

Kansas House Commerce Committee Testimony

Michael Lucci, State Armor Action

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Proponent of HB 2293 – Prohibiting the acquisition of critical components of drone technology from countries of concern and the procurement of final or finished goods or services from countries of concern

Introduction

My name is Michael Lucci, and I'm here on behalf of State Armor Action, which I founded just over a year ago to provide state policy solutions to global security threats. One of these threats is the operation in our domestic market of drone companies linked to the Chinese Communist Party (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.

Countering CCP Strategies

Chinese drone providers like DJI are categorized by America's Department of Defense as Chinese Military Companies (CMCs) operating within the United States.¹ It's startling that so

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

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.

Leverage and Espionage Risks

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 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 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.²

Human Rights Violations

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.³ Axios reported that “DJI is accused of providing surveillance drones to authorities that operate mass detention camps in Xinjiang.”⁴

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.”⁵

Kansas taxpayers should cease financial support for this company.

² <https://www.cisa.gov/sites/default/files/2024-01/Cybersecurity%20Guidance%20Chinese-Manufactured%20UAS.pdf>

³ <https://home.treasury.gov/news/press-releases/jy0538>

⁴ <https://www.axios.com/2021/12/16/dji-drones-china-surveillance>

⁵ <https://uhrp.org/statement/new-uhrp-report-on-dji-drones-documents-complicity-in-uyghur-genocide/>

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 2293 is a good way to accomplish this. Thank you for the opportunity to testify, and I look forward to answering your questions.