Ban Chinese Automakers in the U.S. to Protect Our National Security and Domestic Auto Sector

Cosponsor the Connected Vehicle Security Act (H.R. 8730/S. 4429)

ISSUE

Chinese vehicles potentially being imported to or manufactured in the U.S. pose a risk to auto manufacturers, dealers, workers, and our economic and national security. The bipartisan Connected Vehicle Security Act (CVSA) (H.R. 8730/S. 4429) would prohibit the importation, manufacture, and sale of connected vehicles, hardware and software linked to China or other foreign adversaries, including those from joint ventures or entities under their control. NADA strongly supports the policy goals behind the CVSA to protect consumer privacy, national security, and the U.S. economy against unfair competition. **Members of Congress are encouraged to cosponsor the Connected Vehicle Security Act (H.R. 8730/S. 4429).**

BACKGROUND

China heavily subsidizes its domestic auto industry. If Chinese-made vehicles are allowed into the U.S. market, Chinese automakers could undercut existing automakers on price to drive rivals out of business and then be free to raise prices on U.S. consumers, while also devastating America's industrial capacity. Additionally, today's vehicles are effectively computers on wheels and can transmit information on location and driving habits. The Chinese government compels their automakers to share sensitive data with the government, raising serious national security and privacy concerns.

The Department of Commerce recognized this threat in January 2025, when the Bureau of Industry and Security issued a rule barring the import and sale of connected vehicles and related technology linked to China, while preserving a path for longtime U.S.-based automakers to continue operating. The CVSA codifies much of the intent of that rule, setting an ownership threshold (15%), above which an automaker is considered linked to a foreign adversary. Affected automakers currently selling in the U.S. have until 2030 to comply but could seek an authorization from the U.S. government to continue operating if their ownership structure exceeds the threshold. Existing manufacturers exceeding the 15% Chinese ownership threshold are seeking modifications to the CVSA before the legislation receives floor consideration.

NADA strongly supports the CVSA's policy goals and is working with lawmakers to protect dealers and American jobs and to minimize any unintended consequences as the legislation advances.

KEY POINTS

- **Chinese vehicles pose serious security threats.** Vehicles today are computers on wheels, and under Chinese law, Chinese automakers are compelled to share collected data from vehicles with the Chinese government.
- **China massively subsidizes its OEMs.** State subsidies allow Chinese automakers to sell vehicles below cost, undercutting competitors to gain market share, which in turn would result in Chinese automakers raising prices once its rivals are driven out.
- **The CVSA is needed to protect the U.S. auto industry from unfair competition.** Every Chinese vehicle sold in the U.S. comes at the expense of manufacturers with American workers, suppliers, and dealers, which weakens American economic security and our domestic manufacturing base.

STATUS

Sens. Bernie Moreno (R-Ohio) and Elissa Slotkin (D-Mich.). introduced the bipartisan CVSA, S. 4429. Reps. John Moolenaar (R-Mich.) and Debbie Dingell (D-Mich.) introduced the House companion bill, H.R. 8730. On July 22, the Senate Commerce, Science, and Transportation Committee favorably reported the CVSA by voice vote. **Members are encouraged to cosponsor the CVSA to protect our domestic auto market and economy.**

August 31, 2026