

Congress of the United States

Washington, DC 20510

December 22, 2022

The Honorable Janet Yellen
Secretary
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Dear Secretary Yellen,

We are writing to you in your capacity as Chair of the Committee on Foreign Investment in the United States (CFIUS) regarding a troubling pending transaction in the semiconductor industry. A Chinese entity reportedly plans to acquire a controlling interest in an American company, GEO Semiconductor. It is our understanding that CFIUS is currently reviewing the proposed acquisition.

We are deeply concerned that this transaction could give the Chinese Communist Party (CCP) control over a company in a critical U.S. industry. The CCP has not hesitated in the past to corner crucial markets and leverage purchases of American companies to their advantage. GEO Semiconductor produces technology, such as autonomous recognition of distant objects traveling at high speeds, that could support the auto industry and have defense applications. Such technology could help self-driving cars recognize and avoid pedestrians and other cars but could also assist military drones with target acquisition.

As you know, the CCP pursues a strategy to acquire cutting-edge dual-use technology overseas in part to help the People's Liberation Army (PLA) develop and field advanced military capabilities that are then aimed at American forces in the Indo-Pacific. We are deeply concerned that GEO Semiconductor may fall prey to this scheme, as Chinese-controlled companies are often forced to hand over their technology to the Chinese military or intelligence services. Given that Congress recently enacted legislation to spend billions to promote the American semiconductor industry, it would be malfeasant to allow the Chinese Communist Party to become a beneficiary of American taxpayer dollars and to seize part of that industry.

Permitting the CCP to own GEO's technology would undoubtedly hurt the American auto industry and poses serious implications for national security. We urge CFIUS to consider this proposed acquisition carefully.

Sincerely,



Tom Cotton
United States Senator



Mike Gallagher
Member of Congress