August 26, 2019

Dear Representative:

China has made capturing the electric vehicle (EV) sector a central part to its Made in China 2025 strategy, through which China seeks to gain strategic advantages over global great-power rivals by dominating nascent critical industries. China is pursuing this goal by providing aggressive government subsidies to Chinese corporations to lower prices to win business, undermining principles of fair competition and competitive markets.

Accordingly, we undersigned members of the Energy Security Leadership Council (ESLC), a project of Securing America’s Future Energy (SAFE), urge the conferees on the 2020 National Defense Authorization Act (NDAA) conference committee adopt Section 6015 of the Senate version over Section 896 of the House version.

China’s growing dominance in the EV market threatens American competitiveness and has significant national security implications for the United States. If China captures the EV market, the United States’ opportunity to enhance energy security by divorcing itself from an unstable global market merely swaps our reliance on one volatile oil market for a dependence on Beijing for our EVs. Moreover, the infiltration of Chinese technology into the EV sector raises substantial cybersecurity risks that may be difficult to assess and address.

At a May 16, 2019 House Transportation and Infrastructure Committee hearing, Democratic and Republican members alike expressed significant concerns with the Chinese government’s subsidization of and support for companies engaged in the EV market, including support for companies with a US presence. The relationship between Chinese companies and the Chinese government, is such that Chinese industry is inexorably intertwined with the Chinese government, which creates a host of economic and national security concerns for the US.

To address these concerns, Rep. Harley Rouda (D-CA) introduced legislation (H.R. 2739) that would prevent federal transit funds from being used by transit agencies to purchase rail cars or buses manufactured by Chinese owned, controlled, or subsidized companies. Sens. John Cornyn (R-TX) and Tammy Baldwin (D-WI) introduced a companion bill, S. 846.

Both chambers included similar provisions in their respective versions of the FY 2020 NDAA. Section 6015 of the Senate bill retained the full Rouda bill language that would preclude funding for Chinese-supported bus and rail rolling stock. Unfortunately, section 896 of the House bill did not and limited the restriction solely to rail rolling stock.

Congress has an opportunity to protect our national security and domestic manufacturing base by adopting section 6015 in the conference committee and provide protection against Chinese incursion in
both the bus and rail sector. Again, we urge Congress to recede to the Senate provision in the FY 2020 NDAA.

For more information or with any questions, please contact Alex Hutkin at SAFE at ahutkin@secureenergy.org, or 202-461-2360.

Respectfully,
Military members of the Energy Security Leadership Council (ESLC)

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