

Kansas Senate Committee on Judiciary

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Proponent

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

Good morning.

Thank you Chair Warren, Vice Chair Titus, Ranking Member Corson, and members of the committee for allowing me to appear before you all today on a topic of such exceptional importance.

I come to this hearing with considerable experience in the National Security and Economic Security space. I am a retired US Air Force General Officer having spent 34 years in Air Force, Joint, and multinational roles to include responsibility for the industrial base for the Air Force, large parts of NASA, the US Navy, and numerous Foreign Military Sale countries. After military service, amongst other things, I spent 3 years on NASA's Board, work(ed) with several Federally Funded Research and Development Centers (FFRDCs), numerous think tanks, serve as an adviser to several private equity firms, an adviser to several space firms, and serve as independent director on several public and private companies in the National Security space. I have a masters in International Relations, National Security and Strategic Studies, and a Doctorate from Vanderbilt University in Organizational Change and Leadership.

During my tenure in the Air Force, I had a front-row seat to the efforts the CCP is undertaking, in the United States and around the world, to subvert governments and societies and seek to gain economic, political, and military advantage. Since I left the military, the threat posed

by the CCP to the United States has only grown. The CCP threat is no longer only a distant military and cyber threat in the Indo-Pacific but is now one that involves substantial personal and economic risks to American citizens, including in Kansas.

As Americans ponder their response to the CCP's predations, it is essential to understand the reality that no company or entity in China is truly private, in the sense that Americans would understand it. Beijing exerts top down control over all Chinese companies and commercial enterprises, regardless of whether the state officially owns a stake in the company or not. In fact, this is enshrined in China's legal system. China has numerous national security laws that require all businesses and individuals to use their resources to support the CCP if called upon to do so in support of China's security apparatus and strategic objectives. In essence, if a Chinese citizen or company fails to assist the CCP in, say, obtaining intellectual property from a U.S.-owned firm, they are actually violating the law. Given the implications of this top down authoritarian business environment, we must recognize that when it comes to Chinese owned businesses, all roads lead to Beijing.

One critical vulnerability strikes at the heart of hardworking, everyday Americans. The average American spends years saving so that they and their family may, one day, comfortably retire. However, these Americans would be horrified to know that many public pensions and retirement accounts hold investments in Chinese owned or controlled companies, including companies with clear ties to the Chinese military. These holdings are not only wrong morally, but also deeply irresponsible moves by those entrusted with protecting the financial interests of the Americans. If tensions escalate between the U.S. and China, these investments would be extremely risky and volatile. The CCP could seize assets at will, leaving American retirement funds raided. The managers of retirement accounts have a fiduciary responsibility to their clients

to ensure they are making the best investment decisions possibly. Given the geopolitical issues at stake today, it is reckless to invest in Chinese controlled firms.

The CCP has extended its reach into American society, so that it may target dissidents and others opposed to the communist regime. Across the country, states are now having to deal with the reality of Chinese agents coercing individuals into silence, while the federal government struggles to catch up. Most states do not have statutes in the law to cover this particular malign activity in the criminal code, and instead rely upon other more general criminal statutes. It is only fitting that states enact laws and attach punishments that reflect the brazenness of this behavior. Where applicable, states must make it as difficult as possible for a foreign adversary like China to operate its authoritarian security apparatus in our state.

Another example of China's malign efforts is of grave significance to Kansas's farmers. Recently, we have seen an uptick in agricultural land purchases in the U.S. by Chinese-linked entities. Already, hundreds of thousands of acres of American farmland have been bought up by Chinese entities, often through a maze of shell companies and LLCs. If we even just take one step back from the immediate national security risk, we can also see the immense risk to state economies and to America's economic security if the land our food is grown and raised on is controlled by a foreign adversary. Though restrictions on foreign land purchases exist at the federal level, they have proven incredibly difficult to enforce, as shell companies and difficult to trace entities continually pop up to aid in these transactions. Measures are needed at the state level to ensure that American farmland stays in the hands of American farmers, protecting both our national and economic security.

Technology competition is another critical domain where our states and localities are exposed to CCP malign activities. The most prolific of these is 5G telecommunications, where

the CCP has sought relentlessly to build Chinese technology into American telecom infrastructure. By gaining physical access to our cyberspace via equipment and infrastructure, the CCP also gains leverage over critical utilities, which Americans rely on for our daily life. This exposure could also implicate other critical infrastructure like our electric grid. We've seen the devastating effects of this strategy play out in the Russia-Ukraine War, when Russian missiles rain down on Ukraine's power grid during the coldest winter months. In our case, China need not fire missiles at our infrastructure, because their missiles, in the form of malware, already stand ready to shut down our utilities from within. The Trump Administration imposed severe restrictions on Chinese tech companies like Huawei that used this exact playbook. But Beijing has not halted their efforts. States must enact their own laws that govern infrastructure which the federal government cannot to prohibit the installation of Chinese tech in our grids and remove any that currently exist and replace it with reliable and secure American technology.

We are giving our chief geopolitical adversary and economic rival critical leverage over our country and its citizens. Many critical supply chains that drive Kansas's economy run right through China and Chinese controlled entities. As tensions rise so do the risks. If a war, or even a low intensity conflict were to break out between China and the U.S. in the far away seas and islands of the Pacific, Americans would very quickly realize this conflict is not so far away at all. Beijing would no doubt use every available tool they can, including their "private" companies in the U.S. to harm our economy and our citizens. China is preparing for the long game. Are we preparing as well? Are we playing checkers while they are playing chess...?

It has become apparent that our country needs a national strategy and response to sufficiently protect American citizens and keep our economy secure. While core components of a national response to this rising threat, like those involving the military, must take place at the

federal level, we must remember that a national response does not only mean a federal response. Our Constitution guarantees the rights and powers of individual states to govern in the interest of their citizens, even without federal action. This unique construct of our Constitution is not a flaw, but rather a feature that enables state lawmakers like you to act in the welfare of your constituents when your jurisdiction allows. After all, it is you, the directly elected representatives of Kansans who know your state best.

I am grateful for the opportunity to appear before you and look forward to taking any questions.