

Congress of the United States

Washington, DC 20515

October 17, 2024

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

Dear Secretary Yellen:

We write to express our deep concern regarding the U.S. Department of the Treasury's apparent failure to block Gotion Incorporated (Gotion)—an entity with deep ties to the Chinese Communist Party (CCP)—from developing a large industrial site near a major U.S. military installation. The scope of United States warfighting capabilities requires extremely sensitive information. We must only share this knowledge selectively, exclusively, and knowingly with close allies and partners. Federal agencies have a duty to prevent America's adversaries from obtaining information concerning our national defense personnel and assets. As we are sure you will agree, the Committee on Foreign Investment in the United States (CFIUS) plays a vital role in blocking foreign efforts to collect intelligence on our military via domestic investment.

Unfortunately, CFIUS seems to have neglected a substantial foreign project constituting a major national security threat stemming from a major facility being constructed by Gotion. Gotion is the U.S. subsidiary of Gotion High-Tech, an electric vehicle (EV) battery company which is based in the People's Republic of China (PRC) and has documented ties to the CCP. The House Select Committee on the CCP has routinely documented Gotion High-Tech's notorious, widespread human rights abuses and use of forced labor in mainland China, in addition to its connection with Chinese paramilitary groups. Nonetheless, Gotion is currently constructing a \$2.4 billion EV battery plant in Mecosta County, Michigan.

In June 2023, Gotion announced that its plans for plant construction were outside of CFIUS' jurisdiction, and could therefore continue the project. As of February 13, 2020, however, CFIUS' jurisdiction applies to greenfield investments when a foreign entity purchases real estate near certain sensitive military bases. Federal regulations define the extended range of a military installation as land within a 100-mile radius of the military installation (31 C.F.R. § 802.211). Covered installations include certain Army combat training centers within the continental United States (31 C.F.R. § 802.227(h)).

According to CFIUS' own Part 802 geographic reference tool, Gotion's site in Michigan is located just under 60 miles south of the Camp Grayling Joint Maneuver Training Center—well within the regulation's definition of extended range. Camp Grayling is the largest National Guard training facility in the United States, and is host to both the Northern Strike joint exercises and the National Guard Exportable Combat Training Center Exercises. Yet, despite Camp Grayling's significance, and the overwhelming evidence that this facility meets CFIUS' conditions for a sensitive military installation, CFIUS did not include the camp under its definition of covered real estate until its July 2024 proposed rule, "Definition of Military

Installation and the List of Military Installations in Regulations Pertaining to Certain Transactions by Foreign Persons Involving Real Estate in the United States.”

Given CFIUS’ failure to launch a review of Gotion’s site development when the project was first publicly announced two years ago, it is now imperative that CFIUS updates its proposed rulemaking to clarify the Committee’s ability to conduct retroactive reviews of covered greenfield investments that it previously failed to address. This step is well within CFIUS’ authority under 50 U.S.C. 4565 §(b)(1)(D)(i). This common-sense measure would not only allow CFIUS to put a stop to Gotion’s continued nefarious activity, but also the activities of many other adversarial entities that have slipped under CFIUS’ radar and acquired land near sensitive military sites. CFIUS’ failure to retroactively review these transactions would constitute a major security blunder and permit the CCP to engage in intelligence gathering that compromises our military capabilities and readiness.

Given the severity of what seems to be a grave lapse in CFIUS’ judgement, we request answers to the following questions:

1. Why did CFIUS fail to designate Camp Grayling as an army combat training center under covered real estate until its July 2024 proposed rule?
2. If Camp Grayling’s exclusion from covered real estate was a failure in oversight, what steps is CFIUS taking to rectify the situation?
3. What action is CFIUS taking to stop Gotion from continuing its plant construction given its proximity to a major military installation?
4. Will CFIUS commit to clarify its authority to conduct retroactive reviews of covered greenfield investments that have slipped under CFIUS’ radar?

Thank you for your attention to this important matter. We look forward to your prompt response.

Sincerely,



Marco Rubio
U.S. Senator



John Moolenaar
Member of Congress



Tom Cotton
U.S. Senator



Lisa McClain
Member of Congress



Mike Braun
U.S. Senator



Bill Huizenga
Member of Congress



Joni K. Ernst
U.S. Senator



Jack Bergman
Member of Congress



John James
Member of Congress



Tim Walberg
Member of Congress