

Congress of the United States
Washington, DC 20515

February 16, 2016

The Honorable Marisa Lago
Assistant Secretary
Department of the Treasury
Committee on Foreign Investment
in the United States
Washington, D.C.

Dear Assistant Secretary Lago:

News reports indicate the Chongqing Casin Enterprise Group (CCEG), a Chinese firm, has agreed to terms to acquire the Chicago Stock Exchange. As Members of Congress who support transparency, openness, and rule of law in the U.S. marketplace, we write to urge the Committee on Foreign Investment in the United States (CFIUS) to conduct a full and rigorous investigation of this acquisition.

Transparency concerns extend to every aspect of China and its governance, including into its marketplace, military, maritime claims, space activities, human rights violations, foreign investment practices, law enforcement practices, currency treatment, treatment towards journalists and dissidents, and various ongoing cybersecurity and espionage activities.

CCEG is no different – the American market has little information about CCEG, and it shares many of the traditional opaque qualities of a Chinese company. Moreover, according to initial reports, CCEG's financial assets were originally owned by the Chinese government, and the company was created to absorb those state-controlled assets in 1997.

While it is unclear the level of influence the state holds over CCEG, the firm is involved in a number of important Chinese sectors that would likely require close ties to the state, particularly in the environmental protection areas which are state-sensitive. Additionally, the chairman of CCEG, Shengju Lu, holds a seat on an important industry committee overseen directly by the mayor of the Chongqing Municipality – implying a direct political connection.

As you know, the Chinese economy revolves around the artificial boosting of domestic firms. Rather than adhering to openness and free market values, this performance is generated by Chinese government dominance over market sectors. Furthermore, government manipulation of currency in the Chinese marketplace continues to be an unresolved problem for the United States government.

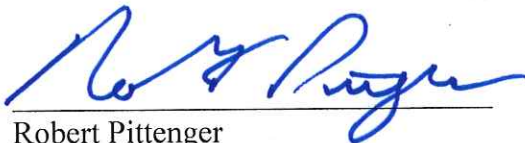
This proposed acquisition would be the first time a Chinese-owned, possibly state-influenced, firm maintained direct access into the \$22 trillion U.S. equity marketplace. Members of Congress have previously written CFIUS to share concerns when Chinese state-owned firms have attempted to purchase American critical infrastructure entities. Similarly, Members of Congress

have written CFIUS to share cybersecurity and supply chain concerns when Chinese state-owned telecommunication companies, such as Huawei and ZTE¹, have attempted to expand in the U.S. marketplace.

Respectfully, we request that CFIUS provide assurance of a full and rigorous investigation into this proposed acquisition in an effort to address our concerns and provide clear information to the American people. Furthermore, should you determine CCEG maintains a close relationship with the Chinese government – and therefore the Chinese military – we would urge CFIUS to deny this acquisition.

Thank you for your consideration.

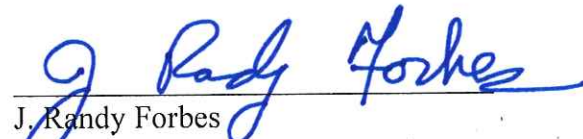
Sincerely,



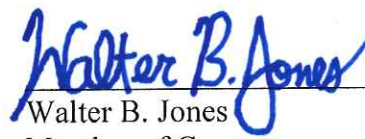
Robert Pittenger
Member of Congress



Mike Rogers
Member of Congress



J. Randy Forbes
Member of Congress



Walter B. Jones
Member of Congress



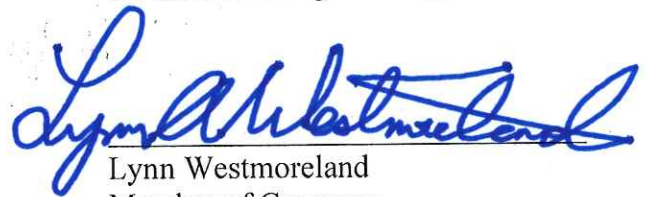
Mike Coffman
Member of Congress



Mike Conaway
Member of Congress

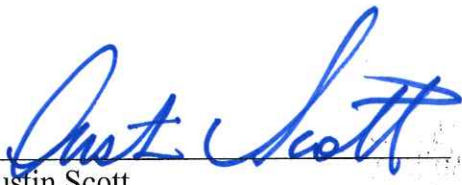


Michael Fitzpatrick
Member of Congress



Lynn Westmoreland
Member of Congress

¹ "Investigative Report on the U.S. National Security Issues Posed by Chinese Telecommunications Companies Huawei and ZTE." House Permanent Select Committee on Intelligence, 2012.



Austin Scott
Member of Congress



David Rouzer
Member of Congress



Dana Rohrabacher
Member of Congress



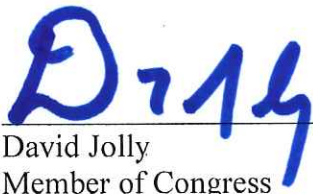
Dan Benishek
Member of Congress



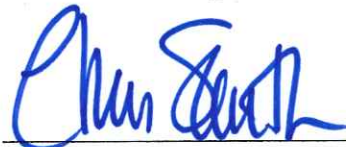
Brian Babin
Member of Congress



Kay Granger
Member of Congress



David Jolly
Member of Congress



Chris Smith
Member of Congress



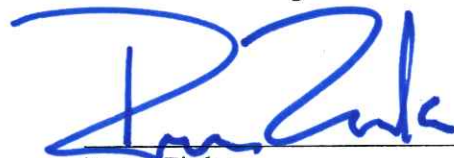
Todd Rokita
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Steve Russell
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Joe Barton
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Ryan Zinke
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Doug LaMalfa
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Paul Cook
Member of Congress



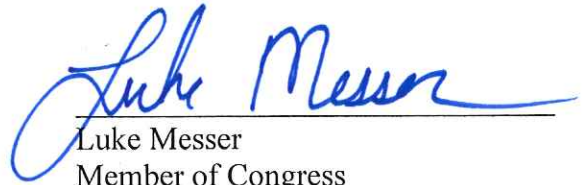
Stephen Knight
Member of Congress



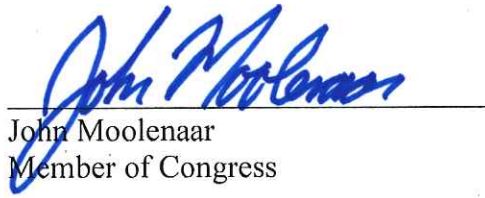
Kenny Marchant
Member of Congress



Tom Marino
Member of Congress



Luke Messer
Member of Congress



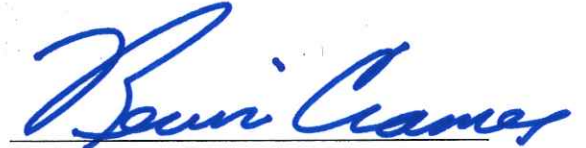
John Moolenaar
Member of Congress



Steve Stivers
Member of Congress



John Mica
Member of Congress



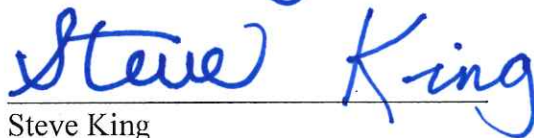
Kevin Cramer
Member of Congress



Mike Kelly
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Andy Barr
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Steve King
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John Shimkus
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Collin Peterson
Member of Congress



Blake Farenthold
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Robert E. Latta
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Scott Tipton
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Doug Lamborn
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Jackie Walorski
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Lynn Jenkins
Member of Congress




David Valadao
Member of Congress


Kristi Noem
Member of Congress


John Culberson
Member of Congress


Daniel Webster
Member of Congress


Tom Rice
Member of Congress



CC: The Honorable Jack Lew, Secretary of the Treasury
The Honorable Loretta Lynch, United States Attorney General
The Honorable Jeh Johnson, Secretary of Homeland Security
The Honorable Penny Pritzker, Secretary of Commerce
The Honorable Ashton Carter, Secretary of Defense
The Honorable John Kerry, Secretary of State
The Honorable Ernest Moniz, Secretary of Energy
The Honorable Michael Froman, United States Trade Representative
The Honorable John Holdren, Director, Office of Science and Technology Policy
The Honorable James Clapper, Director of National Intelligence
The Honorable Thomas Prez, Secretary of Labor