Ohio Property Protection Act

Senate Bill 88

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Testimony before

Ohio Senate

General Government Committee

Harrison Siders on behalf of State Armor Action

Good afternoon, Chair Roegner and Vice Chair, Gavarone and Ranking Member Blackshear, thank you for the opportunity to testify today. My name is Harrison Siders and I'm representing State Armor Action

State Armor Action believes that it is essential for states to enact policies to protect critical infrastructure, build supply chains of freedom, and stop foreign influence operations on U.S. soil. And for that reason, we testify in favor of SB 88, the Ohio Property Protection Act, which would prohibit foreign adversaries from buying Ohio land.

We know that the CCP is undertaking a plan, in the United States and around the world, to subvert governments and societies and seek to gain economic, political, and military advantage over them. The CCP threat is no longer only a distant military and cyber threat in the Indo-Pacific, but it is now one that involves substantial personal and economic risks to American citizens, including in Ohio. Ohio and other states must reduce the surface area of risk to these eventualities. That starts by reducing the surface area of your state that is owned by adversaries.

The federal government cannot counter the CCP threat on its own. The PRC threat is too broad and overwhelming for the federal government to manage on its own. And furthermore, that's not how our system of federalism is designed to work. States are empowered under our Constitution, and states must step up for America's whole-of-government response. Without states and localities addressing this threat, even the most robust action by Washington will be too little, too late. The CCP calls the states the soft underbelly of America. We must take action at a state leverl to protect our land and people from the nefarious actions of the CCP.

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, these concepts are 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. I shared a copy of an official government statement from former National Security Advisor Robert O'Brien who describes how China's 2017 National Intelligence Law codifies these requirements. In essence, if a Chinese business fails to assist the CCP in, say, obtaining intellectual property from a U.S.-owned firm, they are actually violating Chinese law.

Recently, we have seen an uptick in agricultural land purchases in the U.S. by Chinese <u>linked entities</u>. <u>Already, hundreds</u> of thousands of acres of American farmland have been bought up by Chinese entities, often through a maze of shell companies and LLCs. Many of these sites are suspiciously close to sensitive U.S. military instillations or other key national security facilities, in addition to posing substantial risk to the food security of the United States.

We can share public reporting on suspicious land purchases in Texas and North Dakota by companies like Fufung Group. We shared a copy with the committee of the USAF letter describing the national security risk presented by Fufeng in N.D. Yet we recently discovered that Fufeng tried to make a major land purchase nearly on top of America's most critical rail lines in NW Indiana, within 10 miles of a military installation. We have even heard speculation that Fufeng is trying to access still more U.S. military installations and critical infrastructure across the Midwest.

We do not get to determine whether China takes the world to war, but we can certainly reduce Ohio's exposure to risk within such a dire scenario by reducing the surface area of exposure to the Communist Party of China. When taken as a whole, such pro-active measures by states will also reduce the overall likelihood of war.