

Ohio Property Protection Act

Senate Bill 226

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Testimony before

Ohio Senate

Veterans and Public Safety Committee

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Good afternoon, Chair Johnson and Veterans and Public Safety Committee, and thank you for the opportunity to testify today. My name is Michael Lucci and I'm representing State Armor Action, of which I am the Founder and CEO.

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 HB 226, the Ohio Property Protection Act, which would prohibit foreign adversaries from buying Ohio land.

First, a quick background on recent events. Since January 31<sup>st</sup>, FBI Director Chris Wray has conducted a veritable road tour warning about PRC cyberattacks on American critical infrastructure. We will distribute an article on his most recent warnings which came in the past

week.<sup>1</sup> Of course, proximity to critical infrastructure improves the likelihood of espionage and sabotage more, which is one reason why it's important to prohibit land sales to adversaries.

On March 18, NSA Jake Sullivan wrote a letter to all governors warning them of cyberattacks on their water infrastructure systems. NSA Sullivan asked governors to take action to protect these systems before they can be attacked in a comprehensive, coordinated way. We shared a copy of this letter with the committee.<sup>2</sup> Of course, proximity through land ownership once again empowers adversaries to conduct espionage and sabotage on our water systems.

These examples are two of many pieces of evidence 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.

On January 31, CISA Director Easterly described the PRC's end game, which is for the PRC to be able to create an "everything, everywhere, all at once" crisis within the United States by incapacitating critical infrastructure, transportation systems, ports, telecommunications, and basic necessities like clean water.<sup>3</sup> Using public sourcing, I can give you an example of an active PRC operation within the United States to achieve each destructive objective Easterly laid out. A security clearance would provide a still clearer picture of extraordinary risks. It is generally

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<sup>1</sup> <https://www.fbi.gov/news/stories/chinese-government-poses-broad-and-unrelenting-threat-to-u-s-critical-infrastructure-fbi-director-says>

<sup>2</sup> [https://www.epa.gov/system/files/documents/2024-03/epa-apnsa-letter-to-governors\\_03182024.pdf](https://www.epa.gov/system/files/documents/2024-03/epa-apnsa-letter-to-governors_03182024.pdf)

<sup>3</sup> <https://warontherocks.com/2024/03/everything-everywhere-all-at-once-cyberspace-operations-and-chinese-strategy/>

agreed that the PRC would initiate such sabotage in the context of initiating warfare in the Pacific with America or her allies.

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. Even if the federal government were run by angels – and we all know it’s not – 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.

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.<sup>4</sup> 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.

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<sup>4</sup> <https://trumpwhitehouse.archives.gov/briefings-statements/statement-national-security-advisor-robert-c-obrien-011521-2/>

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. Many of these sites are suspiciously close to sensitive U.S. military installations 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 Fufeng 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.