

United States Senate

WASHINGTON, DC 20510

COMMITTEES:
APPROPRIATIONS
FOREIGN RELATIONS
SELECT COMMITTEE ON INTELLIGENCE
SMALL BUSINESS AND ENTREPRENEURSHIP
SPECIAL COMMITTEE ON AGING

February 26, 2020

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

The Honorable William P. Barr
Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue NW
Washington, D.C. 20530-0001

Dear Secretary Mnuchin and Attorney General Barr:

I write with regard to AT&T's upcoming sale of the Central European Media Group Enterprises (CME) to the Czech-owned conglomerate, PPF Group. I believe this sale requires a review of the Committee on Foreign Investment in the United States (CFIUS), as it undercuts U.S. national security interests related to Central and Eastern Europe, as well as to China.

As a subsidiary of a U.S. company, I believe the CME Group qualifies as a "U.S. business" and meets the criteria for a CFIUS evaluation. I request that you refer the PPF Group's acquisition of AT&T's subsidiary to CFIUS for a formal review of the sale's implications to U.S. national security interests.

The Czech purchaser, PPF Group and its Chief Executive Officer Petr Kellner, have a record of acting as China's proxies inside the Czech Republic. Approximately one third of the PPF Groups' profits come from subsidiary Home Credit's individual lending business in China. This politically precarious business relies on the Chinese government's non-banking loans license. Consequently, Mr. Kellner and his companies have supported China's malign activities abroad. In Serbia, for example, PPF-owned telecommunications firms are working with Huawei to develop 5G networks. In the Czech Republic, the PPF's cell phone operator and telecom equipment provider are running on Huawei's equipment. Most egregiously, PPF's subsidiary, Home Credit, hired a public relations firm for 2,000 hours of work devoted to manipulating Czech public opinion favorably toward China. This work included spying on Czech politicians, pressuring media to withdraw news articles critical of China, and creating a new think-tank, Sinoskop, to employ biased analysts to influence public debate. Finally, it has come to my attention that PPF has already used its expected acquisition of CME's Czech media outlets to intimidate Czech media and politicians into silence.

I believe the Administration needs to conduct closer reviews of corporate deals like AT&T's sale of CME, and understand how the Chinese government and Communist Party work through proxies like PPF. Failure to do so undercuts U.S. diplomatic efforts aimed at countering the Chinese Communist Party's political interference in foreign governments and societies.

Competing with Beijing over the narrative requires blocking its efforts to control the medium through which people understand China and its activities.

The CME Group operates in the Czech Republic as well as Bulgaria, Romania, Slovakia, and Slovenia, reaching around 97 million people. It owns some of the most-watched news programming in Central and Eastern Europe. The United States has an interest in preserving a free and open media environment overseas as well as preventing the Chinese Communist Party from subverting these platforms in its efforts to undermine democratic norms worldwide. In the interest of U.S. national security, I respectfully request you conduct a CFIUS review of this deal.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read 'M. Rubio', is centered on the page.

Marco Rubio
U.S. Senator