

May 20, 2020

The Honorable Steven Mnuchin  
Secretary  
U.S. Department of Treasury  
1500 Pennsylvania Avenue NW  
Washington, D.C. 20220

Dear Secretary Mnuchin:

We write to express our concerns related to the People's Republic of China's (PRC) efforts to exploit the economic crisis wrought by the COVID-19 pandemic to gain control of distressed companies or shirking its international responsibilities amidst a worldwide crisis. In both Chinese Communist Party (CCP) and PRC policy documents, Beijing has made no secret of its intentions to dominate strategic industrial and emerging technology sectors as well as influence standards at the expense of liberal, rules-based governance. The PRC's global ambitions mean that the United States must be prepared to meet this challenge both at home by protecting American businesses and also abroad by warning our friends and shining a light on the PRC's predatory behaviors.

We have received disturbing reports that PRC state-owned and -directed enterprises are looking for acquisition targets in line with the PRC's strategic objectives. Government-backed Chinese companies are reportedly approaching banks to identify and facilitate the purchase of American and European companies affected by the pandemic. The economic fallout of COVID-19 will probably outlast the health crisis itself, so these risks are likely to persist for some time.

Moreover, as the crisis reverberates across the globe, the PRC's predatory lending practices—including the use of non-disclosure agreements for bilateral loans—not only damage the fiscal situation of recipient countries, but also undermine the international community's ability to respond effectively to the crisis. Without U.S. and international pressure for accountability and transparency, countries that are in debt to the PRC will not have the political cover or protection to open their financial books. Such countries will face the risk of default or a currency crisis, leaving the International Monetary Fund (IMF), World Bank, and Western countries to clean up the PRC's mess.

As we confront the current public health crisis, we must ensure countering the PRC's predatory economic behavior both at home and abroad continues to be featured in policy deliberations. It was important six months ago, remains important today, and must continue to be a U.S. priority in the future. Therefore, we respectfully request the following steps be taken:

- The Committee on Foreign Investment in the United States should take an expansive view of national security for the duration of the COVID-19 to investigate and, if appropriate, block PRC state-owned and -directed enterprises from purchasing or otherwise investing in distressed companies to include sale and leaseback agreements for high-value equipment and capital goods;
- A robust international briefing program on the need for investment screening, including specific warnings relevant to the country about predatory PRC actions and detailed information regarding the PRC's "Made in China 2025", "China Standards 2035", Military-Civil Fusion Strategy, economic espionage programs, and any other relevant policy initiative;

- That pressure is applied to major bilateral creditors to define public debt broadly for the purpose of debt relief initiatives at least to include any financing connected to the creditor's government policy initiatives;
- That pressure be applied from the U.S. Government as well as through multilateral lending institutions, such as the IMF and World Bank, for transparency as a condition of debt relief. The PRC's use of non-disclosure agreements hides the debt, not only from international lenders and donors, but also from debtor countries' economic and financial policymakers; and,
- A briefing to our staffs on any additional authorities that might be necessary to protect United States economic interests and strategic technologies from predatory PRC economic behavior.

We look forward to working with you to protect our economic interests and the health of the global economy from which we all benefit. Thank you for your consideration of our requests on this vital issue and ensuring U.S. economic and fiscal policy supports the U.S. National Security Strategy as it relates to China.

Sincerely,




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Marco Rubio  
U.S. Senator




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Jeffrey A. Merkley  
U.S. Senator




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Thom Tillis  
U.S. Senator




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Ben Sasse  
U.S. Senator




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John Cornyn  
U.S. Senator




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Tom Cotton  
U.S. Senator




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Mitt Romney  
U.S. Senator

cc: Secretary of State Mike Pompeo  
National Security Advisor Robert O'Brien  
Director of the National Economic Council Lawrence Kudlow