

July 7, 2021

The Honorable Joseph R. Biden, Jr.  
President of the United States  
The White House  
1600 Pennsylvania Ave NW  
Washington, DC 20500

**Re: Inclusion of Department of Defense Chinese Military Companies in OFAC NS-CMIC List**

Dear President Biden:

We very much appreciate your Executive Order (EO) 14032, expanding capital market sanctions beyond defense companies to include those in related industry that are a part of the People's Republic of China's (PRC) civil-military fusion strategy, as well as surveillance technology companies that are complicit in undermining human rights. We hope these industries and those 59 companies initially listed are only the tip of the iceberg and that your administration will continue to add to the NS-CMIC List.

One notable list ripe for inclusion in the capital market sanctions list is the Department of Defense's CMC List, which was updated most recently on June 23, 2021. As you are aware, this list was transmitted to Capitol Hill pursuant to the National Defense Authorization Act for FY21 section 1260H.

The Biden-Harris Administration has been supportive of section 1260H on the record, and we commend the robust additions to the list. However, we believe this list must be added to the OFAC list in order to maximize effectiveness. Why would such a list of 47 or so companies be reported in accordance with the law, but minimal action be taken to prohibit further business with, or investment in, such companies that are known military or a military-civil fusion supporters of our greatest near-peer competitor, the People's Liberation Army? It would be a grave mistake to name these companies and take no executive action to curtail their fundraising from scores of millions of unwitting American retail investors?

We should also note that in her confirmation process, Secretary of Commerce Raimondo stated,

“I am aware of the substantial challenges China's military-civil fusion policy poses to U.S. national security. If confirmed, I plan to leverage the full breadth of the authorities under the purview of the Department of Commerce in order to protect U.S. national and economic security interests. I also look forward to working with the Secretary of Defense and Director of National Intelligence to fully implement related provisions of the FY2021 NDAA (Section 1260H) and other relevant legislation.”

We are grateful for Secretary Raimondo's support to utilize the law to its fullest extent to protect the financial interests of the American people. But she needs additional support to fully

implement the latest provisions. That is why adding 1260H reports submitted to Congress to the NS-CMIC List is required. The support for 1260H is overwhelming – the Senate garnered 81 yeas and there was a two-thirds majority in the House to override the President’s veto – demonstrating both houses of Congress overwhelming support of this language. We hope the Biden-Harris Administration will update the OFAC NS-CMIC List that protects Americans from unknowingly, or intentionally, investing in Chinese military companies.

To out-compete China and safeguard our national security we must protect our own people from unwittingly investing in China’s production of lethal technology and equipment and the technical means to pursue genocide in Xinjiang. We respectfully ask that you fully implement, and if necessary, amend EO 14032 to ensure that the Pentagon’s CMC List is included in the NS-CMIC List.

Sincerely,



Zach Mottl, Chairman  
Coalition for a Prosperous America



Michael Stumo, CEO  
Coalition for a Prosperous America

Cc: The Honorable Antony Blinken, U.S. Secretary of State  
The Honorable Janet Yellen, U.S. Secretary of the Treasury  
The Honorable Lloyd Austin, U.S. Secretary of Defense  
The Honorable Gina Raimondo, U.S. Secretary of Commerce  
The Honorable Marty Walsh, U.S. Secretary of Labor  
The Honorable Katherine Tai, U.S. Trade Representative  
The Honorable Avril Haines, Director of National Intelligence  
The Honorable Jake Sullivan, National Security Advisor  
The Honorable Brian Deese, Director of the National Economic Council  
The Honorable Jerome Powell, Chairman of the Federal Reserve  
The Honorable Gary Gensler, Chairman of the Securities and Exchange Commission