Kansas Senate Committee on Judiciary

Michael Lucci, State Armor Action – March 18, 2025

Proponent

SB 9 - Kansas Land and Military Installation Protection and Drone Procurement

Introduction

Thank you, Madam Chair Warren and the Members of the Committee for allowing me to appear before you all today to support SB 9, regarding Kansas land and military installation protection and drone procurement for government agencies. My name is Michael Lucci, and I'm testifying on behalf of State Armor Action, of which I am the founder and CEO.

State Armor mission

I founded State Armor Action to recognize and confront a new policy area that states must face. We believe that states are now on the front lines in this new era of integrated global conflict. Therefore, the mission of State Armor Action is to provide state policy solutions to global security threats.

America is weathering a whole-of-government assault upon our social fabric and economic security. This assault comes not through direct military means, but rather through a whole-of-society attack using subterfuge, economic sabotage, compromising of our military assets, and other tools of asymmetrical warfare including:

 rampant intellectual property theft coupled with trade practices that constitute economic warfare,

- 2. flooding our country with deadly fentanyl and malicious propaganda, and
- 3. pre-positioning to attack and compromise our critical infrastructure.

In the face of this broad societal assault, America needs whole-of-government solutions with states assuming a new role on the front lines in achieving the national mission of securing our homeland.

State Armor's solutions to these global threats fall into three areas. They are as follows:

- 1. protecting critical infrastructure;
- 2. building the supply chains of freedom; and
- 3. stopping malicious influence operations.

States can and must protect critical infrastructure through securing their telecommunications grid, protecting commercial and agricultural property, particularly near military bases and other critical infrastructure.

SB 9 Protections of Land and Military Installations

SB 9 is one of the essential solutions to achieve state security. State land and property cannot fall into the hands of foreign adversaries and other malign actors.

We have seen many states act to protect their lands from foreign adversaries, and for good reason. Chinese companies in particular have aggressively sought to secure land and other assets near military bases.

<u>Chinese companies were caught building a mill near Grand Forks AFB</u> in North Dakota, resulting in the Air Force describing the mill as a national security threat. This same company, Fufeng Group, actively sought land in more states across the Midwest as well.

A People's Liberation Army (PLA) General was found to have <u>purchased 140,000 acres</u> <u>near Laughlin AFB in Texas</u>, right near Texas' border with Mexico. The general said he wanted to erect wind turbines, which just so happen to double as tremendous surveillance and signals intelligence opportunities.

Arizona officials found Chinese companies attempting to purchase commercial property near Luke AFB, where our most elite F-35 pilots train.

And in Nebraska, Colorado, and Wyoming, our <u>nuclear missile silos are surrounded by</u>

<u>Huawei telecommunications equipment</u> which the FCC has declared must be ripped out because of the extraordinary surveillance risk.

These purchases are no accident, nor can they be ignored. They are a systematic approach to compromise our national security and erode our power by targeting states.

SB 9 Protections through Drone Procurement Reform

As mentioned previously, one of the major threats we must counter is the CCP prepositioning to attack and compromise our critical infrastructure. Specifically, Kansans are
threatened by the operation in our domestic market of drone companies linked to the CCP and
other hostile adversary nations. The CCP is cultivating American dependence on its drones,
which gives the CCP leverage over us.

To counter this threat, Kansas must procure drones from America and her allies rather than from adversary countries. Procuring drones from free and allied nations rather than adversaries is an essential step for states. State Armor's research in other states has revealed that as many as 95% of government drone purchases can come from one CCP-linked Chinese vendor, a company called DJI.

Chinese drone providers like DJI are categorized by America's Department of Defense as Chinese Military Companies (CMCs) operating within the United States. It's startling that so many state and local governments are dependent upon a military company of our greatest adversary for law enforcement technologies.

American drone purchases from DJI and other Chinese companies play into the hands of two CCP strategies. They are as follows:

- First is their MILITARY-CIVIL FUSION STRATEGY through which they seek to
 dominate economic sectors that have dual civilian and military use. As the war in
 Ukraine shows, drones are an emergent warfare technology that will augment and
 sometimes displace warriors on the battlefield.
- Second is their DUAL-CIRCULATION STRATEGY through which they seek to
 indigenize critical technologies like drones so that they produce what they need for their
 domestic market, and make the rest of the world dependent upon them for these
 technologies.

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Because Chinese companies operate at the behest of the Chinese Communist Party, relying on Chinese drones gives the CCP the ability to withdraw access at its discretion. DJI's market dominance therefore affords Beijing coercive leverage over American states Further, the CCP lays claim to the footage from DJI drones. When it comes to espionage within the U.S., it has become all too clear that the CCP strategy is to spy, lie, and deny. Whether the issue is Tik Tok, port cranes, Huawei equipment, or Lenovo computers, Chinese companies have a history of being used for espionage against America. In fact, People's Republic of China (PRC) laws require exactly this. Drones are likely no different. In fact, the Cybersecurity and Infrastructure Security Agency finds the following:

Chinese-manufactured unmanned aircraft systems (UAS), more commonly referred to as drones, continue to pose a significant risk to critical infrastructure and U.S. national security. While any UAS could have vulnerabilities that enable data theft or facilitate network compromises, the People's Republic of China (PRC) has enacted laws that provide the government with expanded legal grounds for accessing and controlling data held by firms in China.

Reliance on Chinese drones poses not just a strategic problem for Kansans but also a moral one. In December 2021, the U.S. Department of Treasury sanctioned DJI for its involvement in human rights abuses in the Xinjiang region. Treasury described DJI as one of eight entities that support the biometric surveillance and tracking of ethnic and religious minorities in China, particularly the predominantly Muslim Uyghur minority in Xinjiang. Axios reported that "DJI is accused of providing surveillance drones to authorities that operate mass detention camps in Xinjiang."

A recent report from the <u>Uyghur Human Rights Project</u> declared that "DJI is complicit in crimes against humanity... If you buy or sell DJI products, you are dealing with a Chinese company that is profiting from massive human rights atrocities." Kansas taxpayers should cease financial support for this company.

Conclusion

Protecting Kansas and American security begins with securing the land and property around military bases. Kansas taxpayers also deserve a drone provider that cannot be compelled to spy upon Kansas' critical assets on the whim of an adversary government.

SB 9 is a great step forward in both of these respects. Thank you for the opportunity to testify, and I look forward to answering any questions.