# Congress of the United States
Washington, DC 20515

November 24, 2026

The Honorable Scott Bessent
Secretary of the Treasury
Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

Dear Secretary Bessent,

We applaud your and President Trump's leadership in stopping the People's Republic of China (PRC) from exploiting U.S. capital and know-how to advance its military-industrial complex and strategic technologies. The Department of Treasury's Notice of Proposed Rulemaking to implement the Comprehensive Outbound Investment National Security (COINS) Act of 2025 is a historic step toward maintaining and expanding America's lead in the technologies that will determine leadership in this century.

This proposed rule executes congressional intent to defeat China's high-tech ambitions. It prohibits investments to build new biotechnology research centers in China. It expands the existing prohibition on advanced semiconductor manufacturing to include high-bandwidth memory, perhaps the most important chokepoint in China's chipmaking sector. It bans all investments in China's artificial intelligence sector.

Congratulations on taking these important actions to protect American national security. We recommend that the final rule and other future outbound investment actions maintain these restrictions and consider also addressing the following issues:

1. **Deepen Biotech Restrictions**: The proposed restrictions on investment into PRC biotech will help prevent the offshoring of a strategic sector to China and prevent Americans from contributing to foreign adversary bioweapons development. But other partnerships between U.S. and PRC companies in biotech not covered by this proposed rule still deserve action. Namely, drug co-development and drug licensing deals can be structured in ways that supercharge the growth of China's biotech industry to the detriment of American biotech leadership and the secure supply of essential treatments for American patients.[i]

2. **Target Publicly Traded Security Investments**: The existing outbound investment rules focus on private capital on the logic that these investments can transfer "intangible benefits" that accelerate China's technological development.[ii] So the rules exempt publicly traded securities like index funds, ETFs, and mutual funds, allowing billions in American investment to flow to Chinese tech giants through public markets. Publicly listed AI giants supporting the Chinese military like Alibaba and Tencent already face financial constraints limiting their AI expansion.[iii] Depriving China's AI champions of capital from public markets could make raising additional capital for their AI buildout even more expensive, giving America an advantage in the AI Arms Race and ensuring U.S. military dominance.

The Administration should consider adding publicly traded securities as a new targeted transaction type pursuant to Section 809 of the COINS Act, and should add publicly-listed PRC technology giants that are military companies onto the Non-SDN Chinese Military-Industrial Complex Companies (NS-CMIC) List – which would ban Americans from trading those firms' publicly traded securities.[iv]

3. **Add Additional Sectors**: This proposed rule wisely uses the flexibility granted by Section 809 of the COINS Act to cover the biotech sector. The Administration should also restrict U.S. investment into China's robotics, aerospace and space technologies, advanced manufacturing, and directed energy sectors.[v] For example, the Trump Administration has already rightly prohibited imports of PRC robots on national security grounds, raising the question of why those same robotics firms should enjoy access to U.S. capital.
4. **Prohibit Foundational Semiconductor Investments**: The proposed rule prohibits investments into China's cutting-edge semiconductor manufacturing. It maintains the existing notification requirement for investments into China's less advanced production. But aiding the growth of China's foundational chip manufacturing could contribute to building a CCP chokehold over the American economy more threatening than China's current rare-earths dominance.[vi]
5. **Address Management Consulting**: U.S. consulting firms provide strategic guidance that can shape national industrial policy, research priorities, and institutional design – similar to the intangible benefits provided by private capital.[vii]

Sincerely,

Brian Mast
Chairman
House Committee on Foreign Affairs

Pete Ricketts
United States Senator

Eric A. "Rick" Crawford
Chairman
House Permanent Select Committee on Intelligence

John Moolenaar
Chairman
House Select Committee on the CCP

CC:

The Honorable Marco Rubio
Secretary of State
U.S. Department of State
2201 C Street NW
Washington, DC 20520

The Honorable Howard Lutnick
Secretary of Commerce
U.S. Department of Commerce
1401 Constitution Ave NW
Washington, DC 20230

The Honorable Jamieson Greer
U.S. Trade Representative
600 17th Street NW
Washington, DC 20508

The Honorable Pete Hegseth
Secretary of War
Department of War
100 Defense Pentagon
Washington, DC 20301

The Honorable Brooke Rollins
Secretary of Agriculture
Department of Agriculture
1400 Independence Avenue SW
Washington, DC 20250

The Honorable Chris Wright
Secretary of Energy
1000 Independence Avenue SW
Washington, DC 20585

The Honorable Jay Clayton
Director of National Intelligence
1500 Tysons McLean Drive
McLean, VA 22102

The Honorable Michael Kratsios

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Director of the Office of Science and Technology Policy
1650 Pennsylvania Avenue
Washington, D.C. 20504

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[i] https://chinaselectcommittee.house.gov/media/letters/moolenaar-calls-to-restrict-american-investment-in-china-s-biotechnology-companies?utm, https://mcusercontent.com/e585eec970e20145fb02e3825/files/7a6ad5a2-d2cb-db21-59c6-a89fb52f653f/COINS_Implementation_Letter_02.26.2026.pdf

[ii] https://www.federalregister.gov/documents/2024/11/15/2024-25422/provisions-pertaining-to-us-investments-in-certain-national-security-technologies-and-products-in

[iii] https://rhg.com/research/examining-chinas-ai-financing/

[iv] https://mcusercontent.com/e585eec970e20145fb02e3825/files/7a6ad5a2-d2cb-db21-59c6-a89fb52f653f/COINS_Implementation_Letter_02.26.2026.pdf

[v] https://www.whitehouse.gov/presidential-actions/2025/02/america-first-investment-policy/

[vi] https://ustr.gov/sites/default/files/2024-31306.pdf

[vii] https://www.wsj.com/world/china/despite-geopolitical-tensions-china-is-big-business-for-western-consulting-firms-dfde9114?msockid=127438f3460f6402206f2ea8473c655d, https://chinaselectcommittee.house.gov/sites/evo-subsites/selectcommitteeontheccp.house.gov/files/evo-media-document/10-17-2024%20Letter%20to%20DOD%20re%20McKinsey.pdf