

Congress of the United States
Washington, DC 20515

September 12, 2024

The Honorable Janet Yellen
Secretary
U.S. Department of Treasury
1500 Pennsylvania Ave, NW
Washington, DC 20220

Dear Secretary Yellen:

We write this letter regarding the U.S. Department of Treasury's recently proposed rule that would expand the Committee on Foreign Investment in the United States (CFIUS) coverage of certain real estate transactions located near military bases.¹ Safeguarding sensitive sites, including military bases, is paramount as we continue to see our adversaries purchase land near these locations.² While we are pleased to see the Treasury Department continue to update its regulations in light of evolving threats, there still remains significant gaps in our national security screening regime for land purchases near national security sites. Coast Guard facilities, Department of Energy National Labs, among other locations, remain off CFIUS's list of sensitive sites and thereby vulnerable to foreign adversary exploitation. Furthermore, because CFIUS land purchase regulations are not retroactive, land purchases made prior to a site being listed are exempt from CFIUS review. These loopholes must be closed, and closed quickly.

The national security case for including Coast Guard and other facilities could not be clearer. Our nation's Coast Guard plays a vital role in safeguarding our maritime boundaries from threats, including from foreign adversaries, which can be shown by two recent incidents. In June, we saw several Russian ships located just 30 miles off the coast of Florida.³ We also recently saw Chinese military ships enter the U.S. Exclusive Economic Zone off the coast of Alaska.⁴ In both cases, we saw a response by the Coast Guard to monitor these activities, which highlights the important national security mission of our Coast Guard. In addition, it's important we also recognize the need to safeguard critical infrastructure that may be vulnerable to our adversaries. This includes our National Laboratories, maritime ports, and critical telecommunications and energy infrastructure. Allowing our adversaries to have potential access to these sites poses risks to both our economic and national security, especially as we see companies with ties to hostile nations continue to increase their investments in the U.S.

Lastly, it is vital that CFIUS updates its regulations to allow CFIUS to retroactively review land purchases made prior to CFIUS designating a facility as a sensitive site. Lack of such an

¹ <https://home.treasury.gov/system/files/206/NPRMPart802MilitaryInstallationsFINAL.pdf>

² <https://home.treasury.gov/news/press-releases/jy2335>

³ <https://www.military.com/daily-news/2024/06/12/navy-deployed-3-destroyers-planes-monitor-russian-submarine-and-frigate-off-florida-coast.html>

⁴ <https://apnews.com/article/coast-guard-bering-sea-chinese-military-ships-32678c2cf51a6ce95b02e48320550fc5>

authority only encourages our adversaries to escalate their purchases of land near national security sites, knowing such transactions will be exempt from any future regulations.

Safeguarding our nation's most important facilities is vital to protecting our national security. We cannot afford any potential espionage or other hostile activities to occur at our nation's most critical sites. We ask you to take our recommendations into consideration as Treasury works to finalize this rule.

Sincerely,

A handwritten signature in black ink that reads "Gregory F. Murphy". The signature is written in a cursive style with a large, prominent "G" and "M".

Gregory F. Murphy, M.D.
Member of Congress

A handwritten signature in blue ink that reads "John Moolenaar". The signature is written in a cursive style with a large, prominent "J" and "M".

John Moolenaar
Chairman, House Select Committee on the
Chinese Communist Party