Dear Presidents of American Institutions of Higher Education and Affiliates:

At the U.S. Department of State and the U.S. Department of Education, we share a mission to advocate for American values, including the important principle of academic freedom. U.S. institutions of higher education are an invaluable partner in that mission. It is in the spirit of this shared mission that we write to you about a real and growing threat: the malign influence of the authoritarian government of the People's Republic of China (PRC) on our nation's campuses.

This threat, and the seriousness with which the U.S. academic community regards it, were on open display in the last several weeks. As it became clear that students in the free world could not study and discuss contemporary China without fear of violating the new Hong Kong National Security Law, some U.S. professors offered to hide their own students' identities or allow them to "opt out" of China-related coursework and classroom discussions. They feared that the PRC could prosecute their students for statements made in a U.S. classroom.

Such fears about free speech on U.S. campuses being suppressed by the PRC are well justified. At least one U.S. citizen has been indicted in Hong Kong for statements made in the United States, and at least one student from the PRC has been jailed in China for statements made while in the United States. This kind of repression is not new. For years, students from the PRC have been repressed, and in some cases have had their family members harassed in China over their actions while studying in the United States.

In practice, students visiting from China, members of Chinese minority language and ethnic groups, and those with other connections to China who voice dissent from the PRC's authoritarian actions are the most endangered by the PRC's increasingly aggressive posture.

The presence of this authoritarian influence on our campuses has never been more concerning, nor more consequential. The PRC has suppressed human rights and freedoms in Hong Kong; has intensified longstanding repression of ethnic and linguistic minorities in the so-called "autonomous regions" of Tibet, Inner Mongolia, and elsewhere; and is believed to be engaged in the world's largest internment of a religious minority since the Second World War in the "autonomous region" of Xinjiang. The broad implications for ensuring academic freedom, honoring human rights, protecting university endowments, and safeguarding intellectual property are outlined in the enclosed recent State Department letter to the governing boards of U.S. institutions of higher education. Not only does the PRC seek to control any criticism of its policies wherever they may occur, but there is extensive evidence that the PRC employs Chinese nationals in the United States to steal intellectual property and monitor the actions and activities of other Chinese students and scholars to ensure their continued acquiescence to its authoritarian principles. This only underscores the importance of work the Department of Education has

undertaken to ensure compliance in reporting and transparency for the public under section 117 of the Higher Education Act. The initial reporting has given further support to these concerns.

The PRC's efforts to control campus dialogue are sometimes supported by a physical campus presence in the form of a Confucius Institute. Today there are Confucius Institutes located on or near the campuses of approximately 60 U.S. colleges and universities. Confucius Institutes are branded as Chinese language and cultural learning centers, but there is increasing evidence that they are also tools of malign PRC influence and dissemination of Chinese Communist Party propaganda on U.S. campuses. The presence of a Confucius Institute, with the Beijing-based funding that comes with it, can provide an institution with financial and other incentives to abstain from criticizing PRC policies and may pressure the institution's faculty to censor themselves. The American Association of University Professors noted in a 2014 report that "Confucius Institutes function as an arm of the Chinese state and are allowed to ignore academic freedom."

Many educators are surprised to learn that some U.S. colleges and universities make use of teaching materials developed by an authoritarian government and taught by teachers who are vetted, supplied, and paid by that same government. A review by the State Department's Bureau of Educational and Cultural Affairs determined that approval from an institution affiliated with the PRC's Ministry of Education has been generally required when filling teaching positions associated with Confucius Institutes. This practice by the PRC does not necessarily align with our values or support the safe, equitable, and positive learning environment we all strive to preserve.

On August 13, the State Department designated the Confucius Institute U.S. Center (CIUS) in Washington, D.C., as a foreign mission of the PRC. While the CIUS designation does not directly affect Confucius Institutes on campuses around the country, it will provide much needed transparency by requiring CIUS to provide information about its operations to the State Department, including regarding its relationship with individual Confucius Institutes in the United States. As a result, U.S. stakeholders, including universities and colleges, will be able to make more informed choices about PRC government influence exerted on their communities.

Although the State Department's designation of CIUS does not compel any action on the part of your institution, we ask your board and staff to examine carefully all PRC regime-related activities associated with your campus and consider whether student physical safety, academic freedom, institutional autonomy, and appropriate governance and transparency are upheld. We urge you to assess the capacity of PRC-funded programs to withstand open intellectual inquiry by closely examining their actions in the face of independent thinkers, academics, and civil society activists that speak on campus about issues relating to the PRC's authoritarian actions.

If you find that the PRC's presence, while meant to provide a Chinese language and culture opportunity for your students, also aims to constrain academic discourse about the PRC's actions, we urge you to take appropriate action. Together we can ensure that the PRC government does not inhibit students' ability to engage with diverse perspectives and to inquire openly on all subjects, including acquiring Chinese language skills or cultural awareness. Our

universities and colleges must remain a safe and welcoming environment for all students, researchers, and scholars.

While Americans may differ on many issues, threats to our freedoms unite us all. We look forward to working together to advance academic freedom on our nation's campuses and around the world.

Sincerely,

Betsy DeVos
Secretary of Education

Michael R. Pompeo
Secretary of State

Enclosure:
As stated.

Keith J. Krach

UNDER SECRETARY *of* STATE
for ECONOMIC GROWTH, ENERGY, *and the* ENVIRONMENT

August 18, 2020

Dear Governing Boards of American Institutions of Higher Education and Affiliates,

During this unprecedented period in modern history, American universities and colleges are on the frontlines of addressing many of the challenges presented by the pandemic. At the same time, these great institutions are at the forefront of an equally serious challenge brought on by the authoritarian influence of the Chinese Communist Party (CCP).

At the U.S. Department of State, one of our primary missions is to monitor and advocate for freedom, including academic freedom, around the world. American institutions of higher learning are the envy of the world and have always been an invaluable partner in that mission. That is especially true now as we join hands to work through myriad challenges brought on by the pandemic so that we can continue welcoming students from around the world to America's shores. This includes an orderly resumption of student visa issuances as the situation dictates at our embassies and consulates around the world.

In that same spirit of partnership, I am writing to you about a real and urgent threat that has broad implications for ensuring academic freedom, honoring human dignity, protecting university endowments, and safeguarding intellectual property. As a former Chairman of the Board of a major university, I recognize that when addressing a long-term strategic issue of this magnitude, the responsibility sits squarely on the shoulders of each and every board member.

Our concern is with the malign actions of the CCP and specific individuals, not with the Chinese people or the overwhelming majority of Chinese students in the United States. Our goal is to see an improved, open, and transparent environment in which U.S. and Chinese scholars can engage with greater trust. We seek your assistance in an effort to safeguard U.S. technology and institutions, and to ensure our national and economic security remain safe and free from foreign interference.

GROWING THREAT OF AUTHORITARIAN INFLUENCE

Citizens around the world are waking up to the truth about the CCP's three-prong strategy of concealment, co-option, and coercion. The CCP's concealment of the virus resulted in the pandemic, its co-option of Hong Kong has eviscerated the freedoms of its citizens, and its relentless coercion of the Uyghur people has continued in the brutal internment camps of Xinjiang.

This has given political will to government leaders and CEOs in free nations around the world to stand up to this increasingly aggressive behavior. On both sides of the aisle in Washington, it has become one of the most passionately unifying bipartisan issues of our time. The U.S. government is now shining the light of transparency on the CCP in every way possible, including with regards to institutions of higher learning.

After spending many years leading public companies, I have learned that leadership in the face of challenges starts with that magical principle of transparency. Good leaders know that visibility is accountability. And this is where university and government leaders are partners once again.

ENSURING ACADEMIC FREEDOM

To help shine the light of transparency on CCP infiltration of American campuses, on August 13 the State Department designated the Confucius Institute U.S. Center (CIUS) as a People's Republic of China (PRC) foreign mission controlled by a foreign government. A number of American universities and colleges are home to Confucius Institutes, partially funded and controlled by the PRC. As the American Association of University Professors noted in a 2014 report, "Confucius Institutes function as an arm of the Chinese state and are allowed to ignore academic freedom."

While ostensibly intended to teach Americans about Chinese language and culture, they also exert malign influence on U.S. campuses and disseminate CCP propaganda. There is increasing evidence that Confucius Institutes spread PRC influence by providing institutions with financial incentives to abstain from criticizing PRC policies; putting pressure on faculty to self-censor; monitoring overseas students for loyalty to the party; and undermining freedom of expression by disrupting campus events deemed controversial to the CCP.

continued on the next page

The goal of this action is to shine a light on the CIUS and its relationship to Confucius Institutes operating on U.S. campuses. This designation will provide much-needed transparency by requiring CIUS to regularly provide information to the State Department about Confucius Institutes' PRC citizen personnel, recruiting, funding, and operations in the United States. With this increased level of transparency, U.S. stakeholders, including universities and colleges, can make more informed choices about the PRC influence exerted on their communities.

While this designation is not directed at U.S. universities and colleges, we ask that your board examine carefully the Confucius Institutes' activities on your campus to ensure that academic freedom, institutional autonomy, transparency and clean financial practices are being upheld.

HONORING HUMAN DIGNITY

On July 1, the Departments of State, Treasury, Commerce, and Homeland Security together published a Xinjiang Supply Chain Business Advisory, a clear statement of concern for the attention of U.S. companies, institutions, investors, and their business partners around the world. As Secretary of State Pompeo stated when he announced this advisory, U.S. businesses with potential supply chain and investment exposure to Xinjiang should consider the ethical, reputational, economic, and legal risks of involvement with entities that engage in human rights abuses, including forced labor in the manufacture of goods intended for domestic and international distribution.

What I have come to learn through running economic diplomacy for the State Department is that nowhere are the CCP's human rights abuses more pronounced than in the mass internment camps of the Xinjiang region and the indentured servitude of its population shipped all over China. These facilities are designed to eradicate the ethnicity and religious beliefs of Uyghurs and other Muslims and are responsible for human rights abuses of epic proportions with reported torture, sexual abuse, sterilization, forced abortions, and ingestion of unidentified drugs.

In recent months the U.S. government has added dozens of PRC government agencies, state-owned, and notionally private corporations to its export control Entity List related to human rights abuses in Xinjiang. This light of transparency and published studies will help your board conduct a detailed analysis to ensure your community can do everything possible to promote partnerships only with those whose supply chains are free from human rights violations.

PROTECTING UNIVERSITY ENDOWMENTS

The boards of your institution's endowment funds have a moral obligation, and perhaps even a fiduciary duty, to ensure that your institution has clean investments and clean endowment funds. I urge you to divest from companies that are on the Entity List or that contribute to human rights violations. I also ask that you strongly consider publicly disclosing to your campus communities immediately all PRC companies that your endowment funds are invested in, especially the PRC companies in emerging markets index funds.

Studies have shown that the majority of the U.S. university endowment fund portfolios own PRC stocks listed on American exchanges either directly or indirectly through emerging markets index funds. I would also like to call you attention the recommendations issued by the President's Working Group on Financial Markets (PWG), which examine the risks to U.S. investors posed by Chinese companies listed on U.S. securities exchanges.

On August 10, Treasury Secretary Mnuchin indicated that the U.S. Securities and Exchange Commission (SEC) would adopt the recommendations, which could lead to the delisting of companies from the PRC and other "Non-Cooperating Jurisdictions" from U.S. exchanges at the end of next year. PRC firms, unlike other foreign issuers in the United States, do not follow audit transparency requirements. This is due to Article 177 of the PRC Securities Law and its longstanding prohibition on PRC firms providing work papers to foreign regulatory agencies on the basis of concerns about "state secrets" in financial documentation.

Consequently, the boards of U.S. university endowments would be prudent to divest from PRC firms' stocks in the likely outcome that enhanced listing standards lead to a wholesale delisting of PRC firms from U.S. exchanges by the end of next year. Holding these stocks also runs the high risks associated with PRC companies having to restate financials.

SAFEGUARDING INTELLECTUAL PROPERTY

U.S. government agencies are accelerating investigations at American universities for illicit PRC funding of research, intellectual property theft, and the recruitment of talent. Earlier this year the Justice Department indicted the now-former head of the Harvard University chemistry department for allegedly lying about his participation in the Thousand Talents

continued on the next page

Plan where he was awarded $1.5m to establish a research lab at Wuhan University, and failing to disclose being paid $2.25m over 3 years. In July, the Justice Department filed 42 charges against a longtime University of Arkansas professor who allegedly failed to disclose his participation in the Thousand Talents Plan while securing NASA funding after a fellow employee attempted to identify the owner of his misplaced hard drive.

The U.S. academic community is in the crosshairs of not only foreign competitors contending for the best and brightest talent, but also our most valuable intellectual property. America built successful research universities on certain values: reciprocity, integrity, merit-based competition, and transparency. These values foster a free exchange of ideas, encourage the most rigorous research results to flourish, and ensure that researchers receive the benefit of their intellectual property. In turn, America attracts the best and brightest.

The PRC, however, seeks to exploit America's openness by implementing a well-financed, whole-of-government campaign to recruit foreign experts through its more than 200 talent recruitment plans including to speed its own efforts at Military-Civil Fusion. As of 2017, China reportedly has recruited 7,000 researchers who focus on or have access to cutting-edge research and technology. For the CCP, international scientific collaboration is not about advancing science, it is about advancing the PRC national security interests.

It is of the utmost importance that the board members of your university move quickly to address this threat by protecting your research systems from PRC co-option and infiltration. Just as our fine institutions vet employees for scientific rigor or allegations of plagiarism, we also must vet for financial conflicts of interests and foreign sources of funding. If our researchers can assess potential collaborators' experience and past publications, they should also assess any government affiliations and ulterior motivations.

ACADEMIC FREEDOM VERSUS AUTHORITARIANISM

The good news is that our strongest ally in promoting academic freedom over authoritarianism is your most important constituent--students. Reports suggest that College Republicans and College Democrats, like elected officials at the national level, are united in their recognition of the threat posed by the CCP. A recent letter signed by the leadership of both the College Republican National Committee and the College Democrats of America states:

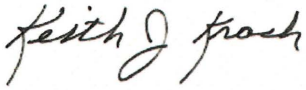
> "The Chinese government's flagrant attempts to coerce and control discourse at universities in the United States and around the world pose an existential threat to academic freedom as we know it. It is a civic and moral imperative that we protect that freedom. In the fight against authoritarianism, universities can continue to benefit from the largess of an emboldened authoritarian state, or they can stand on the right side of history. They cannot do both."

The CCP's actions pose an immense threat to academic freedom and to human dignity. While Americans may differ on many issues, this is a threat that unites us all. The CCP would love nothing more than to silence business leaders, conservatives, environmentalists, feminists, labor advocates, LGBTQ activists, people of faith, and anyone else who speaks up about their beliefs.

As we push back against efforts to infiltrate and divide us, it is imperative that we distinguish between the CCP's totalitarian regime and the Chinese people, whom we must steadfastly defend from abhorrent acts of xenophobia, racism, and hatred, including those from the PRC government. We must act to give voice to the long-oppressed among PRC ethnic minority groups including Uyghur, Kazakh, and Tibetans. We must condemn in the most unequivocal terms any and all anti-Asian sentiment wherever and whenever it arises.

My experience in the business, education and government sectors tells me that there is tremendous power in uniting those sectors as a force for good if we are all armed with the truth. The world is watching, and the integrity of our democracy and educational institutions is in our hands. I look forward to working together to protect the freedoms we all hold dear.

With respect and appreciation,



Keith J. Krach
Under Secretary of State for Economic Growth,
Energy, and the Environment