. 20510

Representative Mike Rogers, Chairman
House Armed Services Committee
2126 Rayburn House Office Building
Washington, D.C. 20515

Senator Roger Wicker, Ranking Member
Senate Armed Services Committee
228 Russell Senate Office Building
Washington, D.C. 20510

Representative Adam Smith, Ranking Member
House Armed Services Committee
2126 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Reed, Ranking Member Wicker, Chairman Rogers, and Ranking Member Smith:

We are deeply concerned about the potential national security threats posed by outbound capital flows and knowledge transfer to the United States' adversaries, particularly the People's Republic of China (PRC). To this end, we write urging you to ensure that language addressing outbound investments in certain sectors of foreign countries of concern is included in the National Defense Authorization Act (NDAA) of 2024, and ideally strengthen the language.

On July 25, 2023, the Senate voted overwhelmingly (91-6) to include Amendment No. 931 in the NDAA, which would establish an outbound investment screening program led by the U.S. Department of the Treasury in coordination with the U.S. Department of Commerce. It requires United States entities to notify the U.S. government of investments and activities in specific technology sectors in countries of concern.

There is strong bipartisan consensus in both the U.S. Senate and U.S. House of Representatives that Congress must act to address the national security threat posed by these outbound investments. The Administration is also focused on the issue. On August 9, 2023, the President issued an Executive Order (E.O. 14105) titled Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern, seeking to deal with this same issue set. In fact, the E.O. goes beyond notification to consider prohibition of investment in some sectors.

We have known for some time that U.S. companies are sending capital, intellectual property, and innovation to the PRC, fueling its advance in dual-use critical technology areas. To safeguard our national security, the U.S. needs visibility into our vulnerabilities by requiring, at a minimum, notification of sensitive investments by U.S. firms in these countries.

Outbound investment screening will fill a gap in our ability to combat this growing national security threat. This is not novel, nor a threat to America's outwardly facing economy. The United States has deployed a number of tools to protect against technology theft by our adversaries, including export controls, sanctions, and inbound foreign investment screening, even as it remains one of the most open economies in the world.

None of the tools currently at the government's disposal, however, fully address the specific risk posed by the transfer of U.S. capital and know-how to our adversaries. In order to protect our interests, we need to evaluate the full scope of our vulnerabilities and use the data and insight provided by outbound investment screening to implement tools that ensure sensitive technologies with dual-use applications are not further ceded to adversaries.

The last thing we should be doing is facilitating technology that could one day be used against us, whether through espionage at home or against our servicemen and women deployed to fight for their nation.

In the interest of U.S. national security, we urge you to ensure that robust language addressing the threat posed by outbound investments in countries like the PRC is included in the 2024 NDAA that goes to the President for his signature.

Sincerely,



Dan Sullivan
United States Senator



Jacky Rosen
United States Senator



Mike Gallagher
Member of Congress



Raja Krishnamoorthi
Member of Congress



Michael McCaul
Member of Congress



Gregory Meeks
Member of Congress



Marco Rubio
United States Senator



Rick Scott
United States Senator



Joni K. Ernst
United States Senator



Debbie Stabenow
United States Senator



Tommy Tuberville
United States Senator



Gary Peters
United States Senator



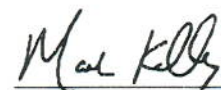
Bob Casey
United States Senator



Angus King
United States Senator



Pete Ricketts
United States Senator



Mark Kelly
United States Senator



Kevin Cramer
United States Senator



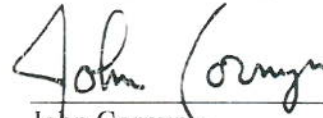
John Fetterman
United States Senator



Tammy Baldwin
United States Senator



Michael Bennet
United States Senator



John Cornyn
United States Senator



Chris Van Hollen
United States Senator



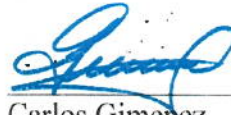
Jeanne Shaheen
United States Senator



Russell Fry
Member of Congress



Brian Mast
Member of Congress



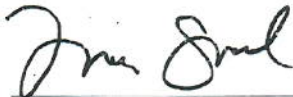
Carlos Gimenez
Member of Congress



Robert B. Aderholt
Member of Congress



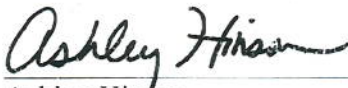
Nathaniel Moran
Member of Congress



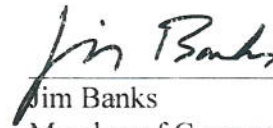
Michelle Steel
Member of Congress



Richard McCormick
Member of Congress



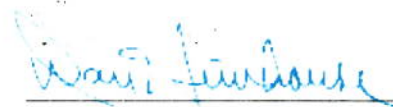
Ashley Hinson
Member of Congress



Jim Banks
Member of Congress



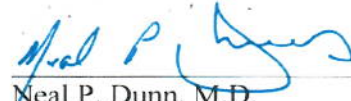
Darin LaHood
Member of Congress



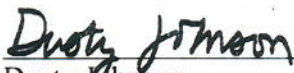
Dan Newhouse
Member of Congress



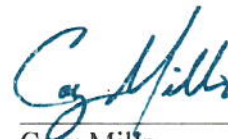
John Moolenaar
Member of Congress



Neal P. Dunn, M.D.
Member of Congress



Dusty Johnson
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Cory Mills
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Haley Stevens
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Chris Deluzio
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Brian Fitzpatrick
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Rosa DeLauro
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Ami Bera, M.D.
Member of Congress