



September 20, 2021

The Honorable James P. McGovern
370 Cannon House Office Building
Washington, DC 20515

Re: Protecting Against Chinese Military Companies (CMC's) in the FY2022 National Defense Authorization Act

Dear Chairman McGovern and Members of the House Rules Committee:

We ask that in the Rules Committee consideration process of the FY2022 National Defense Authorization Act (NDAA) you make in order the following amendments that would protect Americans from the harms caused by Chinese Military Companies (CMC's) and other malign corporate actors. The following amendments would not only protect America's national security interests, but also protect millions of unwitting American investors from harm caused by companies beholden to the Chinese Communist Party (CCP).

The amendments we call for consideration and to be made in order are:

- Gallagher #559
- Jackson #218
- Perry #207, as revised
- Perry #211
- Perry #214, as revised
- Tenney #822

Placing capital markets sanctions on certain Chinese companies is immediately necessary to protect U.S. investors and our national security interests.

It is important to note that there are multiple sanctions called for in these amendments. This includes those companies already listed by the Department of Commerce on their Entity List, those already listed by the Department of Defense on their Chinese Military Companies List, and those we believe ought to be listed by the State Department. The most effective punitive measure for these bad actor companies is to be placed on the Treasury Department's Office of Foreign Assets Control (OFAC) NS-CMIC List, subjecting them to the capital market sanctions outlined in President Biden's EO 14032.

In the FY21 National Defense Authorization Act, the definition of CMC's was updated from its FY99 definition. This was an important decision that the House can and should build upon this year by protecting against the malign influence of these bad actor companies that have both adverse financial market impacts as well as military and security ones.

We ask that the Committee take a firm stand in the NDAA process and commit to bring amendments to the floor – and even in managers packages – that state ***we will not support the U.S. funding of our adversaries' militaries and corporate human rights abusers.*** To allow the PRC through the CCP and their puppet companies to raise unending sums of capital via our capital markets (through U.S. investors) is unwise national security policy and a severely risky securities practice - with extreme lack of oversight to protect U.S. investors.

We appreciate your consideration of our urgent call to stop funding CMC's and other bad actor Chinese companies immediately and make the amendments in order for consideration on the House floor later this week.

Sincerely,

Coalition for a Prosperous America
Fight for Freedom. Stand with Hong Kong.
Victims of Communism Memorial Foundation

Cc: The Honorable Tom Cole, Ranking Member
The Honorable Norma J. Torres
The Honorable Ed Perlmutter
The Honorable Jamie Raskin
The Honorable Mary Gay Scanlon
The Honorable Joe Morelle
The Honorable Mark DeSaulnier
The Honorable Deborah K. Ross
The Honorable Joe Neguse
The Honorable Michael Burgess
The Honorable Guy Reschenthaler
The Honorable Michelle Fischbach