**Congress of the United States**
**House of Representatives**
**SELECT COMMITTEE ON CHINA**

The Honorable Scott Bessent
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

March 5, 2026

Dear Secretary Bessent,

I write to congratulate you on recent efforts to unwind malign investments from China that threaten American technological dominance, and to offer continued support in implementing President Trump's *America First Investment Policy.* The *Policy* is clear that economic security is national security and that foreign investment at all costs is not always in the national interest.[1] As Beijing attempts to extract greater U.S. market access in ongoing trade talks under the guise of "reducing investment barriers," the Treasury Department's role in scrutinizing and defending against malign foreign investments has never been more important.[2]

Recent Committee on Foreign Investment in the United States (CFIUS) enforcement actions demonstrate the seriousness of the Administration's commitment to enforcing that principle. President Trump's decisive order to require HieFo Corporation's divestment of Emcore Corporation and the administration's recent enforcement action against Suirui Corporation highlight examples of the intellectual property theft and espionage risks of Chinese investments in the U.S.[3] But, inbound investment from China presents even broader threats. Ultimately, Beijing seeks to subsidize its broken economic model on the back of the American taxpayer and capitalize on the ill-gotten gains of its mass intellectual property theft by exporting its state-subsidized industrial overcapacity to our shores.

Expanding market access or investment opportunities for Chinese firms in critical manufacturing sectors in the United States should be subject to heightened scrutiny. Left unchecked, such inroads would undermine the Administration's efforts to safeguard national security, prevent foreign adversary control over critical infrastructure, and rebuild American industrial strength. It

[1] https://www.whitehouse.gov/presidential-actions/2025/02/america-first-investment-policy/
[2] https://www.news.cn/world/20250916/230896ac1eac44c58d615d4c7af68dec/c.html
[3] https://www.whitehouse.gov/presidential-actions/2026/01/regarding-the-acquisition-of-certain-assets-of-emcore-corporation-by-hiefo-corporation/; https://www.justice.gov/opa/pr/justice-department-files-action-protect-national-security-enforcing-presidents-order-chinese

would reward firms whose state-backed advantages have caused profound damage to American industry and workers.

The core problem is structural. Chinese companies are not constrained by the same profit-and-loss discipline that governs companies in market economies. They are sustained by state support that allows them to operate at a loss for extended periods to displace competitors and consolidate strategic control. They have been sustained over decades by state subsidies conservatively estimated by the International Monetary Fund at approximately 4.5 percent of Chinese GDP,[4] along with preferential financing, tax concessions, land grants, and regulatory protections unavailable to American firms. These advantages would not disappear once Chinese companies cross our border.

Further, current economic conditions inside China underscore the strategic asymmetry of granting expanded access to our country at precisely the moment Beijing is under internal strain. With weak domestic demand, depressed confidence, and nearly a quarter of industrial firms operating at a loss in 2025,[5] Beijing is relying increasingly on external markets to absorb excess capacity—and absorb its forestalled unemployment. A record $1.2 trillion trade surplus reflects that dynamic.

Expanded access to the American market would provide China commercial relief at a moment of internal strain and allow Chinese firms to preserve overcapacity that market forces would otherwise discipline. It would be tantamount to awarding a building reconstruction contract to the very arsonist who burned down the building in the first place.

In lithium-ion batteries, a foundational technology, China has leveraged sustained state support and domestic procurement policies to achieve dominance. The Administration has rightly committed to using legal instruments, including CFIUS authorities, to restrict People's Republic of China-affiliated persons from investing in critical technologies and infrastructure. Granting expanded U.S. access to Chinese battery firms would run counter to stated policy and undermine foreign entity of concern guardrails and domestic content incentives now being implemented by the Administration. Furthermore, it would undercut emerging American competitors and destabilize new capacity investments by trusted allies competing against China's state-backed practices.

In automobiles, Chinese firms have benefited from protected domestic markets and state-backed capital to achieve cost structures disconnected from market discipline. China's domestic price wars and race-to-the-bottom style "involution" have distorted world markets. Allowing Chinese automakers to establish footholds in U.S. production or technology partnerships would import Chinese distortions directly into the American industrial base. It would also place American automakers and their workers, concentrated in communities across Michigan, Ohio, Kentucky, and Tennessee, in direct competition with firms that have no need to compete on genuine market disciplines.

---

[4] https://merics.org/en/comment/chinas-overcapacity-threatens-reshuffle-global-industrial-bases
[5] *Ibid.*

From pandemic-era personal protective equipment (PPE) restrictions[6] to its rare earth export controls[7] and coercion against our ally Japan (among others),[8] expanding inbound investment would deepen U.S. dependence on Chinese industry and entrench vulnerability to repeated economic weaponization.

In sum, the principles articulated in the *America First Investment Policy* must continue to guide scrutiny of any inbound investment push from China. Existing legislative guardrails and executive authorities in this area were designed to reduce dangerous dependencies and prevent adversarial leverage over critical sectors. I stand ready to assist if there are additional tools and reforms necessary to safeguard U.S. national and economic security.

Thank you for your leadership on this crucial issue.

Sincerely,

John Moolenaar
Chairman

cc: The Honorable Jamieson Greer, United States Trade Representative

---

[6] https://www.reuters.com/article/world/china-imposes-more-checks-on-mask-exports-to-ensure-quality-control-idUSKCN21S141/
[7] https://www.csis.org/analysis/chinas-new-rare-earth-and-magnet-restrictions-threaten-us-defense-supply-chains
[8] https://www.ft.com/content/afa45318-1c56-435a-a3c8-8b82a93714a0