

United States Senate

September 11, 2025

The Honorable Paul S. Atkins
Chairman
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

The Honorable Scott Bessent
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Chairman Atkins and Secretary Bessent:

We write to express our profound concern regarding the continued listing of Hesai Group ("Hesai") on the U.S. NASDAQ exchange. As detailed in previous correspondence¹, Hesai's designation as a Chinese military company by the Department of Defense presents serious national security concerns that warrant immediate delisting action to protect investors and prevent their hard-earned dollars from funding an adversarial military. As such, we call on you to take immediate steps to delist Hesai from the NASDAQ to maintain the quality of and public confidence in the exchange. Hesai's operations are fundamentally incompatible with U.S. national security interests and investment standards.

In January 2024, the Department of Defense (DoD) initially designated Hesai under Section 1260H of the *National Defense Authorization Act*. The Pentagon then relisted Hesai in October 2024 based on additional evidence of the company's military ties. On July 7, 2025, this decision was finalized after the U.S. District Court for the District of Columbia issued a decision denying Hesai's lawsuit against the DoD seeking to be removed as a 1260H-listed Chinese military company.

Specifically, the District Court decision held "the Court concludes that the DoD's finding that Hesai contributes 'to the Chinese defense industrial base' is supported by substantial evidence because the evidence in the record viewed in light of the nature of LIDAR technology could lead 'a reasonable mind might accept as adequate to support a conclusion.'" This confirms the DoD's decision that Hesai is a Chinese military company operating actively in the United States. This determination was not made lightly and reflects the serious national security threat posed by this entity.

¹ Letter to NASDAQ Chair and Chief Executive Officer, May 3, 2024 ([link](#))

² Letter to SEC Chairman Atkins, May 2, 2025 ([link](#))

This also means that hard-working Americans can invest their savings into a Chinese military company as long as Hesai continues to be listed on the NASDAQ. This directly contradicts the goals President Trump outlined in the America First Investment Policy, stating: “The PRC is also increasingly exploiting United States capital to develop and modernize its military, intelligence, and other security apparatuses, which poses significant risk to the United States.”³ With more direct applicability to this case relating to Hesai, the America First Investment Policy further states that:

“Those Chinese companies also raise capital by: selling to American investors securities that trade on American and foreign public exchanges; lobbying United States index providers and funds to include these securities in market offerings; and engaging in other acts to ensure access to United States capital and accompanying intangible benefits. In this way, the PRC exploits United States investors to finance and advance the development and modernization of its military.”

There is clear evidence that Hesai’s products directly support People’s Liberation Army combat vehicles and surveillance systems used in the repression of Uyghur Muslims in Xinjiang. In addition, there are reports of espionage activities involving Chinese nationals utilizing military-grade LIDAR technology, which are capable of capturing precise location details and transmitting data in real time, around military bases in the Philippines. These incidents not only threaten the security of a key U.S. ally, but also U.S. military actions in the region, and highlight the risks of Chinese-made dual-use technology being used for specific military targeting purposes.

The Department of the Treasury has the authority to add Chinese companies to the Chinese Military-Industrial Complex Companies (NS-CMIC) List pursuant to Executive Order 13959, as amended. In particular, Treasury may add a company to the NS-CMIC List if it is determined “to operate or have operated in the defense and related materiel sector or the surveillance technology sector of the economy of the PRC.” Given the clear evidence by the DoD that Hesai is a Chinese military company, it follows that the company operates in the defense sector. Therefore, Treasury should begin to immediately take steps to add Hesai to the NS-CMIC List.

Hesai’s continued presence on U.S. capital markets directly contradicts NASDAQ’s listing requirements, particularly those related to the public interest and protection of investors. As a Pentagon-designated Chinese military company providing technology that enables both China’s military modernization and human rights abuses, Hesai’s securities should no longer be available to American investors.

³ America First Investment Policy, February 21, 2025 ([link](#))

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In light of this information, we call on the SEC to take immediate action to delist Hesai from the U.S. NASDAQ and call on the Treasury to take immediate action to add Hesai to the NS-CMIC List. We request a response by September 1, 2025, detailing the steps the SEC and Treasury will take to address these concerns and protect U.S. investors from unwittingly financing China's military modernization through Hesai's securities.

Sincerely,



Rick Scott
United States Senator



Marsha Blackburn
United States Senator



Bernie Moreno
United States Senator

cc: The Honorable Marco Rubio, Acting National Security Advisor
The Honorable Tulsi Gabbard, Director of National Intelligence