



January 28, 2022

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

RE: America COMPETES Act of 2022, SECTION 30133: Annual Review on the Presence of Chinese Companies in United States Capital Markets

Dear Speaker Pelosi:

We write today in support of a strong outcome for your efforts in developing the America COMPETES Act of 2022 as the companion bill to the Senate U.S. Innovation and Competition Act (USICA) (S. 1260). Your leadership on countering threats posed by China's authoritarian government has been unparalleled, for which we are deeply grateful.

We commend the work on section 30133 of this bill and recognize the thorough and substantive report that it will produce. However, we offer the following improvements that we hope could be resolved during the amendment process. We urge you to support some provisions approved by the Senate in Section 3407 of the USICA: Annual Review on the Presence of Chinese Companies in United States Capital Markets. The Senate provisions in Section 3407 are critical to our nation's ability to protect human rights values and key matters of national interest.

This section requires an annual report regarding the material risks posed to the United States by the presence of companies incorporated in the People's Republic of China and present in U.S. capital markets that are also known to be involved in deleterious activities contrary to our values and interests. It is very important that the Congress mandate identification of the companies that violate internationally recognized human rights, undermine our security, and/or substantially increase financial risk exposure for United States-based investors.

It is time to ensure that Chinese corporate abusers are no longer treated as ordinary market players. This imperative requires comprehensive documentation of the companies that facilitate the genocidal policies against the Uyghurs and other religious and ethnic groups, benefit from state-imposed forced labor programs, and build the Orwellian "surveillance state" that keeps every Chinese citizen under watch -- as well as Uyghurs, Tibetans, and Hong Kongers abroad, who are subject to threats and intimidation on U.S. soil and in other countries. We must also have clear identification of the companies that assist the PLA's advanced technology -- used to threaten a free and open international order, dominate and threaten Taiwan, and back up the severe crackdown suffered by the people of Hong Kong.

We believe it's critical for the COMPETES Act Section 30133 to be improved to preserve the strong language approved by the Democratic Majority in the Senate in S.1260 Section 3407, including:

- Requiring an annual report, not a one-time report
- Requiring the State Department to be a leader on this report to provide critical human rights and foreign relations information to the evaluation of these companies and holding the Treasury Department accountable for considering foreign policy interests as State Department is the leader on human rights for the U.S. Government
- Maintaining a broad scope of Chinese securities subject to inclusion in the report
- Including companies which are non-compliant with U.S. federal securities laws or other SEC-required "material risk" disclosures
- Including the Director of National Intelligence in consultations on the report.

We believe incorporation of the Senate language is necessary for the Congress to ensure the law is effective in stopping American investment flows to malign Chinese corporate bad actors.

The strategic implications are very urgent for Americans, for those suffering under Chinese repression, and indeed for the entire world, if we are to preserve democratic norms and free societies.

In conclusion, we respectfully urge you and your colleagues to include the Senate's Section 3407 language in any final House version of USICA.

Sincerely,

Athenai Institute
Coalition for a Prosperous America
Uyghur American Association
Uyghur Human Rights Project