

November 26, 2025

The Honorable Mike Johnson
Speaker of the House
U.S. House of Representatives

The Honorable John Thune
Majority Leader
United States Senate

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives

The Honorable Chuck Schumer
Minority Leader
United States Senate

Dear Speaker Johnson, Leader Jeffries, Leader Thune, and Leader Schumer:

We write in support of policies in the National Defense Authorization Act (NDAA) restricting outbound investment to the People's Republic of China (PRC). American investment, particularly from venture capital firms, asset managers, and major financial institutions, has helped build and sustain PRC capabilities in advanced semiconductors, artificial intelligence, quantum computing, biotechnology, and other critical technologies. These capabilities fuel Beijing's military modernization, coercive statecraft, and techno-authoritarian system. Outbound investment restrictions are essential to ensure U.S. finance works for America, not against it.

Funding our own destruction.

The Chinese Communist Party (CCP) has spent decades executing a strategy designed to make the United States dependent on supply chains that run through Beijing for goods and technology with strategic applications. U.S. investors have enabled this gambit by supplying capital and expertise to PRC national champion firms operating in sectors the CCP deems foundational to global dominance.

American capital has accelerated the PRC's progress in next-generation semiconductors, AI chips, cloud computing infrastructure, industrial robotics, and critical minerals processing. These are not ordinary industries; they form the backbone of future military power, economic leverage, and geopolitical coercion. When U.S. investment flows into these sectors, it strengthens a system that seeks to displace American leadership, undermine our alliances, and reorder global norms to favor the CCP's authoritarian power.

At the same time, the lack of transparency in U.S. financial exposure to PRC technology and manufacturing means policymakers and investors do not fully understand the scale of the risk. The CCP hides ownership structures, disguises military civil fusion relationships, and conceals state control behind nominally private firms. As a result, U.S. investors have been financing companies that directly advance the CCP's strategic ambitions, at times without fully realizing or appreciating the consequences.

Outbound investment restrictions are intended to prevent U.S. capital from building the very capabilities the CCP intends to use against America's economic and national security interests.

American venture capital funds the People's Liberation Army and supports Beijing's human rights abuses.

Investigations have revealed that leading U.S. venture capital firms and financial institutions have invested billions of dollars into PRC companies tied to the People's Liberation Army (PLA), military-civil fusion enterprises, and the surveillance security architecture responsible for some of the world's most severe human rights violations.

These investments include:

- Funding PRC AI surveillance firms that enable mass repression, including biometric monitoring, facial recognition, and population tracking systems.
- Backing companies building dual-use AI models, autonomous systems components, and sensing technologies that directly support PLA targeting, logistics, and battlefield decision-making.
- Channeling capital into semiconductor companies—some explicitly supporting PLA modernization—that allow Beijing to accelerate weapons development, intelligence capabilities, and asymmetric military tools.

This pattern is not hypothetical. It is documented, recurring, and continuing today. Without congressional action, U.S. venture capital flows will keep underwriting the very systems used to surveil dissidents, repress ethnic minorities, and enhance Beijing's military reach.

No nation committed to human rights, and no nation serious about its own national defense and security, can allow its financial sector to continue playing this role.

Outbound-investment restrictions are necessary.

We ask that you align U.S. economic policy with the nation's security imperatives. Restricting outbound investment will:

- Ensure U.S. capital does not accelerate PRC military capabilities or human-rights abuses.
- Protect American technological leadership and protect America's innovation bases in critical industries.
- Create transparency so policymakers and markets alike can assess true exposure to PRC-linked risks.
- Signal to allies that the United States is serious about forming a unified, coordinated approach to restricting capital flows into adversary systems.

The United States should not underwrite the war machine of an adversary. Moreover, American principles demand support for human rights, not complicity in their violation. Congress should act decisively to safeguard the nation's economic future and uphold our values. We respectfully urge the inclusion of strong outbound investment restrictions in this year's NDAA.

Sincerely,

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