

Congress of the United States
Washington, DC 20515

April 9, 2021

The Honorable Janet Yellen
Secretary of Treasury
U.S. Department of Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Secretary Yellen,

We write regarding the potential merger between state-owned China National Chemical Corporation (“ChemChina”) and Sinochem Group Co. (“Sinochem”) and request that the Committee on Foreign Investment in the United States (CFIUS) reexamine ChemChina’s acquisition of Syngenta AG in 2016. It appears a possible combination between ChemChina and Sinochem would likely result in a change in Syngenta’s ownership that should trigger a CFIUS review, despite CFIUS’ approval of ChemChina’s acquisition of Syngenta AG in 2016. Given the recent approval of the merger by the People’s Republic of China (PRC), we ask that this review be considered high priority.

Concerns about the PRC’s state-owned sector and the Chinese Communist Party’s (CCP) influence over the economy, especially in strategic sectors like agriculture, have grown under General Secretary Xi Jinping. The PRC’s 2015 National Security Law expansively defines national security to include agricultural issues—which most certainly cover ChemChina’s and Sinochem’s product portfolio. The CCP also required all state-owned enterprises (SOEs) to formalize the legal status of CCP organizations in their articles of association by 2020. The same regime that is carrying out a genocide in the Xinjiang Autonomous Uighur Region is increasingly making operational decisions at its SOEs.

While the original decision reflected the view that the food supply chain of the United States remained largely secure, the CCP’s espionage and weaponization of supply chains is ringing alarms. The CCP is engaging in unprecedented economic espionage to steal biotechnology and agriculture-related intellectual property. For instance, participants of the CCP’s Thousand Talents Program, including Simon Saw-Teong Ang, a scientist in my home state of Arkansas, have been apprehended across the United States for attempting to acquire trade secrets and proprietary information at the expense of American academia and private enterprise. During the COVID-19 pandemic, which originated from Wuhan, China, the CCP has repeatedly used its supply chains and market to threaten and coerce other countries, including restricting exports of personal protective equipment and halting imports of Australian beef following their government’s call for an investigation into the origins of the pandemic. Given the CCP’s track record, consolidation of such a vital supply chain by its SOEs no longer appears tenable.

Against this backdrop, discussions re-emerged last year of a possible merger between ChemChina and Sinochem, under a holding group overseen by the Chinese State-owned Assets Supervision and Administration Commission. This causes at least two concerns. One, the merger would create the largest chemical conglomerate globally, with the equivalent of over \$159 billion annually spread across critical sectors, including agriculture, industrial chemicals, and refinery. Combined with the PRC's onerous market access restrictions and non-tariff barriers in these sectors domestically, this merger would distort international market competition and harm the long-term financial solvency of international firms engaged in these sectors. Second, both PRC firms were included in the U.S. Department of Defense's list of companies that supply and support the CCP's military, intelligence, and security services. As a large supplier to the American agriculture sector, transactions with Syngenta and the recently formed Syngenta Group would depend on and directly fund and support the CCP and the People's Liberation Army – a clear and direct threat to the United States and our national security.

Since 2016, the U.S. government's understanding of the CCP and its comprehensive national security perspective have sharpened considerably. As a result, a reexamination of this transaction is not only prudent but necessary to protect the interests of American farmers and consumers. It is imperative that we utilize every opportunity and all the tools at our disposal to prevent and counter the CCP's expanding influence, while safeguarding our security and interests around the world.

Thank you for your attention to this matter, and we look forward to your response.

Sincerely,



Eric A. 'Rick' Crawford
Member of Congress



Michael T. McCaul
Member of Congress



Anne Wagner
Member of Congress



Austin Scott
Member of Congress



Scott Perry
Member of Congress



Ralph Norman
Member of Congress



Randy Weber
Member of Congress



Michael Guest
Member of Congress



Brian Babin, D.D.S.
Member of Congress



Louie Gohmert
Member of Congress



Vicky Hartzler
Member of Congress



Ashley Hinson
Member of Congress



Steve Stivers
Member of Congress



Robert B. Aderholt
Member of Congress

A handwritten signature in blue ink that reads "James R. Baird". The signature is written in a cursive style with a large initial 'J'.

James R. Baird
Member of Congress

A handwritten signature in blue ink that reads "Chris Stewart". The signature is written in a cursive style with a large initial 'C'.

Chris Stewart
Member of Congress

CC: Antony Blinken, Secretary of State