

Chairman Comer, Ranking Member Raskin, distinguished members of this Committee, thank you for inviting me to testify.

In his February 2023 speech entitled “An Intelligence Officer’s Perspective on China”, now retired Navy Admiral Mike Studeman who, then serving as Commander of the Office of Naval Intelligence, stated: “The China problem is more gigantic than understood or appreciated.”

Political warfare by the government of the People’s Republic of China’s (PRC), the Chinese Communist Party (CCP), poses an existential threat to the United States of America.

My testimony today, based on my experience in this Cold War with the CCP as a U.S. diplomat, a concerned American, and a resident of Michigan, focuses on failures on the federal government to both understand the depth and breadth of this threat and to effectively counter it.

I witnessed firsthand the CCP’s impactful use of political and economic warfare across the Indo-Pacific. Through this, China has effectively bypassed our historic defensive barriers in the Pacific called “the first and second island chains”, endangering Hawaii, Guam, U.S. territories, and our friends and allies there. Despite ample warning by Pacific Island leaders, the federal government did little impactful to stop China’s ominous advance.

While awaiting confirmation for 2 1/2 years, the Republic of Kiribati flipped diplomatic recognition from Taiwan to Beijing. During my consultations and after arriving at Post, whenever inquiring what led up to the flip of Kiribati, career colleagues either had no background on the dynamic leading up to the flip, or specific answers as to why the flip occurred.

During my accreditation trip to Kiribati, I visited the “Friendship Bridge” connecting North and South Tarawa, paid for by the DOD funding and dedicated in 2010 by my former late predecessor, Ambassador Steve McGann. It was built using WWII-era Bailey Bridge construction design - certainly deficient for the punishing weather at the Equator. The bridge, well past its temporary design purpose, was patched with diamond plate sheets, rusting apart and unsafe.

I worked aggressively with INDOPACOM to secure the funding to replace the bridge, that was ultimately approved, however, it got snagged between the Pentagon and State Department bureaucracies. It is my understanding it remains snagged. The CCP-owned China Railway

Group Limited swooped in and built an auxiliary cement bridge, though underwater during high tide. Our Friendship Bridge is in tatters and it is my understanding now impassable.

In downtown Suva, at 28 stories, and billed as the tallest building in the Indo-Pacific, complete with an observation tower, it is a totemic edifice to the power and influence of the PRC and the CCP. Symbolic of other subnational incursion and influence operations in Fiji, the so called “Friendship Plaza”, unfinished after seven years, when windy it rains debris on the neighborhood below it including on the buildings and playground of Holy Trinity Anglican School, which lies a few feet apart separated only by flimsy construction walls. Swirling around the corrupted “deal” involves charges of bureaucrats looking the other way in documents filings, irregular filing of company documents, fraud, and a shadowy break-in into a safe involving the theft of nearly \$200,000 in valuables. The “deal” is now mired in litigation and faces a murky future.

I have also witnessed malign influence through a subnational incursion and influence operation by a PRC-based and CCP-tied lithium ion battery manufacturer, Gotion, in rural Green Charter Township, Michigan. The anecdote I will share with you is but one of many examples across the United States that threatens our national security and sovereignty.

Roughly 70 miles from Gotion’s proposed lithium ion facility is the secure U.S. military installation, Camp Grayling, which is the hub of the National All-Domain Warfighting Center, which trains our troops and those of our allies, including Taiwan, in strategic and tactical battle operations.

In February 2022, U.S. national security and intelligence agencies convened a group of bi-partisan state and local elected officials and business executives across the country to warn them of China’s political warfare. They addressed the many ways China’s subnational incursions and influence operations advance PRC and CCP geopolitical interests.

Despite these warnings and directives to exercise vigilance, conduct due diligence, and ensure that transparency, integrity and accountability were built into the partnership, all supporting the Gotion project brazenly defied them. In fact, elected and appointed officials supporting this corrupted “deal” signed binding and punitive 5 and 10 year Non-Disclosure Agreements (NDAs).

Gotion submitted a voluntary declaration to the Committee on Foreign Investment in the United States (CFIUS) in the Spring of 2023, CFIUS quite surprisingly declared it an “uncovered real estate transaction.”

In recent weeks, the Biden Administration proposed a rule that added over 50 U.S.-based military installations, including Camp Grayling, for required reviews by CFIUS when a deal involving a foreign company, such as Gotion, falls within a 100-mile radius of a military facility. Perplexingly, while our Defense officials likely instituted this rule on account of mission critical assets and activities there, it is not retroactive and does not apply to Gotion.

Through my volunteer work for the Michigan China Economic and Security Review Group, in recent days I was alarmed to discover federal officials either ignored or overlooked a February 2020 U.S. Treasury Department CFIUS rule regarding joint-use military facilities that covers the Gotion transaction given the Army Airfield at Camp Grayling. I wrote to Mr. Paul Rosen, Assistant Secretary of State of the Treasury for Investment Security requesting he reexamine Gotion's declarations under that regulation and scrutinize the project accordingly. Mr. Rosen has yet to respond.

Court filings this past Friday revealed the following:

1. An offer by Gotion of an all-expense paid trips to China for at least one recalled township trustee. Never disclosed.
2. A real estate deal between Gotion and a recalled trustee that would have netted him almost \$2 million. Never disclosed.
3. Promises of employment by Gotion to trustees in the event they were recalled. Never disclosed.
4. Text messages between a Gotion official and a recalled trustee read: "We got each other's backs" and "you have had my back now its my turn to help." as well as "U have Been a great a partner and becoming an even better friend. I will help you however I can." Never disclosed.

These events offer a cautionary tale on the importance of an intergovernmental agency process that, first, acknowledges the serious threat political and economic warfare by the CCP, second, is nimble in spotting these threats, and third, can defend if not prevent them within our sovereign nation.

In order for our common defense to be robustly provide in this Cold War with the China, I offer the following initial personal recommendations for federal agencies to consider, that may have already been considered, or are actively being considered.

A. Updated strategy via passage of a National Security Act commensurate to the threat from the Chinese Communist Party (CCP) that would equip the entire intergovernmental agency with coordinated efforts and resources, deployed in a proactive and nimble manner.

B. Updated and upgraded curriculum at the Foreign Service Institute by incorporating a rigorous curriculum on countering CCP political warfare featuring the foremost experts in this realm.

C. Have CFIUS strictly enforce standing rules, commensurate with the threat from the CCP and mandate reviews for all PRC-based companies.

D. Classify the United Front Work Group as a national security threat, prohibiting their presence in the U.S., and any affiliated entities.

E. Strictly police FARA filings from agents of PRC-based companies, commensurate with the threat from the CCP.

F. Foster projects where U.S. diplomats speak directly to the people of China through PRC-based media, colleges and universities.

G. Work through diplomatic channels to have U.S. media companies have full ownership of their companies broadcasting into China.

H. Require interagency audits of critical sectors such as universities, research labs, financial institutions, healthcare, real estate, and even within federal and state government agencies to ascertain, report on pro-CCP networks within these institutions, perform a national security threat assessment, and close down where national security is found to be compromised.

I. The CCP has established a stronghold within U.S. research and academic sectors, creating a near dependence on foreign funding, international tuition, and cheaper research technologies. This dependency, much like a cancer, is weakening the integrity of these institutions. For example, U.S. hospitals have grown increasingly reliant on the services of BGI for DNA sequencing because it is both inexpensive and efficient. This creates vulnerabilities in our healthcare and research infrastructure. Despite existing regulations such as the Export Administration Regulations (EAR), International Traffic in Arms Regulations (ITAR), the Wolf Amendment, and Section 1286 of the National Defense Authorization Act, which limits Department of Defense funding to PRC Talent Recruitment participants, these measures are insufficient. The CCP continues to access federal resources and infiltrate critical sectors with alarming ease. Mandate an audit across the interagency to assess gaps in EAR, ITAR, the Wolf Amendment, and Section 1286 and accordingly close those gaps.

J. When communicating about the People's Republic of China (PRC) and the CCP, devise terminology across the interagency replacing the currently utilized "pacing threat" and "near peer competitor" and instead devise and communicate authentic terminology with moral clarity about the nature of the CCP such as "adversary", "hostile force" or "aggressor".

K. Department of State tailor plans for each embassy to combat political warfare within the host country.

L. Declassify non-sensitive information involving the PRC/CCP malign activities to information and publicize it through appropriate channels to educate the American public about the nature of the threat from China.

M. Prohibit any PRC-based company from conducting business in the U.S. that is in partnership with a Communist Chinese Military Contractor.

N. Federal Retirement Thrift Investment Board (FRTIB) prohibits retirement savings from federal workers and military service members from investing in PRC-based companies, including those that support the People's Liberation Army. (PLA).

Thank you for your time and attention. I look forward to answering your questions.