

Congress of the United States
Washington, DC 20510

September 20, 2023

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

Dear Secretary Yellen:

We write with regard to the Chinese Communist Party (CCP) -affiliated company Guoxuan High-Tech's (also transliterated as "Gotion High-Tech") recent investments through its U.S. subsidiary, Gotion, Inc., in lithium battery manufacturing plants in Michigan and Illinois. Because of Guoxuan High-Tech's owners' membership and affiliation with the CCP, Guoxuan High-Tech's ownership of Gotion requires a rigorous review by the Committee on Foreign Investment in the United States (CFIUS). The company's recent investments effectively hand substantive decision-making regarding the management, operation, manufacture and supply of a product the Biden Administration classifies as critical infrastructure to the People's Republic of China (PRC).

Although Guoxuan High-Tech's largest single shareholder is Germany's Volkswagen AG, which owns 30 percent of the company, the CCP and its members retain effective control of the company through multiple individual shareholders. Li Zhen, the company's founder and Chairman, is a member of the Anhui Provincial Federation of Industry and Commerce, which is part of the CCP's United Front system and takes direction from the CCP. His son, Li Chen, who is also Guoxuan's CEO, is a member of the Baohe District Chinese People's Political Consultative Committee, which is an advisory body of the CCP. Li Zhen, Li Chen, and the holding company they collectively own 80 percent of, Nanjing Guoxuan Holding Group, own 17 percent of Guoxuan High-Tech's shares. Of Guoxuan's six remaining top shareholders, only Citibank is not wholly owned by the PRC, the government of the Hong Kong Special Autonomous Region, or the PRC's numerous state-owned funds and banks. It is clear that the CCP deliberately obscures its control and influence over Guoxuan, and thus Gotion, through this complex ownership structure.

The extent of the CCP's control over Guoxuan is explicitly mentioned in the company's corporate by-laws, which require the company "to carry out Party activities in accordance with the Constitution of the [Chinese Communist Party]." In 2021, Guoxuan High-Tech hosted several company retreats where employees were mandated to recite a pledge of loyalty to the Party, including to "fight for communism." This is concerning, no less because the Biden Administration itself has described the PRC in its 2022 National Security Strategy as the "only competitor with both the intent to reshape the international order and, increasingly, the economic, diplomatic, military, and technological power to do it," and that "Beijing frequently uses its economic power to coerce countries." The CCP's control over Guoxuan High-Tech is no exception to the Party's strategy to exert its influence in the United States.

It is our understanding that CFIUS determined that Gotion's purchase of 400 acres in Michigan to build a battery plant is not a covered transaction. Regardless if CFIUS reviewed this transaction, we urge you to review Guoxuan High-Tech's ownership of Gotion Inc. to determine whether or not such ownership is covered by Section 1703 of the Foreign Investment Risk Review Modernization Act (FIRRMA), which requires CFIUS to review investments that afford a foreign person "the management, operation, manufacture, or supply of critical infrastructure." President Biden has identified electric vehicles and the lithium batteries that power them as critical parts of America's transportation infrastructure. It is not in the interest of the United States to allow the CCP to control facilities estimated to produce thousands of those batteries, much less to provide it with hundreds of millions of dollars in taxpayer funded subsidies to do so.


It is clear that CFIUS must conduct a closer review of Guoxuan High-Tech's ownership of Gotion, Inc. Failing to do so would send a signal to Beijing, and its proxies, that they can continue to use non-traditional means to harm U.S. national security with impunity. In the interest of U.S. national security, we respectfully request you conduct an immediate CFIUS review, and if necessary, order the divestment of Gotion, Inc by Guoxuan High-Tech and its CCP owners.

Thank you for your attention to this matter.

Sincerely,



Marco Rubio
U.S. Senator



John Moolenaar
Member of Congress



Lisa McClain
Member of Congress



Bill Huizenga
Member of Congress



Mike Bost
Member of Congress