

Kansas House Commerce, Labor, and Economic Development Committee Testimony

Michael Lucci, State Armor Action – March 12, 2024

**Proponent of HB 2820 – Prohibiting the Acquisition of Critical Components of Drone
Technology from Countries of Concern**

Introduction

Good afternoon. Thank you, Chairman Tarwater, Ranking Member Probst, and the Members of the Committee for allowing me to appear before you all today on HB 2820, a proposal to secure Kansas' supply chain for drones. My name is Michael Lucci, and I'm here on behalf of State Armor Action, of which I am the founder and CEO.

State Armor mission

I founded State Armor Action last year 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.

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.

In order to protect critical infrastructure and build supply chains of freedom, 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 to take. State Armor's recent work in other states revealed that as many as 95% of government drone purchases can come from one vendor.

Chinese Communist Party (CCP) strategies specifically focus on developing American industrial dependence on CCP technologies – what we call the technologies of totalitarianism.

Countering CCP strategies

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.

Defunding CMCs

Chinese drone providers like DJI are included on the 1260H list¹ and categorized by America's Department of Defense as Chinese Military Companies 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.

¹ <https://media.defense.gov/2024/Jan/31/2003384819/-1/-1/0/1260H-LIST.PDF>

Human Rights Violations

In December 2021, the U.S. Department of Treasury sanctioned DJI for its involvement in human rights abuses in the Xinjiang region.² 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 Uyghur Human Rights project 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.”³

Kansas taxpayers should cease financial support for this company.

Espionage

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 that:

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

² <https://home.treasury.gov/news/press-releases/jy0538>

³ <https://uhrp.org/statement/new-uhrp-report-on-dji-drones-documents-complicity-in-uyghur-genocide/>

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.”⁴

Conclusion

Kansas taxpayers deserve a drone provider that cannot be compelled to spy upon Kansas’ critical assets on the whim of an adversary government. HB 2820 is a good way to accomplish this. Thank you for the opportunity to testify and I look forward to answering your questions.

⁴ <https://www.cisa.gov/sites/default/files/2024-01/Cybersecurity%20Guidance%20Chinese-Manufactured%20UAS.pdf>