

# Congress of the United States

Washington, DC 20510

September 11, 2019

The Honorable Mark Esper  
Secretary of Defense  
U.S. Department of Defense  
1000 Defense Pentagon  
Washington, DC 20301-1000

Dear Secretary Esper,

During your Senate confirmation hearing in July, we were pleased to hear your endorsement of the 2018 National Defense Strategy, in particular your recognition of the growing threats posed by great-power competitors such as China. Long-term, peacetime competition with the Chinese Communist Party (CCP) is one of the defining challenges of our time.

The CCP has adopted a strategy of “Military-Civilian Fusion” to achieve its national objectives, enlisting Chinese corporations and universities to harness emerging civilian technologies for military purposes. If Beijing cannot develop technology on its own, it attempts to steal it from the United States using cyber espionage, intelligence assets operating in the United States, and state-directed companies that acquire American firms to transfer proprietary information. As Assistant Secretary for International Security and Nonproliferation Christopher Ford has stated, Military-Civilian Fusion is the “CCP’s blueprint for China’s global ‘return’ to military preeminence.”

The Administration should reexamine all the statutory authorities at its disposal to confront the CCP’s strategy of Military-Civilian Fusion, including powers that have lain dormant for years. One such statutory authority can be found in Public Law 105-261, the FY 1999 National Defense Authorization Act (NDAA), as amended. Section 1237 of this legislation states that:

*“Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall make a determination of those persons operating directly or indirectly in the United States or any of its territories and possessions that are Communist Chinese military companies”*

Section 1237, as amended in the FY 2001 NDAA, requires the Secretary of Defense to notify Congress, the Director of Central Intelligence, the Attorney General, and Secretaries of State, Treasury, Commerce, and Energy, of any determinations under this provision. The Secretary is also required to update this list on an ongoing basis in consultation with these officials. For the purposes of this legislation, a Communist Chinese military company includes any firm that is “owned or controlled by the People’s Liberation Army” and is “engaged in providing commercial services, manufacturing, producing, or exporting.”

We kindly request answers to the following questions about Section 1237, as amended:

1. When was this list of Communist Chinese military companies operating in the United States last updated by the Department of Defense?
2. As part of your commitment to achieving the goals set out in the 2018 National Defense Strategy, will you commit to updating and publicly releasing this list as soon as possible?

Thank you for your consideration of this important matter. We look forward to receiving your response and working with you to combat China's economic espionage in the United States.

Sincerely,



---

Tom Cotton  
United States Senator



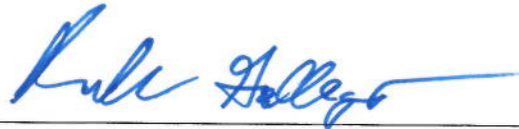
---

Charles E. Schumer  
United States Senator



---

Mike Gallagher  
United States Representative



---

Ruben Gallego  
United States Representative