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Congress of the United States

June 16, 2025

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The Honorable Pete Hegseth Secretary of Defense U.S. Department of Defense 1000 Defense Pentagon Washington, D.C. 20301

Dear Secretary Hegseth,

We write to urgently draw your attention to a critical national security matter that has languished during the Biden Administration—the delayed implementation of the Defense Federal Acquisition Regulation Supplement (DFARS) rule mandated by Section 847 of the Fiscal Year 2020 National Defense Authorization Act (NDAA). Congress enacted Section 847 to ensure rigorous pre-award vetting and mitigation of foreign influence risks in defense contracting, including for unclassified contracts exceeding \$5 million. Nearly five years after its enactment, this essential regulation remains incomplete, leaving our defense procurement and supply chains alarmingly exposed to exploitation by the Chinese Communist Party (CCP).

Recent investigative reporting underscores the urgency of this issue. Specifically, revelations regarding S&L Aerospace Metals LLC—a contractor supplying critical parts for advanced fighter jets, military helicopters, and guided missile systems—highlight profound vulnerabilities. This company's CEO has documented ties to Chinese Communist Party intelligence and influence agencies, posing a significant risk to our military readiness and national security.² Senator Ernst has expressed concern over the lack of DOD action, underscoring the need to implement this requirement in the DFARS.³

¹ "EXCLUSIVE: Owner Of US Defense Contractor Making Fighter Jet, Missile Parts Listed As Chinese Intel Agency Official." Daily Caller. February 11, 2025.

³ "EXCLUSIVE: Sen. Joni Ernst Urges DOD To Kill Contracts With Chinese Intel-Tied Defense Contractor." Daily Caller. March 18, 2025.

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As evidenced by such disturbing examples, the delayed implementation of Section 847's expanded foreign ownership, control, or influence (FOCI) vetting requirements allows entities potentially controlled by CCP-affiliated individuals to continue accessing sensitive aspects of our defense supply chain. Yet, to date, the absence of the final DFARS rule has prevented full realization of these protections.

While we acknowledge the Department of Defense Instruction (DoDI) 5205.87, issued in May 2024, as an important step forward, further delays in finalizing the DFARS amendments severely jeopardize our ability to safeguard national security.⁴ These delays directly undermine efforts to safeguard our national security by leaving the defense industrial base vulnerable to infiltration and exploitation by Chinese entities.

Therefore, we respectfully urge you to prioritize and expedite the completion and publication of the DFARS rule implementing Section 847. Prompt action is essential to close existing vulnerabilities and ensure robust oversight of our procurement processes, mitigating risks from CCP influence and safeguarding the integrity of our military supply chains.

We request a staff briefing by June 30th, 2025 to better understand DOD's specific actions to date and intended timelines to put in place this crucial rule.

Sincerely,

John Moolenaar

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Chairman

cc: Deputy Secretary of Defense Under Secretary of Defense for Acquisition and Sustainment Director, Defense Counterintelligence and Security Agency

⁴ "Dod Instruction 5205.87 Mitigating Risks Related To Foreign Ownership, Control, Or Influence For Covered Dod Contractors And Subcontractors." *Office of the Under Secretary of Defense for Intelligence and Security*. May 13, 2024.