

United States Senate

January 23, 2020

Chairman Jay Clayton
U.S. Securities and Exchange Commission
100 F Street, Northeast
Washington, DC 20549

Dear Chairman Clayton:

I write to express concern about how Communist China's recently enacted cryptography laws will affect the security of American businesses. While I believe no American company should do business with Communist China, who continues to steal our technology and intellectual property and refuses to open their markets, this latest development poses an even greater risk.

On January 1, 2020, Communist China's Encryption Law went into effect, which now requires American businesses to turn over their encryption keys to Chinese officials as a requisite for continuing to do business there. These new laws essentially mean that the leaders of the Communist Party of China will have access to all the data of any foreign company working in Communist China. Party leaders will not only be able to access the data, but they can then turn around and use the information against us, posing significant risks to our safety, security and position on the economic stage. Under these laws, there will be no trade secrets or consumer information protections. This a major step towards Beijing's plan for global dominance.

While the full implications of these new laws are still not understood, I believe this presents a material risk to investors and the public, and information about these changes must be disclosed immediately. Investors deserve to know that everything a business does in Communist China will be shared directly with a government that is jailing its people for their religious beliefs, refuses to respect basic human rights and is building up their military to compete with us.

As you know, federal securities laws require that issuers disclose to investors all material information they need to make sound investment decisions. Therefore, I write today to ask:

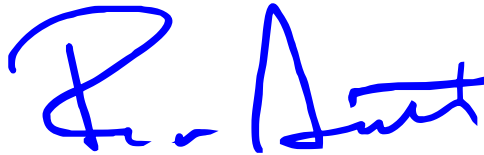
1. As the primary regulator and enforcer of securities disclosure requirements, what is the SEC doing to inform and protect investors about the dangers and risks associated with

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issuing companies complying with Communist China's new cryptography laws?
2. What is the SEC doing or plan to do to ensure that companies who currently do business in Communist China disclose to investors the impact, risks, and status of their compliance with these new laws?

Our first priority must be to protect American businesses from the growing threat of Communist China. We must also work together to be as transparent as possible about this threat, and that includes disclosing to investors the alarming reality of the risks they face by investing their hard earned dollars in companies doing business with Communist China.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rick Scott". The signature is stylized with a large initial "R" and a prominent "S".

Rick Scott
United States Senator