

United States Senate

WASHINGTON, DC 20510

COMMITTEES:
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SMALL BUSINESS AND ENTREPRENEURSHIP
SPECIAL COMMITTEE ON AGING

October 9, 2019

President Donald Trump
The White House
1600 Pennsylvania Avenue NW
Washington, D.C. 20500

Dear Mr. President:

I am alarmed to learn that the Chinese government and Communist Party is now organizing and imposing boycotts against the Houston Rockets and certain activities with the National Basketball Association (NBA) after Daryl Morey, an American citizen who is employed by the Houston Rockets, exercised, in a personal capacity, his constitutionally-protected right to freedom of expression. What's more, Morey did so on a social media platform that the Chinese Government bans in China and routinely uses in the U.S. to spread its own propaganda and disinformation. China's coercive actions are clearly meant to restrict speech and instill fear of retaliation in American citizens and companies inside the U.S. Since 1977, Congress has consistently spoken on the record about the need to prevent foreign governments and foreign companies from using economic leverage to impose their political views on Americans, including through the enactment of several U.S. laws to penalize this behavior. As such, I write to urge your administration to fully enforce anti-boycott laws and regulations and, as appropriate, to impose mandated penalties against any U.S. persons—including the U.S. subsidiaries or affiliates of Alibaba Group, JD.com, Tencent or other Chinese companies—that comply with foreign boycotts seeking to bully and coerce American companies or American citizens to conform with the Chinese government and Communist Party's views, including those related to Hong Kong, Taiwan, Tibet, and other issues.

It is clear and obvious that the Chinese Government is imposing state-directed boycotts against the Houston Rockets and certain activities with the NBA. For example:

- CCTV, a Chinese state television company, is already halting arrangements to broadcast the NBA's preseason games in China. Moreover, after NBA Commissioner Adam Silver told reporters that as a "values-based organization, I want to make it clear that Daryl Morey is supported [by the NBA] in terms of his ability to exercise his freedom of expression," CCTV responded with a statement that lays bare the Chinese Government's opposition to free speech even in the United States: "we're strongly dissatisfied and oppose Adam Silver's claim to support Morey's right to freedom of expression."
- Alibaba Group, the Chinese e-commerce and technology company that is now listed on the New York Stock Exchange and has U.S. operations, and JD.com, a Chinese e-commerce

company on the NASDAQ and has U.S. operations, both recently banned Houston Rockets-related items from their respective online shopping platforms.

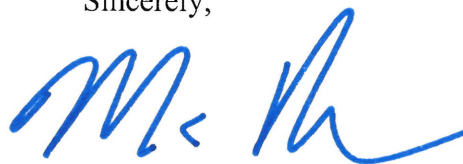
- Tencent, a Chinese technology company with a U.S. branch that owns the digital rights to NBA games in China, recently announced that it would stop showing Rockets games and news.

This is not the first time that China has threatened to boycott or otherwise harm American and international companies should they not toe the line of the Chinese Government and Communist Party. In April 2019, the Chinese Government threatened American and international airlines if they refused to make clear on their websites that Taiwan belongs to China. In January 2019, Beijing took down Marriott International's online portal and apps in China, and demanded an apology after one of the company's employees, who is an American citizen and working in the U.S., used an official company account to like a tweet related to Tibet. Marriott subsequently fired that employee.

Since the 1970s, the U.S. has adopted several laws to prevent foreign governments and foreign companies from using their economic leverage to impose their political views on Americans. In particular, Section 8 of the *Export Administration Act of 1979* (Public Law 96-72), and its implementing regulations, prohibit any U.S. person, including "any domestic concern (including any permanent domestic establishment of any foreign concern)," from complying with a foreign boycott that is unsanctioned by the U.S. Moreover, the Ribicoff Amendment to the *Tax Reform Act of 1976* (Public Law 94-455) denies specified tax benefits to companies that participate in an unsanctioned boycott.

It is past time that the U.S. take a forceful and unambiguous stand against the Chinese Government and Communist Party's ongoing efforts to bully and coerce American companies and American citizens to bend to Beijing's will. I therefore urge the Executive Branch to fully enforce anti-boycott laws and regulations and, as appropriate, to impose mandated penalties against any U.S. persons—including the U.S. subsidiaries or affiliates of Alibaba Group, JD.com, Tencent or other Chinese companies—that comply with foreign boycotts seeking to coerce American companies or American citizens to conform with the Chinese government and Communist Party's views.

Sincerely,



Marco Rubio
U.S. Senator

CC: Secretary of State Michael R. Pompeo
Secretary of the Treasury Steven T. Mnuchin
Secretary of Commerce Wilbur Ross