

# United States Senate

WASHINGTON, DC 20510-0908

November 28, 2023

The Honorable Laura D. Taylor-Kale, Ph.D.  
Assistant Secretary of Defense for Industrial Base Policy  
3050 Defense Pentagon  
Washington, DC 20301

Dear Assistant Secretary Taylor-Kale:

We write to express our deep concern regarding the proliferation of Chinese Light Detection and Ranging (LIDAR) technology throughout the United States, and more specifically, the Department of Defense. Given LIDAR's critical role in enabling autonomous systems and surveillance, the United States must ensure that the LIDAR supplied for these purposes comes from trusted sources. Therefore, we urge the Department to take stock of current LIDAR sources and, as appropriate, add Chinese LIDAR companies to the Section 1260H Chinese Military and Military-Civil Fusion Companies List.

When Chinese LIDAR is deployed in the United States, typically through companies with a U.S. presence, the LIDAR enables the collection of an astronomical amount of information on U.S. geography, human patterns, and behaviors. Relying on Chinese LIDAR for these applications introduces significant economic and national security risks. Additionally, Chinese LIDAR companies are receiving substantial funding from the People's Republic of China (PRC) government and their technology is being leveraged by the People's Liberation Army (PLA) for military applications. Simultaneously, these companies have flooded the U.S. market with low-cost, heavily subsidized Chinese LIDAR, which potentially enables these companies to collect valuable data on Americans.

Based on publicly available information, our understanding is that the PLA is using Chinese LIDAR technology to develop several offensive unmanned systems that put U.S. national security at risk. China has eliminated the barriers between the commercial sectors and defense sectors through "Military-Civil Fusion" (MCF). In the recently released annual "Military and Security Developments Involving the People's Republic of China" report, the Department recognized that "the PRC's long-term goal is to create an entirely self-reliant defense-industrial sector – fused with a strong civilian industrial and technology sector – that can meet the PLA's needs for modern military capabilities" and that the PRC "has mobilized vast resources in support of its defense

modernization, including through its [MCF] Development Strategy, as well as espionage activities to acquire sensitive, dual-use, and military-grade equipment." Furthermore, the Department recognized that the "PRC has consistently presented sophisticated, persistent cyber-enabled espionage to military and critical infrastructure systems through its efforts to develop, acquire, or gain access to information and advanced technologies." Finally, Huawei and Da Jiang Innovation (DJI), two companies currently on the Department of Defense's 1260H List, have established their own LIDAR companies.

Hesai is one of the Chinese LIDAR companies with a large presence in the U.S. In fact, they were recently listed on the NASDAQ. Hesai was designated as a "Little Giant" by the Chinese Government and their own risk statement filed with the U.S. Securities and Exchange Commission states "[T]he PRC government has significant authority in regulating our operations and may influence or intervene in our operations at any time." Hesai supplies LIDAR to U.S. Army contractors, including Inertial Labs for "autonomous marine, land, and aerial-based robotics systems." This raises serious concerns regarding technology solutions that companies using Chinese LIDAR such as Hesai's may provide to the services.

Given the seriousness of this issue and the potential economic and national security risks, we are confident you share the concerns of the continued proliferation of Chinese technology in the United States. Therefore, we request that you provide answers to following questions no later than December 7, 2023:

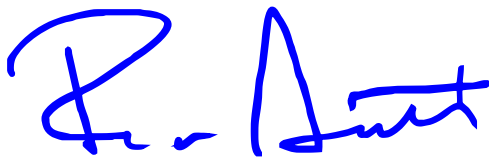
1. What steps have been taken by the Department to identify and advise DOD agencies regarding the potential dangers of Chinese LIDAR?
2. Has the Department determined whether Chinese LIDAR is currently integrated into DOD autonomous systems?
3. What additional authorities are needed to address this issue?
4. What changes are needed to Section 1260H of the FY2021 National Defense Authorization Act to more effectively address the threat of Chinese dual use technology?

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To better safeguard our nation and interests, we look forward to seeing Chinese LIDAR and dozens of other concerning entities added to the 1260H List with great urgency.

Thank you and we look forward to your response.

Sincerely,



Rick Scott  
United States Senator



Marco Rubio  
United States Senator