Congress of the United States

Washington, DC 20515

September 9, 2025

The Honorable Pete Hegseth Secretary U.S. Department of Defense 1400 Defense Pentagon Washington, DC 20350

Dear Secretary Hegseth,

We write to request information regarding the Department of Defense's (DOD) current policies for using the considerable purchasing power of its commissaries, base cafeterias, and logistics services to support U.S. allies and partners targeted by economic coercion from the People's Republic of China (PRC). While DOD procurement of agricultural and other products must rightly prioritize American farmers and other producers, increasing purchases of allied and partner goods targeted by Beijing is a powerful tool for providing them with economic support, signaling diplomatic solidarity, and helping fight back against Beijing's economic pressure. By increasing purchases of these products, in addition to placing reciprocal restrictions on similar goods from the PRC, we believe that DOD can significantly enhance its role in deterring and countering Beijing's economic aggression.

In recent years, the PRC has stepped up its use of economic coercion to punish U.S. allies and partners for policies that Beijing views as running counter to its geopolitical and economic goals. Its coercion follows a consistent playbook: a sudden and arbitrary ban on imports, vague sanitary or other regulatory justifications, and the frequent targeting of perishable agricultural goods. Although targeted countries have responded to coercion differently, in each case, Beijing's actions have inflicted serious economic harm to affected industries.

In a particularly notable instance, in 2020, the PRC restricted imports of Australian barley, beef, lobster, and wine after Canberra called for an independent investigation into the origins of the COVID-19 pandemic.² Between 2021 and 2022, Beijing banned imports of pineapples, apples, and grouper from Taiwan in an attempt to punish Taipei for drawing closer to the United States.³ In 2023, the PRC banned all Japanese seafood imports, citing "food safety concerns," after Japan attended the 2023 Camp David Summit with the United States and South Korea.⁴ Earlier, Beijing banned imports of bananas from the Philippines and lychees from Vietnam during confrontations with the two countries over the PRC's expansive and illegal sovereignty claims in the South China Sea.⁵

¹ Countering Chinese Coercion: Multilateral Responses to PRC Economic Pressure Campaigns | RAND

² China's trade restrictions on Australian exports | United States Studies Centre

³ China lifted its importation ban on groupers from Taiwan Province of China

⁴ China lifts 22-month ban on Japanese seafood imports | AP News

⁵ 20231026-Hybrid-CoE-Working-Paper-25-Chinese-economic-coercion-WEB.pdf

The Defense Commissary Agency (DeCA) already has the authority to support U.S. allies and partners in the Indo-Pacific region by expanding local purchase contracting and increasing foreign agriculture purchases through the Off-Shore Acquired (OSA) ordering program. These programs authorize commissaries to buy certain items locally if costs, shipping requirements, shelf life, trade agreements, availability, or high demand necessitate it. Since 2015, DeCA has used local purchase contracts to source produce for the 51 DOD commissaries in the Pacific theater. This model mirrors a 2007 local purchase arrangement that has allowed DOD commissaries in Europe to source from regional suppliers. In a 2018 study, DOD's Inspector General found that sourcing locally from Japan and South Korea saved DeCA \$38 million annually by eliminating transportation subsidies.

In 2023, U.S. Ambassador to Japan Rahm Emanuel worked with DOD to increase purchases of Japanese seafood for U.S. commissaries, bases, and naval ships to counter Beijing's import ban on those products. ¹⁰ As part of this initiative, Ambassador Emanuel brokered cooperation between U.S. and Japanese agencies, local fisheries, and military logistics teams, resulting in the first-ever sale of Japanese seafood products on U.S. military bases. ¹¹ DOD's increased purchases of Japanese seafood buoyed Japan's fisheries, strengthened U.S.-Japan relations, and helped to mitigate the impact of Beijing's seafood ban. In response to the U.S. actions, Japan's Minister of Economy, Trade, and Industry lauded the "effective and timely initiative of the United States," which Tokyo hoped would help "overcome [the] difficulty of ... import restrictions imposed by certain countries." ¹²

We believe that significantly expanding the scope and scale of these kinds of purchases will add a powerful new tool to the U.S. toolkit for countering PRC economic coercion. In addition to increasing purchases from allied and partner countries subjected to PRC coercion, DOD should also consider placing reciprocal restrictions on products from the PRC until Beijing ceases its coercive efforts.

As such, we request answers to the following questions by October 10, 2025:

• What steps are DOD agencies including DeCA, the Defense Logistics Agency, and the Defense Health Agency taking to increase purchases of Japanese seafood, including products still banned by the PRC after it partially lifted restrictions on Japanese seafood imports in June 2025?

⁶ DeCA Manual-40-05 01 01.pdf

⁷ <u>Defense Commissary Agency's Purchases of Fresh Produce for Japan and South Korea DODIG-2018-072 > Department of Defense > DoD OIG Reports</u>

⁸ Report No. DODIG-2018-072:

⁹ <u>Defense Commissary Agency's Purchases of Fresh Produce for Japan and South Korea DODIG-2018-072 > Department of Defense > DoD OIG Reports</u>

¹⁰ In the Spirit of "Operation Tomodachi": U.S. Military Bases Start Sales of Japanese Seafood to Support Japanese Industry Affected by PRC Ban - U.S. Embassy & Consulates in Japan

¹¹ In the Spirit of "Operation Tomodachi": U.S. Military Bases Start Sales of Japanese Seafood to Support Japanese Industry Affected by PRC Ban - U.S. Embassy & Consulates in Japan

¹² In the Spirit of "Operation Tomodachi": U.S. Military Bases Start Sales of Japanese Seafood to Support Japanese Industry Affected by PRC Ban - U.S. Embassy & Consulates in Japan

- What steps are these agencies taking to increase their purchases of Taiwan's pineapple, wax apple, grouper, and other items currently banned by Beijing?
- What steps are these agencies taking to plan with Australia for increasing purchases of Australian wine, beef, lobster, and other at-risk items in the event the PRC reimposes import restrictions on these products?
- What lessons have these agencies learned from their local purchase contracting experience in the Indo-Pacific, including the need for new or expanded authorities, that would allow them to more effectively use their purchasing power to counter the PRC's economic coercion?
- What feedback has DeCA received from Commissary customers about seafood, meat, and produce sourced from Indo-Pacific allies and partners?
- How would efforts by DeCA, the Defense Logistics Agency, and the Defense Health Agency to redesign their supply chains along the lines described above affect the sourcing of local or nearby produce and other perishable food in the Indo-Pacific region, and what potential impact would these changes have on the freshness and shelf life of perishables for service members?
- What, if any, support do these agencies need from Congress to facilitate appropriate purchases of products from allied and partner countries to counter the PRC's economic coercion?
- What, if any, additional authorities would these agencies need from Congress to impose reciprocal restrictions on products from the PRC in the event Beijing bans the importation of specific products from U.S. allied and partner countries?

Thank you for your attention to this important matter.

Sincerely,

Raja Krishnamoorthi Ranking Member

House Select Committee on the CCP

Jill Tokuda

Member of Congress