

United States Senate

WASHINGTON, DC 20510

August 7, 2023

VIA ELECTRONIC TRANSMISSION

The Honorable Merrick Garland
Attorney General
Department of Justice

Dear Attorney General Garland:

I've worked with three successive presidential administrations of both parties to ensure compliance with the Foreign Agents Registration Act (FARA), and that FARA remains an active tool to combat foreign adversaries seeking to influence government and public opinion. FARA provides important transparency and accountability for the American people about foreign interests seeking to influence our political process. I've asked the Department of Justice (DOJ) to require FARA registration for think tanks, consultants, and foreign media outlets where the facts indicate they're required to do so.¹ This is a part of my multiyear effort to crack down on hidden foreign lobbying and fix deficiencies within FARA and has led to the reintroduction of bi-partisan legislation, the *Foreign Agents Disclosure and Registration Enhancement Act* during multiple congresses.²

Foreign interests are working aggressively to shape U.S. policy to their benefit.³ Thanks to FARA, we know that China has spent \$280 million to influence American politics in the last six years, more than any other country.⁴ The public has a right to know who is attempting to influence our government on behalf of foreign interests, and FARA is an important tool that ensures the public's business remains public. With this in mind, I write to you regarding the China Iron and

¹ Press Release, Sen. Chuck Grassley, Ranking Member, S. Judiciary Comm., *Senators Push DOJ on FARA Compliance of Brookings Institution* (Aug. 6, 2022), <https://www.grassley.senate.gov/news/news-releases/senators-push-doj-on-fara-compliance-of-brookings-institution>; Letter from Sen. Chuck Grassley, Chairman, S. Judiciary Comm., to Dana Boente, Acting Deputy Attorney General (April 6, 2017), [https://www.grassley.senate.gov/imo/media/doc/2017-04-06%20CEG%20to%20DOJ%20\(Manafort%20Podesta%20FARA\).pdf](https://www.grassley.senate.gov/imo/media/doc/2017-04-06%20CEG%20to%20DOJ%20(Manafort%20Podesta%20FARA).pdf); Press Release, Sen. Chuck Grassley, Chairman, Senate Finance Committee, *Lawmakers Seek FARA Evaluation Of Qatari-Owned Al Jazeera* (June 19, 2019), <https://www.grassley.senate.gov/news/news-releases/lawmakers-seek-fara-evaluation-qatari-owned-al-jazeera>.

² S. 1364, 118th Cong. (2023); S. 1724, 117th Cong. (2022).

³ Joshua Kurlantzick, *China's Growing Attempts to Influence U.S. Politics*, Oct 31, 2023, <https://www.cfr.org/article/chinas-growing-attempts-influence-us-politics>.

⁴ *Id.*

Steel Association (CISA) in connection with CISA's potential obligation to register under FARA based on its stated relationship with the People's Republic of China (PRC) as well as the Chinese Communist Party (CCP).⁵

In 2014, CISA, a trade association, registered to lobby under the Lobbying Disclosure Act (LDA), listing a law firm as its agent.⁶ CISA's filings indicate that the firm lobbied both houses of Congress regarding "steel wire trade issues."⁷ To date, it appears that neither CISA nor the firm it retained have registered under FARA.⁸ A foreign principal under FARA is a foreign government, person, entity, corporation or political party based in a foreign country.⁹ Foreign principals or a foreign agent engaged in political activity on behalf of a foreign principal, such as lobbying, are required by law to register under FARA with the DOJ.¹⁰ CISA appears not only to be a foreign principal, but also to have engaged in covered political activity under FARA through the firm it hired to lobby.¹¹

CISA is headquartered in Beijing, and its members are exclusively Chinese companies, many of which are State Owned Enterprises (SOEs).¹² Since CISA and its members are based in China, are arms of the communist regime, and represent entirely foreign interests, CISA falls within the definition of a foreign principal under FARA.¹³ Further, CISA's efforts to lobby both houses of Congress on trade issues meets the standard for FARA registered political activity under 22 U.S.C. § 611(c). An agent of a foreign principal is anyone who acts under the direction of a

⁵ About us, CHINA IRON AND STEEL ASSOCIATION, July 21, 2023, <http://english.chinaisa.org.cn/do/cn.org.chinaisa.view.Column.d?column=0>; Int'l Cooperation, CHINA IRON AND STEEL ASSOCIATION, July 21, 2023, <http://english.chinaisa.org.cn/do/cn.org.chinaisa.view.Column.d?column=6>.

⁶ CISA Lobbying Disclosure Act registration filing (Oct. 23, 2014), <https://lda.senate.gov/filings/public/filing/f2d5cf73-6fd1-4fb8-9b09-8f904bb31eba/print/>; CISA Lobbying Disclosure Act termination filing (Dec. 30, 2014), <https://lda.senate.gov/filings/public/filing/f9bd23c5-af0e-40bc-ad3c-369666063a30/print/>.

⁷ *Id.*

⁸ Department of Justice FARA online search tool, <https://efile.fara.gov/ords/fara/f?p=1381:8>

⁹ 22 U.S.C. 611(b) ("The term foreign principal includes a government of a foreign country and a foreign political party, a person outside of the United States . . . , a partnership, association, corporation, organization, or other combination of persons organized under the laws of or having its principal place of business in a foreign country.").

¹⁰ 22 U.S.C. 611(c)(1) ("the term 'agent of a foreign principal' means . . . , within the United States represents the interests of such foreign principal before any agency or official of the Government of the United States.").

¹¹ *Supra* note 6.

¹² *Members*, CHINA IRON AND STEEL ASSOCIATION, July 20, 2023, (listing Sinosteel and Ansteel as members) <http://english.chinaisa.org.cn/do/cn.org.chinaisa.view.Column.d?column=1>; *About Us*, SINOSTEEL, Aug 4, 2023, (identifying Sinosteel as a Chinese SOE),

https://en.sinosteel.com/AboutUs/GroupProfile/art/2022/art_eaa5794e40c04349829dba05da9eab.html; *About, ANSTEEL*, July 21, 2023, (identifying Ansteel as a Chinese SOE), http://en.ansteel.cn/about/company_profile/.

¹³ 22 U.S.C. § 611(b) ("The term 'foreign principal' includes a government of a foreign country and a foreign political party; a person outside of the United States, unless it is established that such person is an individual and a citizen of and domiciled within the United States, or that such person is not an individual and is organized under or created by the laws of the United States or of any State or other place subject to the jurisdiction of the United States and has its principal place of business within the United States; and a partnership, association, corporation, organization, or other combination of persons organized under the laws of or having its principal place of business in a foreign country.").

foreign principal and engages in political activities within the United States on behalf of the foreign principal.¹⁴

Statements made by CISA as to its purpose and function appear to place it beyond the scope of the so-called “LDA exemption” under 22 U.S.C. § 613(h), which allows companies to register under the LDA instead of FARA. This exemption isn’t permitted, “where a foreign government or foreign political party is the principal beneficiary.”¹⁵ The first sentence under the “about us” tab on CISA’s website plainly states CISA is “[g]uided by the Party’s [CCP] lines, rules and policies....”¹⁶ Under the “international cooperation” section of the CISA website, one of its main functions is “[t]o guide the implementation of ‘one belt, one road initiative’ in promoting steel enterprises’ international cooperation.”¹⁷ The one-belt one-road initiative (BRI), is a Chinese Communist Party (CCP) geopolitical, military and trade strategy designed to challenge the United States militarily and economically.¹⁸ As my colleagues and I wrote to then-Secretary Pompeo, simply put, “BRI is the creation of an economic world order ultimately dominated by China.”¹⁹ Among its achievements, BRI has accelerated the Chinese military’s ability to establish new overseas bases.²⁰ Based on CISA’s own statements, it appears that CISA is an arm of the PRC and CCP, raising concerns the Chinese State is *the* principal beneficiary of CISA’s political efforts in the U.S. Accordingly, CISA should register under FARA so the public can learn the details of any specific policies it is pursuing on behalf of a foreign power, names of government officials they are attempting to influence, their methods of political influence, and how those impact American interests.

¹⁴ 22 U.S.C. § 611(c)(1) (“[T]he term ‘agent of a foreign principal’ means any person who acts as an agent, representative, employee, or servant, or any person who acts in any other capacity at the order, request, or under the direction or control, of a foreign principal or of a person any of whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in major part by a foreign principal, and who directly or through any other person engages within the United States in political activities for or in the interests of such foreign principal...or within the United States represents the interests of such foreign principal before any agency or official of the Government of the United States.”).

¹⁵ 28 C.F.R. § 5.307; U.S. Department of Justice Advisory Opinion, National Security Division at 3, footnote 17 (Mar. 20, 2019) (stating “While not the case here, there are situations in which a foreign government or political party may not be *the* principal beneficiary, but *a* principal beneficiary of lobbying activities in which the LDA exemption would not apply.”), <https://www.justice.gov/nsd-fara/page/file/1180281/download>.

¹⁶ *About us*, CHINA IRON AND STEEL ASSOCIATION, July 21, 2023, <http://english.chinaisa.org.cn/do/cn.org.chinaisa.view.Column.d?column=0>.

¹⁷ *Int’l Cooperation*, CHINA IRON AND STEEL ASSOCIATION, July 21, 2023, <http://english.chinaisa.org.cn/do/cn.org.chinaisa.view.Column.d?column=6>.

¹⁸ *See generally* Lt. Col. Daniel Lindley, U.S. Air Force, *Assessing China’s Motives How the Belt and Road Initiative Threatens U.S. Interests*, 5 *Journal of Indo-Pacific Affairs*, https://media.defense.gov/2022/Jul/31/2003046329/-1/-1/1/05%20LINDLEY_FEATURE.PDF.

¹⁹ Letter from Sen. David Perdue, Sen. Patrick Leahy, and Sen. Chuck Grassley et al., to Michael R. Pompeo, Secretary, Department of State and Steven T. Mnuchin, Secretary, Department of the Treasury (Aug. 3, 2018), <https://www.grassley.senate.gov/imo/media/doc/IMF%20China%20Belt%20and%20Road%20Initiative%20Letter.pdf>.

²⁰ *China’s Belt and Road Initiative: Five Years Later Before the U.S.-China Economic and Security Review Commission* (2018) (statement of Daniel Kilman, Senior Fellow, Asia-Pacific Security Program Center for New American Security), https://www.uscc.gov/sites/default/files/Kilman_USCC%20Testimony_20180119.pdf.

Beyond the LDA exemption, CISA appears to be prohibited from claiming the commercial exemption for its lobbying efforts. An agent or foreign principal is exempt from FARA registration where its activities are, “in furtherance of the bona fide trade or commerce of such foreign principal.”²¹ However, for the exemption to apply, a foreign principal’s activities can’t “directly promote the public or political interests of the foreign government.”²² The explicitly-political statements by CISA, admitting that it receives guidance from the CCP (a foreign political party) and the PRC (a foreign government) in implementing the BRI, show that CISA’s lobbying activities further the political and public interests of the Chinese government, as well as a foreign political party, because it is essentially an arm of the communist regime. Accordingly, CISA is beyond the reach of the commercial exemption.

Foreign lobbying by China to influence policy in Congress undermines the political will of the American people and their interests. CISA’s potential role in changing policy to favor the interests of the PRC is alarming. So that Congress may review CISA’s status and the DOJ’s enforcement of FARA, I ask that you answer the following questions no later than August 21, 2023:

1. What has DOJ done to assess whether CISA should register under FARA, given its stated relationship with the CCP and PRC?
2. Has DOJ sent a letter of inquiry or letter of determination to CISA and its agents about CISA’s efforts to influence U.S. policy? If not, why not? If so, provide a copy.
3. Did CISA or its agents ever request an advisory opinion from DOJ on whether they should be required to register under FARA? If so, please provide a copy of the request and opinion.
4. Has DOJ investigated any ongoing covered political activity by CISA in the years since these lobbying efforts occurred?

Thank you for your attention to this important matter. If you have any questions, please contact my committee staff at (202) 224-0642.

Sincerely,



Chuck Grassley
Ranking Member
Senate Budget Committee

²¹ 22 U.S.C. § 613(d).

²² 28 CFR § 5.304.