

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee April 16, 2025

**SANDERS:** Good afternoon and welcome to the Government, Military and Veterans Affairs Committee. I am Senator Rita Sanders from Bellevue, representing the 45th Legislative District, and I serve as your chair of this committee. The committee will take up bills in the order posted. This public hearing is your opportunity to be part of the legislative process and to express your position on the proposed legislation before us. If you are planning to testify today, please fill out one of the green testifier sheets that are on the table in the back of the room. Be sure to print and fill it out completely. When it is your turn to come forward, give the testifier sheet to the page or the committee clerk. If you do not wish to testify, but would you like to indicate your position on the bill, there are also yellow sheets on the back of the room on the table. These sheets will be included as an exhibit in the official hearing record. When you come up to testify, please speak clearly into the microphone. Tell us your name, spell your first and last name to ensure that we have an accurate record. We will begin each bill hearing today with the Introducer's opening statement, followed by proponents of the bill, then opponents, and finally by anyone speaking in the neutral capacity. We will finish with the closing statement by the introducer if they wish to give one. We will be using a three minute light system for all testifiers. When you begin your testimony, the light on the table will be green. When the yellow light comes on, you have one minute for remaining time and then the light will turn red and your time has ended. Questions from the committee may follow. Also, committee members may come and go during the hearing. This has nothing to do with the importance of the bills being heard. It's just part of the process as senators might have bills to introduce in other committees. A few final items to facilitate today's hearing. If you have any handouts or copies of your testimony, please bring 12 copy, copies and give them to the page. If you don't have enough copies, the page will make sufficient copies for you. Please silence or turn off your cell phone. You may see committee members using their electronic devices to access more information. Verbal outbursts or applause are not permitted in the hearing room. Such behavior may cause for you to be asked to leave the hearing. Finally, committee procedures for all committees state that written position comments on a bill to be included in the record must be submitted by 8 a.m. the day of the hearing. The only acceptable method of submission is via the Legislature's website at [nebraskalegislature.gov](http://nebraskalegislature.gov). Written position letters will be included in the official hearing record, but only those testifiers in person before the committee will be included on

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the committee statement. I will now have committee members with us today introduce themselves starting on my far right. Senator Guereca.

**GUERECA:** Sorry about that. Good afternoon, everyone. My name is Dunixi Guereca, I represent Legislative District 7. That's downtown south Omaha.

**J. CAVANAUGH:** John Cavanaugh, District 9, midtown Omaha.

**ANDERSEN:** Bob Andersen, District 49, northwest Sarpy County and Omaha.

**WORDEKEMPER:** Dave Wordekemper, District 15, Dodge County, western Douglas County.

**McKEON:** Dan McKeon, District 41, eight counties in central Nebraska.

**SANDERS:** Thank you. Senator Bob Andersen is the vice chair of the committee. Also assisting the committee today, to my, to my right is our legal counsel, Dick Clark. And my far left is committee clerk Julie Condon. We have two pages for the committee today, if they would stand and introduce themselves.

**LOGAN WALSH:** I'm Logan. I'm a junior econ finance major at the university.

**ARNAV RISHI:** [INAUDIBLE], political science junior, also at the university.

**SANDERS:** Thank you. With that, we will begin our hearing today on LB644. Welcome Senator Bostar.

**BOSTAR:** Thank you and good afternoon, Chair Sanders and members of the Government, Military and Veterans Affairs Committee. For the record, my name is Eliot Bostar, that's E-l-i-o-t B-o-s-t-a-r, representing Legislative District 29. I'm here today to introduce LB644, a bill introduced on behalf of Governor Pillen crafted to combat foreign subnational influence and manipulation of Nebraska state government, local governments, and residents. This legislation addresses foreign adversary representation and registration, establishes requirements under the Nebraska Political Accountability and Disclosure Act relating to the representation of certain foreign entities, makes changes to the Foreign Adversary Contracting Prohibition Act, implements measures to combat transnational repression, and finally, regulates storage and remote access of genetic sequencing data. The National Counterintelligence and Security Center released a report in July of 2022 titled Safeguard Our Future: Protecting Government and Business

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Leaders at the U.S., State, and Local Level from People's Republic of China Influence Operations. The report states that the PRC has stepped up its efforts to cultivate U.S. state and local leaders in a strategy some have described as using the local to surround the central. For the PRC and Chinese Communist Party, targeting state and local entities can be an effective way to pursue agendas that might be more challenging at the national level. Leaders at the U.S. state, local, tribal, and territorial levels risk being manipulated to support hidden PRC agendas. PRC influence operations can be deceptive and coercive, with seemingly benign business opportunities, or people to people exchanges sometimes masking PRC political agendas. The PRC may view the U.S. business community as an especially important vector to influence local, state, and national leaders given that companies are key constituents of, and often contributors to, politicians at all levels. The PRC may use market access investments and economic dependency as leverage and overtly press U.S. business leaders, particularly those with commercial interests in China, to lobby for policies Beijing favors. The initial portion of the legislation was crafted to provide public transparency for the political and propaganda activities and influence operations of agents of foreign adversary nations and foreign terror organizations. LB644 establishes that it's unlawful for any person to act as an agent of a foreign principal from a foreign adversary nation or foreign terrorist organization unless that person has filed with the Attorney General within ten days of becoming an agent, and stipulates that they must refile every six months or as often as the Attorney General deems necessary. The legislation clarifies that these requirements do not apply to officially designated diplomats, consular officers, or specific officials of foreign governments recognized by the United States or their staff. LB644 mandates that any informational materials distributed by an agent of a foreign principal on behalf of such foreign principal from a foreign adversary nation or foreign terrorist organization through digital means, U.S. Mail delivery service, or other methods that is intended to be viewed by multiple parties shall be submitted to the Attorney General within 48 hours, and it shall be unlawful for any communication on behalf of a foreign principal to be issued without a conspicuous statement identifying the communication as on behalf of the foreign principal. Additionally, it is against the law for an agent of a foreign principal from an adversary, nation or foreign terrorist organization to communicate with-- to communicate in any way with local or state government, any political propaganda, or request information on topics of politics, policy, public interest, or relations with a foreign adversary nation, or foreign terrorist organization, or political party of the foreign adversary nation, or

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pertaining to foreign or domestic policies of the United States or the state of Nebraska unless the communication is accompanied by a statement that the agent is registered as an agent of such foreign principle under the Foreign Adversary and Terrorist Agent Registration Act. If an agent of a foreign principal from a foreign adversary nation or foreign terrorist organization is testifying before the Legislature or any local government, they must provide the committee or body with a copy of the most recent registration statement filed with the Attorney General's office. Anyone who willfully violates or willfully makes false statements regarding this information shall be subject to a civil penalty. Legislation goes on to stipulate that if a lobbyist is representing a principal identified as a Chinese military company by the Department of Defense, an affirmative acknowledgment by the lobbyist that they are working on behalf of, and thereby acting as an agent of, a foreign adversary of the United States is required when filing to represent the principal. The lobbyist must also disclose that they are lobbying on behalf of a Chinese military company and disclose that the Chinese military company is a foreign adversary of the United States in all lobbying activities, including telephone calls, electronic mail, United States mail, and other delivery services, in-person meetings, or testimony at legislative hearings. Any person that violates these provisions shall be subject to a civil penalty. Foreign influence, infiltration, and coercion don't only threaten Nebraskans in the halls of government. It is happening in our communities right now. Transnational repression happens when a foreign government agent crosses national borders to intimidate, harass, or harm members of a diaspora and exile populations in order to prevent their free exercise of internationally recognized human rights. These malign practices can manifest physically or virtually, from physical assault and unlawful renditions and detentions, to targeted online surveillance, intimidation, public slander, and libel. Authoritarian governments commonly rely on transnational repression to strengthen their control over emigrant communities, especially as domestic crackdowns on democracy and human rights drive dissidents seeking freedom to move abroad. These actions prevent democratic countries from serving as a physical haven for those fleeing repression. Secretary of State Marco Rubio stated, while Uyghurs in Xinjiang continue to face the Chinese Communist Party's genocidal campaign, exiles from the Uyghur, Tibetan, Falun Gong, Christian, and Hong Kong communities who have come to our nation for protection are now targets of trans-- transnational repression. LB644 defines covered offenses of transnational repression, which are specific crimes already existing in law that will receive an enhancing charge if the person committing the offense is an agent of a foreign principal who acts knowingly, and

committed the offense with the intent to coerce another person to act on behalf of a foreign principal. This legislation also establishes that a person commits a Class IIA felony if, while acting as the agent of a foreign principle, such person intentionally attempts to enforce a law or rule of a government of a foreign country or a foreign terrorist organization at the direction of such foreign principle, government, or organization. We cannot allow foreign authoritarian governments to intimidate, harass, and coerce those seeking freedom within our state. This legislation goes on to modify regulations surrounding drones or unmanned aircraft in the Foreign Adversary Contracting Prohibition Act. This was done in coordination with our partners in law enforcement. LB644 defines a foreign adversary company as any company organized under the laws of a foreign adversary, has its principal place of business within a foreign adversary, is owned in whole or in part, operated, or controlled by the government of a foreign adversary, or a subsidiary or parent of any company that meets this definition. Under this legislation, no foreign adversary company will be entitled or able to access any benefit from any incentive program in the state of Nebraska. No entity loyal to an adversary of this nation should be the beneficiary of any economic incentive offered by our state government. The Chinese Communist Party is adept at creating corporations ultimately answerable to the Chinese military apparatus, and maneuvering those entities into positions where they are receiving American dollars to underwrite espionage efforts within our borders. Finally, the legislation establishes that no medical facility or research facility shall use any genetic sequencer or software sequencing if such device or software is produced in or by a foreign adversary, a state owned enterprise of any foreign adversary, a business domiciled within any foreign adversary, or a subsidiary or affiliate of a business domiciled in any foreign adversary. Beijing Genomics, a Chinese genomics company, and its affiliates, which are sanctioned by the Department of Defense for working with China's military, and by the Department of Commerce for human rights abuses, have built the world's largest gene bank. Any genetic data collected by Beijing Genomics is effectively property of the Chinese military and used for surveillance and military purposes under Chinese-- China's 2017 national intelligence law. These massive stockpiles of genetic information provide the People's Republic of China and the Chinese military a clear advantage for creating bioweapons. Senior Chinese military officials have, in fact, already argued in favor of creating genetically targeted bioweapons that can incapacitate individuals based upon ethnicity. And the Chinese Communist Party is suspected to be leveraging Beijing Geno-- Genomics for genetically targeted bioweapons currently. It's imperative that we take every

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measure possible to cut off Chinese military companies from any ability to access the genetic data of Nebraskans. According to a Heritage Foundation report titled Why State Legislatures Must Confront Chinese Infiltration, Chinese influence operations against the United States target not only the federal government, but also political and social organizations at the state and local levels. States are currently unprepared for the magnitude and persistence of China's influence operations, which far surpass those of previous geopolitical rivals, such as Nazi Germany and the Soviet Union. Beijing targets schools, churches, community organizations. Its influence is felt on university campuses, in boardrooms and governors' mansions. Its agents cultivate aspiring politicians, business elites, and academics early in their careers, and use these relationships to influence policymaking decades later, largely unbeknownst to their victims. State and local policymakers, particularly state legislators, need a far greater understanding of the threats they face and how to respond to them. LB644 offers a comprehensive approach to protect Nebraskans from the threats posed by foreign, subnational influence, infiltration, and manipulation. The first duty of government is the safety and security of its citizens, and this body must take steps to protect our communities from the clear threat posed by our foreign adversaries. I would urge your support for LB644. Now, I'll take the opportunity to briefly mention that a amendment was handed out and distributed to all of you. It makes four changes to the green copy of the bill, which we've summarized on that, that front page. And I apologize, it is a white copy amendments that have page and line, so it does look like a massive thing, but it, it does those four things. One is it removes the look back period that was within the registration act portion in section 4. It-- in section 5, it inserts language requested by the ACLU to avoid inadvertently capturing attorneys working on legal immigration cases. And in section 11, it aligns filing requirements with the Secretary of State's office with preexisting filing requirements for corporations and nonprofits in order to lessen administrative burden. The, the green copy of the bill had these filed every year. The Secretary of State's office receives these currently every, every biennium, every other year. And so we aligned this with their current practices to, to reduce the workload that the bill would place. And then section 4-- sorry, number 4, sections 19, 20, and 21 relate to State Patrol duties. It makes these sections permissive. Since the State Patrol is doing some overlapping activities, we wanted to make sure they had the flexibility within the bill to, to pursue what they are and have this fit in the best form possible. I've also distributed two letters, one from Anthony Jerio [PHONETIC], and these folks, I apologize for not being able to come

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here in person today, but travel arrangements, everything else is kind of challenging. I, I would encourage you to read these. And the second letter is from Ambassador Kelley Currie. And so there's a lot of, I think, very compelling information in both of those. And, and I know that those individuals are also available if there are other questions that the committee has and there's an interest in hearing further from them, because I think they have a, a great career of experience that they can speak to. With that, I'd be happy to answer any preliminary questions. I will say that there are a number of folks behind me that are, are eager and excited to talk about the various provisions of the bill. And with that, I thank the committee for its time.

**SANDERS:** Thank you, Senator Bostar, for bringing LB644. I have a whole lot of questions, but I'm going to wait to see if maybe they're answered by your testifiers. Let me check from the committee to see if there are any questions. Senator Cavanaugh.

**J. CAVANAUGH:** All right. Thank you, Chair. Thanks for being here, Senator Bostar. Like the Chair, I have a lot of questions that I will save, but a few that I just wanted to jump on. That kind of broader reporting requirement goes through the AG's Office. Is there a reason we wouldn't want to just-- it sounds like it repeats a lot of the work of the NADC and the Legislature for lobbyists. Is there a specific reason we're not just requiring those to go through that?

**BOSTAR:** I mean, I suppose we could look at that. You know, there are-- some of this is offering a, a bit of a level of consistency within practices from around the country a bit. But I think that, that the other point I'll make is when it comes to investigative capacity, I think there's an argument that the Attorney General's Office is, is well suited to try to ensure compliance or to check for compliance. But I don't necessarily disagree that, that, you know, these things are being submitted to other entities.

**BOSTAR:** And then my other question, you talked a lot about China, but the bill's not just China.

**BOSTAR:** That's correct.

**J. CAVANAUGH:** It's folks who are on this-- I don't know if you listed, so-- You, you said a lot. So I don't know if you've specifically listed the federal, the federal statute that lists these foreign adversaries. And it's, I think the bill says as of January 1st of this year--

**BOSTAR:** Yeah.

**J. CAVANAUGH:** --whoever's on that list. So--

**BOSTAR:** That's correct.

**J. CAVANAUGH:** China's an example. It's not the only foreign adversary.

**BOSTAR:** Absolutely correct.

**J. CAVANAUGH:** OK. And I don't-- I, I didn't look at the list. Is Russia on that list?

**BOSTAR:** It is.

**J. CAVANAUGH:** OK. So when then I can ask my question, I'll probably ask it of somebody else, too. I mean, are we talking like TikTok here? Like, what are we talking about?

**BOSTAR:** Well, I mean, TikTok is currently a, a foreign company that is owned and controlled by a foreign adversary of the United States. I'm not sure what question you have about TikTok.

**J. CAVANAUGH:** Just generally. I'm trying to, trying to wrap my mind around who we're talking about in this bill as I'm, as I'm conceiving of my [INAUDIBLE].

**BOSTAR:** If, if you-- so a-- someone representing TikTok would be required to file under, under this act. Now, obviously, there are, there are national conversations ongoing about the future of TikTok and whether or not they will divest in the United States to a United States owned company. And it should that happen, then they wouldn't need to file.

**J. CAVANAUGH:** OK. Thank you.

**SANDERS:** Any other questions, from the committee? Seeing none, thank you. Oh, Senator Andersen.

**ANDERSEN:** Thank you, Chairwoman, and thank you, Senator Bostar. I was looking at the, the fiscal note, and I saw a number of different inputs. Do you have a composite list of what the fiscal note is estimated as?

**BOSTAR:** So we're, we're, we're working on some of those. For example, the, the fiscal note from the Secretary of State's Office. You know, one of-- in their request for aligning the reporting to biennial and

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aligning with the rest that they do, you know, they talked about how if we did that, it would significantly reduce their fiscal note. So we're, we're going to try to come up with a, a more accurate number that we can provide for the committee. But, but some of these amendments already work to address a lot of that.

**ANDERSEN:** OK. And I ask specifically with the Secretary of State's, where they estimated the first year at \$614,000, following years, in the '26-27 was \$490,000. But they say that they need seven FTEs.

**BOSTAR:** Yes.

**ANDERSEN:** So I did the low level math, right? That's \$70,000 a person. And it doesn't-- that doesn't necessarily equate to me.

**BOSTAR:** So it's, you know, 'cause essentially what we're doing with, with the green copy of the bill, we were doubling the, their work, which is why they needed all those, you know, more employees and everything else, because right now, like I said. And it staggers, but they receive these reports every other year, depending on which report it is, it tells you which year it is that they have to sub-- submit. So by creating your reporting requirement, that changes every other year to every year, functionally. That's where that cost was coming from. But again, the amendment realigns that back to their current work practices.

**ANDERSEN:** OK. Thank you. And thanks for bringing the bill.

**BOSTAR:** Thank you.

**SANDERS:** Senator Hunt.

**HUNT:** Thank you, Madam Chair. Thanks, Senator Bostar. I'm kind of forming questions as--

**BOSTAR:** Yeah.

**HUNT:** --you're talking. And so maybe this is would be good for some people after your-- sort of still forming the question in my mind, but I don't want to miss the opportunity to ask. So in Section 11, it talks about employees of the state of Nebraska have to submit an affidavit, you know, just sort of disclosing their relationship with foreign adversaries and things like this. I don't think it includes something about elected officials. Would you be open to including elected officials in that list besides--

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**BOSTAR:** Absolutely.

**HUNT:** --other, you know, businesses, nonprofits receiving--

**BOSTAR:** I think we should.

**HUNT:** --funds. OK. Maybe the list grows. Maybe it's more and more, so. OK. Thank you.

**SANDERS:** Thank you. Any others? Seeing none. You'll stay to close?

**BOSTAR:** Wouldn't miss it.

**SANDERS:** Thank you very much. We'll now open for invitation  
testifiers. Kenny Zoeller. Welcome.

**KENNY ZOELLER:** Good afternoon, Chairwoman Sanders and members of the Government, Military and Veteran's Affairs Committee. My name is Kenny Zoeller, that is spelled K-e-n-n-y Z-o-e-l-l-e-r, and I serve as the director of the Governor's Policy Research Office. I'm here today to testify in support of LB644, and I'd like to thank Senator Bostar for bringing this bill on behalf of the governor. Among many things, LB644 ensures that individuals acting on behalf of foreign adversaries or terrorist organizations must register with the Attorney General and disclose their activities. By doing so, we provide transparency to Nebraskans about the external efforts to influence our political and policy processes, public relations, and financial contributions. This bill addresses the growing concerns of foreign interference, particularly those operating outside the public eye. To protect public funds and resources from being used by entities that do not align with our values, foreign companies are also barred from accessing Nebraska's various incentive programs. By blocking foreign entities from accessing our public funds, Nebraska's resources are protected from misuse by companies that may not have Nebraska's or America's best interests at heart. LB644 builds on the tremendous momentum that will keep Nebraska as a leader in this policy space. Through dynamic collaboration between the Legislature and the executive branch, Nebraska has continued to be on the, on the front lines of protecting its citizens from foreign adversaries. In 2023, Governor Pillen issued Executive Order 23-05, which prohibited the state from awarding NUSF grants to any broadband provider supporting communication equipment and services developed by organizations outlined in the FCC's prohibited list. Subsequently, due to the diligence of Senator Bostar and the Transportation and Telecommunications Committee, the Legislature codified LB683 into law, which in part requires the

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Nebraska Public Service Commission to ensure telecommunication providers operating in Nebraska are not deploying any equipment that poses a threat to national security. And further, through the passage of LB1300 in 2024, Nebraska was the first state in the nation to enact a formal committee tasked with identifying potential risks to the state emanating from China in the event of a Pacific conflict. Additional legislation from last year, which includes LB1120 and LB1301, collectively updates our archaic foreign land ownership laws and ensures that land purchases are not used for nefarious purposes. In conclusion, LB644 is yet another worthwhile endeavor to secure Nebraska's future, protect the interests of our citizens, and preserve the integrity of our political and economic systems. Thank you for your time and consideration, and in my remaining time, just wanted to provide some additional answers to some questions that were asked. The foreign adversaries list, that'd be 15 CFR 7.4. It would include six entities currently, which are China, Cuba, Iran, North Korea, Russia, and the Nicolas Maduro regime. And then also, pertaining to the question from Senator Hunt and Senator Cavanaugh, from the governor's perspective in terms of which entity, you know, is best suited to have this, whether it's the Attorney General or NADC, I think we'd be open to discussions on that. And then potentially another friendly amendment in terms of state employees from a affidavit standpoint, maybe mirroring up the current requirements for anyone that has to file a C-1, have them swear that affidavit as well, it might be a natural, natural fit. So with that being said, if there's any questions, I'd be happy to try to answer.

**SANDERS:** Thank you, Mr. Zoeller Check to see if there are any questions. Senator Hunt?

**HUNT:** Oh, sorry, I should have this up. Thank you, Madam Chair. What, what if an employee refuses to sign the affidavit because they think it's silly, or it's an infringement on their free speech rights, or what if they don't want to sign it?

**KENNY ZOELLER:** Yeah, that's a great question. Admittedly I haven't necessarily cont-- contemplated that.

**HUNT:** OK. Thank you.

**KENNY ZOELLER:** So I can work to try to get an answer to you after.

**HUNT:** Thanks.

**KENNY ZOELLER:** Yep.

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**SANDERS:** Any other questions from the committee? Seeing none, thank you so much for your testimony.

**KENNY ZOELLER:** Awesome. Thank you.

**SANDERS:** Now invite General Rick Evans. Welcome.

**RICHARD EVANS:** Thank you, Chair Sanders and Vice Chair Andersen, members of the committee. I am Richard Evans, R-i-c-h-a-r-d E-v-a-n-s. I'm pleased to testify in support of LB644 today. I've testified before in front of the committee, but I am a veteran of the Air Force, 35 years, retired as a major general in 2019, spent my last seven years at U.S. Strategic Command in various senior leadership positions, and also joined the University of Nebraska's National Strategic Research Institute upon retirement, and we do Department of Defense and national security research across the government. So I think my experience really today is focused on giving you a little bit of a threat, a discussion to frame the details of the, the legislation you have running today. I'm appearing on behalf of myself today, not representing the NSRI or the university, or the Department of Defense. In my opinion, LB644 represents another important step in raising awareness and knowledge of who's doing business in Nebraska and why. That's especially important when foreign affiliated companies or governments or their agents are involved. We must be willing to consider that the broad national security issues that we see on the news every night affect us here in Nebraska. And there's no doubt some entities seeking to do business or influence others here in Nebraska represent a risk that we must assess and do our best to mitigate or eliminate. To highlight those threats for you today, let me quote from some testimony that the commander of U.S. Northern Command offered to the United States Senate Armed Services Committee last week. General Greg Guillot highlighted the following, and I quote, The global security environment is growing increasingly volatile, characterized by intensifying competition among major powers and mounting threats to the national security interests of the United States. The likelihood of direct conflict between the United States and one of our four principal adversaries is increasing. And he highlighted as an example, and I quote, simmering tensions in the Taiwan Strait and South China Sea present a persistent risk of escalation into armed conflict with China and the United States, the consequences of which could span a generation. Strategic cooperation between and among our four principal adversaries has grown substantially since the beginning of the Ukrainian war. It increases the risk that one adversary could expand the war into an enemy coalition endeavor. Each of our adversaries is advancing its ability and in some cases rehearsing plans to threaten

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North America in multiple domains and from multiple vectors. So my assessment of that is there can be little doubt the U.S. is facing increasing a variety of nontraditional threats that could disrupt or degrade critical services and infrastructure here in Nebraska and across the nation. Those threats may come from cyber domain, foreign entities operating in our country with malicious intent, non-state actors, transnational criminal organizations, and others that we must pay attention to. So in short, that global threat environment we face today is one that we have not faced in most of our lifetimes, and it will only continue to grow and evolve in the future, and that demands our full attention. In my opinion, LB644 proposes a new set of tools that help us understand how entities with ties to foreign adversaries, governments, and terrorist organizations are operating in Nebraska, and would allow us to better assess the intent of these entities and who they are partnering with or trying to influence in our state. The goal should be to use this information to inform our policy and resourcing decisions across the state to help protect our citizens, resources, businesses and critical assets from those who may have our best interests not in mind. A few thoughts for the committee's consideration on LB644 It is a lengthy bill. You have some changes that just came in today. No doubt there's going to be some that have concerns about specific language in the bill, and I would recommend the consideration of those inputs to fine tune this to hit, really, the target that we're after. And those, in my opinion, things in medical, bio-economy, food ag, and environment security, those types of things might demand a little bit more attention in the language of the bill. Some technical corrections, maybe to align better with federal regulations might be in line. For example, the Defense Federal Acquisition Regulation Supplement defines, and I quote, communist Chinese military companies, these companies, as a technical term, and it's about any company that has anything to do with China. And so that might need to be better defined. And we also need to think about what's going on at the national level. For example, the Trump administration will release its national security strategy within the next year. That will establish new national security policies, change definitions, and update priorities. It could even change the foreign advisory list that you asked about, Senator Cavanaugh, depending upon how that plays out. So that, that will play out over this next year. And the committee and perhaps even the Legislature as a whole might benefit from a threat briefing to inform discussions on LB644 and other national security related legislation you're considering. I believe the Nebraska Military Department and assets we have at the University of Nebraska could probably help that if requested. So in summary, I support LB644, applaud the governor, Senator Bostar, and

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the committee and the Legislature for taking on this important topic, and I stand by for your questions.

**SANDERS:** Thank you, General Evans. Let's see if there are any questions from the committee. Senator Cavanaugh.

**J. CAVANAUGH:** Thank you, Chair, and thanks for being here, General. It's interesting topic. You're right, it's a very big bill and con-- convoluted really. I mean, there's a number of aspects to it that are maybe not necessarily in the same subject, but I guess I'm just trying to wrap my head around. You just said at the beginning of your testimony that, I can't remember who it was, but a general, right? Testified before the United States Senate. And I'm trying to understand this-- why are we in the situation? Why are we best situated to deal with this and not the federal government?

**RICHARD EVANS:** Well, I think that's why I highlighted, for example, the national security strategy that will come out from the administration, that's updated usually every four years. From that, you will see things like the National Defense Strategy, the National Military Strategy. Those things will be promulgated over the next year, and you may very well see, we may see legislation policy guidance that comes out that addresses some of the things that we're talking about here at the national level. But I don't know that that precludes us from taking proactive action and leading in this regard here in the state of Nebraska.

**J. CAVANAUGH:** OK. So the feds may take some action.

**RICHARD EVANS:** They may.

**J. CAVANAUGH:** And I guess, is there the potential that we would be in conflict then, if we pass something ahead of them?

**RICHARD EVANS:** I don't know that we would be in conflict living in a-- in the defense contractor world, for example, many of our national security related con-- contracts already have things in there that require approval for national participation or special approvals to order supplies of materials from a foreign vendor. Those already exist today. I think what, what could change more broadly at the national level when that security strategy comes down, for example, you could see somebody removed from that list. You know, I don't know who that might be. Cuba's on that list, Venezuela, some others. But that, that will drive policy that turns into legislation in front of Congress. And yeah, my thought would be we would have to adapt our legislation

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here in Nebraska to make sure we're not in conflict with that. That, that, that'll play out over the next year. Unfortunately, you don't have that right now in front of you because we're only two weeks into a new administration.

**J. CAVANAUGH:** A little bit more than two weeks. But so yeah, you hit on this. If we-- when we pass a bill, it has the list as defined on this date--

**RICHARD EVANS:** Right.

**J. CAVANAUGH:** --which means if federal action is taken, we could be out of alignment if they take Cuba off the list, Cuba would still be on our list because it would be as of that definition.

**RICHARD EVANS:** Yeah, I think if I remember the, the language in the bill that Senator Bostar quoted, it's as of January 1st, I believe.

**J. CAVANAUGH:** Yeah.

**RICHARD EVANS:** And it's out of the code of federal regulations. So any change to that list would be codified in that code, U.S. Code, which-- we don't name the adversaries in the LB644 legislation. So assuming that it just references what's in U.S. Code, it would automatically adapt to the changed list.

**J. CAVANAUGH:** I'm going to have to disagree with you on that. Our laws are not dynamic, and when we pass a law, it is explicitly-- we are making-- we're incorporating that list as of that day. If we're going to pass a bill that is going to be subject to change by the federal government, that's going to be a problem, right?

**RICHARD EVANS:** It would be--

**J. CAVANAUGH:** They don't know what we're passing.

**RICHARD EVANS:** Right. That as of-- well, it depends on-- if you're going to put a date in there, that's true. If you identified and eliminated that as of January 1st, 2025, and just reference the U.S. Code, then it would change automatically.

**J. CAVANAUGH:** Right. OK. I'd have a different problem with that. Well, so I appreciate your testimony. And I, I guess my question just is, you know, we're talking about pretty onerous requirements that we're putting on some, well, citizens, really, right? Nebraskans. And there's a-- it's a meritorious goal of cracking down on these foreign

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adversaries. And my question is, what's the appropriate amount of intrusion into our citizens' privacy to crack down on China?

**RICHARD EVANS:** Yeah, I mean, that's a tough one to address because we're always walking that fine line between privacy and security. And so I don't know that I have a good answer for you, Senator Cavanaugh, but I would look at it this way. The bill puts a tool in our toolbox or kit that we can use to fine tune over time. In other words, you have to launch the missile to guide it to the target. What we're doing is essentially getting it off the rails so that we can eventually hit the target we're looking for, which is to protect our citizens, our critical infrastructure, our industries, all the great things that we enjoy here in Nebraska. And so there's always going to be that fine line between what's too mu-- too intrusive and, and what's, what's in the benefit of the citizens as a whole. That's one, obviously, for the Legislature and the governor to address over time, I would think.

**J. CAVANAUGH:** OK. Thank you.

**RICHARD EVANS:** Yes, sir.

**SANDERS:** Are there any other questions? Senator Andersen.

**ANDERSEN:** Thank you, Chairwoman. And thank you, General Evans, for being here. First of all, thank you for your 35 years of service, both in the active duty Air Force and the, the Guard. And I also want to say thank you for what NSRI has done. You guys are a true asset helping in this, in this fight against foreign adversaries. What it does in the bill, it does list the adversary nations as being those listed in the 15 CFR 791.4. So that being a federal regulation, that means when that's updated, this would automatically update as far as the threat nations, correct?

**RICHARD EVANS:** That's correct, unless-- I'd have to look at that specific one. If it had a date, as of [INAUDIBLE]--

**ANDERSEN:** No date.

**RICHARD EVANS:** Then, then that would automatically take care of it.

**ANDERSEN:** Thank you, General Evans.

**SANDERS:** Thank you. Any other questions? Seeing none, thank you, General Evans, we appreciate your time.

**ANDERSEN:** Thank you. Thank you, Senator.

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**SANDERS:** We'll now go to proponents on LB644. Welcome.

**TOM RAWLINGS:** Good afternoon. My name is Tom Rawlings, T-o-m R-a-w-l-i-n-g-s. I came from Atlanta up here to testify today. I am the policy director for a group called State Shield. It's a nonprofit started by Joe Gebbia that grew out of the conversations he was having at the Republican Governors Association a few years ago about the fact that we have this China issue, primarily, we're talking about foreign adversaries, but it's obviously China is a big one. And we-- he has really dedicated in the last couple of years to spreading the word to state level leaders about these threats. And so I want to focus a little bit my comments on the, on the registration part of this bill. For one thing, I think, Senator Hunt, your question why should we have state employees sign affidavits? I think that became clear just a few weeks ago when the former deputy chief of staff to the New York governor was found to be a Chinese agent. So by having that requirement in the bill, I think you remind state employees, no matter what their role may be, that there is that threat out there, that they may be approached, as you've heard already, by representatives of foreign governments who do not have our best interests in mind. The other issue, of course, is one of simply ensuring that, that we know when a hostile foreign government is trying to influence a state. So we're working on this type of issue in a number of states. I particularly think that this is needed because the Trump administration has recently said that they're going to focus their federal FARA work, federal Foreign Agents Registration work on significant crime. And so this gives us another tool, as the general said, in the belt of state legislators and state leaders to address these issues. And just finally, I just want to, I really came today to thank you all for, for focusing on this issue. This is something that the more that we can, frankly, ensure that we are not in debt to China and other foreign governments that do not have our best interests in mind, the better off our states will be. Thank you. I'm happy to answer any questions you might have.

**SANDERS:** Thank you, Mr. Rawlings. Let's see if there are any questions. Senator Cavanaugh.

**J. CAVANAUGH:** Thank you, Chair. I'm not going to beat up on you, Mr. Rawlings, thanks for being here.

**TOM RAWLINGS:** Thank you.

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**J. CAVANAUGH:** I just wanted to give you a little bit more time to flesh out some of the stuff you said. So you made a point about why this is kind of our purview, which is one of the questions--

**TOM RAWLINGS:** Right.

**J. CAVANAUGH:** --I asked the general. And so can you kind of go over that again?

**TOM RAWLINGS:** Sure. So, you may have seen recently the new Attorney General, Pam Bondi, has, has indicated that she-- that the federal enforcement of the Foreign Agent Registration Act is really going to focus on, excuse me, significant criminal activity, spying, that sort of thing. And so we-- to me, this policy does two things. Number one, when you have a state policy about foreign registration of, of hostile governments, number one, it's a reminder to all of your folks who work in state government, who work around state government that this is an issue we need to be aware of. We want to avoid being approached by a Chinese agent who may want us to only say nice things about how Taiwan is part of China, for example, which is what, one of the things that the deputy chief of staff in Governor Hochul's administration was doing. And the other issue, of course, is that, that by having this at the state level, it gives state leaders another tool, so if other federal-- no matter what the federal government is doing, we can make sure that we understand when-- what is going on within the 50 states, you know, and D.C. and such.

**J. CAVANAUGH:** OK. I appreciate that. And, and the issue out of New York, do they have a registration, or how did they find, how did they find out this guy was working for--

**TOM RAWLINGS:** Yeah, I think apparently not. So she-- I understand she was actually on the staff. I don't know if she was fired prior to being arrested, but the FBI apparently had done an investigation, they had determined that she was being paid by some Chinese government agent to, for example, modify speeches, you know. And in fact, I've heard stories like this around the country, unfortunately, of, of Chinese government officials or their agents suggest, well, let's go soft. You know, don't say anything nice about Taiwan. We saw this, quite frankly, when I believe it was the general manager of the Houston Rockets was-- they tried to get him fired for saying, you know, for saying that Taiwan was a separate country. They tried to shut down the NBA in China over that. So I think this is a nonpartisan issue. We believe in the West in freedom of speech. We believe that you should not be coerced into saying things. And so this is really, I

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think, a nonpartisan issue where if you want to say that the Uyghurs are being crucified and beaten up, and genocided in China, then you should have that right without interfer-- interference.

**J. CAVANAUGH:** OK. Thank you.

**SANDERS:** Any other questions? Seeing none, thank you for being here.

**TOM RAWLINGS:** Thank you so much. I'll be back, I think.

**SANDERS:** Thank you. Any other proponents. Welcome.

**ALEXANDER GRAY:** Well, thank you so much, Chairwoman, Mr. Vice Chair, members of the committee. My name is Alexander Gray, A-l-e-x-a-n-d-e-r, Gray, G-r-a-y. I'm currently the CEO of American Global Strategies, which is a consultancy. But previously I served as deputy assistant to the President and chief of staff of the White House National Security Council from 2019 to 2021. I'm here in support of LB644 to offer my personal perspective, having watched some of these challenges up close during my government service. During my tenure at the White House, I had a front row seat to the efforts of the Chinese Communist Party in the United States and around the world to subvert governments, societies, and institutions to seek economic, political, and military advantage. Unfortunately, in the time I've left public service, the last four years, the threat posed by the CCP to the United States has only increased. The CCP threat is no longer just a distant military and cyber threat in the Indo-Pacific. It now involves substantial personal and economic risk to American citizens, including here in Nebraska. As Americans ponder their response to the CCP, it's essential to understand the reality that no company, no entity in China, is truly private in the sense that we Americans understand that term. Beijing exerts top down control over every Chinese company and commercial entity, regardless of whether it is officially a state owned enterprise in, in that term. In fact, enshrined in China's legal system, there are numerous national security laws and regulations requiring every business and individual to actively, proactively, use their resources to support the CCP if called upon to do so to advance China's security apparatus and its strategic objectives. What that means in practice is that if a Chinese citizen or company fails to assist the Communist Party, for example, in obtaining intellectual property from an American owned firm, they're actually violating Chinese law. Given the implications of this top down authoritarian business environment, we need to recognize that when it comes to Chinese controlled businesses, every road leads to Beijing. Therefore, it is critical for our national security, the

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security of your state, to adequately monitor the numerous CCP linked companies and their agents who are operating in the United States, particularly those with ties to the Chinese military. Section 1260H of the National Defense Authorization Act of 2021 requires the U.S. Department of Defense to release a list of Chinese military companies that are operating directly or indirectly in the United States. This is an important resource and a starting point for identifying adversarial threats that are working within our borders. I will tell you the Foreign Agent Registration Act, which is currently used in Washington as a way to, to police this threat, I can tell you from my own personal experience, it does not work. It is inadequate to the threat. It has loopholes a mile wide. You can drive a truck through these loopholes. It does not allow us to police the threat adequately. So, Madam Chairman and members of the committee, I would submit to you that at this moment in time, we need a more aggressive, including at the state level, apparatus, to keep track of Chinese, and particularly Chinese military originated agents who seek to influence our policy process. This is not a question of, in my view, privacy or freedom. This is a question of transparency. If you seek to advocate on behalf of an adversary, you should have to be transparent about what you're doing and why you're doing it. I appreciate the committee's time and I appreciate the opportunity to be here.

**SANDERS:** Thank you, Mr. Gray. Let's check from the committee, see if there's any questions. Senator Hunt.

**HUNT:** Thank you, Madam Chair. Thanks for being here, Mr. Gray. Who are you with again?

**ALEXANDER GRAY:** American Global Strategies.

**HUNT:** What is that?

**ALEXANDER GRAY:** It's a private consultancy. We help U.S. companies that do business overseas.

**HUNT:** OK. Like what companies, for example.

**ALEXANDER GRAY:** We don't disclose our clients, but they're American companies.

**HUNT:** OK. Thank you.

**SANDERS:** Senator Cavanaugh.

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**J. CAVANAUGH:** Thank you, Chair. Thanks for being here, Mr. Gray, I wasn't going to ask you a question, but then you said something that piqued my interest. What's the loophole you can drive a truck through in the Foreign Adversary Registration Act [SIC]?

**ALEXANDER GRAY:** So, for instance, the commercial exception. So if you're a private entity, and private entity, that goes back to my point that there is no such thing as a private entity. For instance, TikTok. You can show up in a U.S. government building as a lobbyist for TikTok, when, you know, in my view, you're really advocating on behalf of Chinese Communist Party interests, and you don't have to register because you're technically a commercial entity.

**J. CAVANAUGH:** OK. And-- I mean, you've laid out what is a unique problem for China because of their system, but the other folks on this list maybe are not-- there are actually private entities out of Russia or Cuba, well, I don't know about Cuba, but where Nicolas Maduro's regime, which I always find is an interesting definition of something.

**ALEXANDER GRAY:** Yeah, I feel like I would argue that in the Putin regime, it's a similarly opaque system where you're not going to be able to operate, at least overseas, without the blessing of the Putin regime. The oligarchs who would have the ability to operate somewhere else, assuming they weren't already sanctioned, they would not be ha-- they wouldn't be doing it without the blessing of the state.

**J. CAVANAUGH:** OK. And then I guess my other question is, so this bill, as-- at least as the current amendment, solves that loophole that you identified?

**ALEXANDER GRAY:** I think what it does is it helps solve-- I think it helps solves a number of different aspects that at the state level-- we have some loopholes at the federal level. I think it falls to the states to start stepping in and picking up as many pieces as we can. My hope is ultimately if the states start playing a bigger role in policing this at their level, it'll encourage the federal government to step in and to solve the universal problem.

**J. CAVANAUGH:** OK. Thanks.

**SANDERS:** Any other questions? Seeing none, thank you for being here.

**ALEXANDER GRAY:** Thank you.

**SANDERS:** Any other proponents? Welcome.

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**BENJAMIN SANDO:** Thank you. Pleasure to be here. My name is Ben Sando, B-e-n S-a-n-d-o, and I'm here in favor of the bill. LB644. I'd first just like to say that growing up, I was aware of the general knowledge that Nebraska has the nation's only unicameral legislature. I didn't think I'd ever experience it this way. But I know if it ever comes up again on Trivial Pursuit, I will not forget it. So I'm a research fellow at the Global Taiwan Institute in Washington, D.C.. I previously worked at the Doublethink Lab NGO in Taiwan, and that investigates the PRC influence, united front, and transnational oppression around the world. Through my work, I have met many activists back-- who are pushing back against human rights abuses, as well as victims of the PRC and CCP's transnational repression. This is how I know that the first victims of the CCP's united front work and transnational repression are members of the diaspora overseas, whether they be, they be Hong Kong Diaspora, the Taiwanese Diaspora, Tibetans, Uyghurs, and indeed Chinese living overseas. Therefore, laws against transnational repression should be crafted first and foremost with an intention to protect these groups. I'm supportive of the Crush Transnational Repression in Nebraska Act, that will elevate the penalties for crimes such as harassment and assault that are perpetrated in order to eliminate dissent within the CC-- against the CCP. A study by Freedom House found that the CCP leads among authoritarian actors in its perpetration of transnational oppression overseas. In part, this reflects the CCP's capacity to rely on a wide variety of actors to threaten, harass, and assault dissidents. These individuals range from spies in the CCP's Ministry of State Security, triad, gangsters, and so-called patriotic overseas PRC businesspeople, who are rewarded for intimidation against dissidents. The Nebraska Legislature is considering a two pronged actor and behavior based approach for tackling transnational repression. On the one hand, the Foreign Advocacy and Terrorist Agent Registration Act will force a larger number of actors to stat-- who-- to register, who could be conducting political influence against dissidents. Meanwhile, the law will raise penalties for politically motive crimes and will curb behavior related to transnational repression. This two pronged approach is prudent. In addition to elevating criminal penalties for transnational repression, the bill calls for a training program for Nebraska police in identifying transnational repression. Violent crime's often plainly observable. But online transnational repression is often more difficult to spot. What looks like protected speech is often a facet of a coordinated campaign to silence dissent against PRC authoritarianism. This training program for Nebraska police should incorporate education in identifying online transnational repression such as black-- blackmail. CCP Transnational repression is an

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extremely difficult problem to defeat. Many legislators have shied away from this problem, but I encourage this unicameral Nebraska Legislature to be on the forefront of efforts to tackle this problem. Thank you.

**SANDERS:** Thank you. Did you finish your thought on your written testimony or do you need some more time?

**BENJAMIN SANDO:** I'm fine. Yeah. I'm happy to answer some questions whether easy or hard.

**SANDERS:** OK. We'll check to see from the committee if there are any questions. Senator Guereca.

**GUERECA:** What's --you referenced-- First of all, thank you for coming and for your testimony today. What's the united front?

**BENJAMIN SANDO:** Excellent question. I think this term confuses people. I really just think you should think of it as political warfare. It's not something Americans conceive of because we don't do this. You know, we have, we have spies, we have diplomats, but we don't have this kind of group of people who are incentivized and benefit from pushing political objectives on behalf of the CCP. So you could be a businessman in the United States. Let's say you have business in, in China. If you were to, say, you know, meet with a local politician here in the United States and get them to advance or block some legislation in favor of the PRC, and you told folks back home in China that you did this, you might see your business getting more opportunities in China. So the CCP has constructed a mechanism called, you know, united front, united front work that rewards people for acting on behalf of the PRC. And that's why this-- it's, it's a very, you know, China specific activity. And that's why things like foreign agent registration should be tailored for this kind of behavior that really not many other countries do.

**GUERECA:** So it's not necessarily an organization, it's, it's a, it's a concept, it's a--

**BENJAMIN SANDO:** Exactly.

**GUERECA:** --strategy. OK.

**BENJAMIN SANDO:** There are some organizations that quarterback it, but really it's a concept.

**GUERECA:** Thank you.

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**SANDERS:** Any other questions? Thank you, Mr. Sando, for your testimony. Any other proponents? Welcome.

**JACQUELINE DEAL:** Thank you very much, yes, Madam Chair and distinguished senators. My name is Jacqueline Deal, J-a-c-q-u-e-l-i-n-e, space, Deal, like Let's Make a Deal, D-e-a-l, and I am here in support of LB644 and I want to thank the governor and Senator Bostar for introducing these important measures. I spent my career researching the Chinese military, the People's Liberation Army, for the Defense Department. But I'm here in Nebraska because my research has led me to understand that China, the Chinese Communist Party, and the PLA doesn't fight like we do. They put political warfare first, as, as Ben just commented. They first try to target their opponents from within to soften them up while strengthening themselves. So this works by being active on the ground in a country like the United States, in a state like Nebraska, and trying to gain access to capital, money, intellectual property, technological know how, and use the access to also identify potential friends of the party who can help provide those goods and to neutralize or suppress opponents, people who are perceived to be hostile to the Chinese Communist Party, whether that's students who seem to speak out on behalf of human rights or democracy, or whether it's Daryl Morey, the former general manager of the Houston Rockets. So they're operating, and they call it united front work, they're operating on the ground in Kansas and other states. And this actually goes back 100 years to the Chinese Communist Party's founding. It even goes back before that because it was orig-- orig-- originally a Leninist concept. But in China's case, united front work is very old. And Xi Jinping, the general secretary of the Chinese Communist Party, his father was involved in it. And when he took power a decade ago, he made it a priority. Why? Well, we can speculate after the Obama administration announced a kind of pivot or rebalance to focus on the challenge from the Chinese Communist Party and the People's Liberation Army, and then the first Trump administration took office, doors that might have been open in D.C. started to shut. So as we woke up nationally, Xi Jinping prioritized united front work, put himself at the head of a small leading group, spent his time working on this. And what we see shortly thereafter, this was in 2015, in 2017, here in Omaha, Nebraska, Chinese Service Station, or Service Center opened up. And this is a facility that has been connected through research by, by Phil Lenczycki, who is here to testify, I believe, later, and people like Alex Joske out of Australia, who wrote a book called Spies and Lies. These facilities on the ground that are connected to the united front apparatus, this bureaucracy, and this concept, the research has shown

that they're actually intelligence organizations and fronts for Chinese intelligence operatives who are here to do this kind of political warfare, united front work, on the ground. And it's not only the Nebraska Chinese Service Center in Omaha that we have to think about. There are also Chinese Students and Scholars Associations at places like the University of Nebraska here in Lincoln, in Omaha, at Creighton University, and the University, University of Nebraska Medical Center, and the University of Nebraska at Omaha. So these are organizations that are surveilling students and depriving them of the ability to have the benefits of a free education. There are also university partnerships like the University of Nebraska-Kearney's relationship with a school out of Gwangzhou. So there are all these mechanisms where through being here on the ground, unregistered, not being transparent about their work for the CCP, agents of the CCP are interfering with human rights, and politics, and free expression, and our political processes. So the bill is so welcome because it's injecting transparency and letting you guys know who you're dealing with and what's what. And I think that's, you know, the first defense.

**SANDERS:** Thank you, Ms. Deal, for your testimony. Check to see if there are any questions from the committee. Senator Cavanaugh.

**J. CAVANAUGH:** Oh, thank you. Thanks for being here. Ms. Deal. On the sheet it says State Armor?

**JACQUELINE DEAL:** Yes. I'm sorry. I should have said I'm an advisory board member of a nonprofit called State Armor, which was set up a little over a year ago now. It's an organization that is trying to help counter Chinese subnational interference by working at the state level to educate lawmakers. And I joined it, the advisory board, a few months ago.

**J. CAVANAUGH:** OK, so subnational is us. Right?

**JACQUELINE DEAL:** States.

**J. CAVANAUGH:** OK. Gotcha. And you hit on something that kind of speak-- so I represent the University of Nebraska-Omaha, University of Nebraska Medical Center, and Creighton University, greatest district in the state. It's a running jo-- gag here.

**GUERECA:** Half of Creighton.

**J. CAVANAUGH:** He has half of Creighton. And, and I-- you said something-- my question is, I'm all for free education, what you said. I don't think we should be telling, pushing down to the top these

proscriptive things about what ideas can be expressed in universities. And I guess my question is, are we talking about, are they-- just China-- I know the bill applies to everybody else, but it's easier to think about one place-- is China have people who are acting against Chinese students who are studying here, or all students?

**JACQUELINE DEAL:** I think the focus of the Chinese Students and Scholars Association in the first instance, or the priority, is watching overseas Chinese students. And the trouble is Xi Jinping is claiming the allegiance and, and trying to exert sovereignty over people who are in the diaspora, or overseas Chinese, even if they're citizens of other countries. He says the sons and daughters of China should fulfill their responsibilities to the motherland. So that's a real challenge to our legal system and people's rights. And even if you are a, a Chinese student studying here, I think our idea should be if you come to an American institution and you study in Nebraska, you should be able to have the benefits of our free inquiry, and our free speech, and not be monitored or surveilled. So in the first instance, the issue is Chinese Students and Scholars Associations are connected to the united front and surveilling these students. But there also are cases of talent programs where professors at other institutions have been shown to be taking money from an American state school and then also benefiting from or being paid by a Chinese institution. And so in those cases, it's less about human rights and more about intellectual property, technology extraction or transfer. So, but, but I think the, the idea of this bill is we need to have people understand who's who and what's what. So if you're working at a state institution and you're also taking money from a Chinese Communist Party institution, all universities in China are actually affiliated with the CCP, you should at least disclose that, and then the university can have its policies, or private institutions can have their policies about whether you're allowed to take money from multiple institutions. But you should be transparent and we should understand who you are and what we're dealing with.

**J. CAVANAUGH:** OK. So just, I guess to clarify, the answer to my question was yes, that they are surveilling and taking action against not only Chinese citizens who are studying and working here, but also other folks, maybe U.S. citizens or maybe students from other countries as well.

**JACQUELINE DEAL:** I mean, I think if you join the Chinese Students and Scholars Association, you're likely to fall under the watchful eye of the long arm of the party state. So mainly, primarily it's going to be people of Chinese descent.

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**J. CAVANAUGH:** OK, I guess I'm misunderstanding. So this is a specific organization that people join, and then they are surveilled. They're not-- I, I'm, I'm sorry.

**JACQUELINE DEAL:** It's--

**J. CAVANAUGH:** My understanding was the people in this organization are the ones doing the surveilling and the pressuring and all that.

**JACQUELINE DEAL:** Well, there's some people who are in the organization who are looking after the others, and there's some people who are doing it because they think, you know, it'll be useful to me, fellow students with a similar background. And so it's a mix. It's complicated.

**J. CAVANAUGH:** OK.

**JACQUELINE DEAL:** And, and I think one of the issues is, too, these organizations are often registered as like independent student groups or clubs. But then in other, in some cases, we have documented ties to the consulate and funds flowing to them. And so what appears to be, you know, just another student group or independent organization that's organic is actually directly tied to the CCP.

**J. CAVANAUGH:** All right. Thanks.

**SANDERS:** Any questions? Senator Guereca.

**GUERECA:** Is that happening here in Nebraska? Do we know if these groups are receiving money from the consulate?

**JACQUELINE DEAL:** I don't have documentation of that, sir. I, I can take it as a homework assignment or research question. What I do have is cases where officials from China and from the CCP have connections to the Nebraska Chinese Service Center in Omaha. And instances where they've been involved or other organizations that are linked to the united front have been involved in events with students.

**GUERECA:** OK.

**SANDERS:** Senator Andersen.

**ANDERSEN:** Thank you, Chairwoman. And thank you, Ms. Deals [SIC], for being here and testifying today. Through your research, is it your belief that the students and the, I guess the, the outreach to the

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students is for the purpose of recruitment and indoctrination? Is that true?

**JACQUELINE DEAL:** Yes, sir. And then I think also to monitor people who might, you know, deviate from the party line and intimidate them. So if you become too enamored of our freewheeling ways here, you're, you're probably going to get a knock on the door. And then unfortunately, and this is a tricky issue for us, if, if the threat is made to your family back in China, how do we protect those people?

**ANDERSEN:** A follow up question. From your research, what do you believe the point of-- you've mentioned collaborative and cooperative operations between organizations in China and the United States. What do you think the purpose of that is?

**JACQUELINE DEAL:** I think they have a strategy through this united front, which Xi Jinping calls his first magic weapon, to co-opt, groom, cultivate, identify friends, and suppress, there's always two sides of this, suppress enemies. And I think historically in the history of the Chinese Communist Party that's been about preparing for conflict and guaranteeing victory ahead of it. So if there were a war, if China invaded Taiwan, through the access they have here, they'd be able to do everything from kinetic operations, or cyber operations, to sabotage our infrastructure, which multiple national level leaders have been warning about from multiple different administrations, bipartisan, to muddy the water in terms of what's actually happening, who started it, what's at stake, is this worth it? So you have everything from kind of physical attacks to propaganda, political warfare, messing with our head space such that our response will be degraded.

**ANDERSEN:** Is some for stealing intellectual property?

**JACQUELINE DEAL:** Some of it is. Yes, sir, I think so.

**ANDERSEN:** Thank you.

**SANDERS:** Senator Hunt.

**HUNT:** Thank you, Madam Chair. Thanks for being here. Where are you based?

**JACQUELINE DEAL:** I'm based in Washington, DC.

**HUNT:** OK, DC also. Maybe, maybe you can't speak to this, but maybe someone else can, or something to think about. What I'm thinking about

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as I listen to this testimony is wondering how this is a state issue. Wondering how our law enforcement and our courts will enforce things like this. I mean, we're not going to have a sheriff going to China to arrest someone or something like that. And, you know, I would think that our state officials would refer to federal authorities in any kind of investigation. And I don't know if you can speak to that at all.

**JACQUELINE DEAL:** Yes, absolutely. So at different levels--

**HUNT:** Why we're, why we're creating a statutory framework at the state level for something that's a national matter.

**JACQUELINE DEAL:** We have-- I've learned this and through, through my work, actually just, you know, in the past several months with State Armor, we have tremendous discretion at the state level in our federal system. For instance, you know, the Defense Department can put certain Chinese company products that are-- Chinese companies that are supposedly working with the Chinese military and say you cannot buy these products if you're working for the U.S. Department of Defense or if you're a contractor to the Department of Defense. But that doesn't prevent people at the state level, police forces, or towns and municipalities from buying these very problematic CCP military tied technology. That's just one kind of procurement example. But at your level--

**HUNT:** So like Grand Island cops getting Huawei phones or something like that is that--

**JACQUELINE DEAL:** Yeah, having, having Huawei in your infrastructure near sensitive sites, both for the state and for the nation is an issue I know you've already addressed, addressed. One, one idea, I mean if I were from Nebraska, and I kind of wish I were at this point, it-- I think you're ahead of the game in terms, in terms of hardening yourself. And so if I'm the CCP and I'm looking for places to do this kind of subnational interference and softening, the more you harden yourself at the state level or the local level here, the less likely at least, that those operations are to take place in Nebraska. And, and another issue, I think it was already mentioned, but we have a federal Foreign Agent Registration Act list. But I've asked lawyers in D.C. whether you should-- whether according to that you should be compelled to register as a foreign agent if you're going to lobby in the states as opposed to in Washington. And the answer I got back was a little bit of ambiguity, ambiguity there, because again, we have a system that's confusing or complicated. Chinese Communist Party

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writings identify this as an opportunity for them. So whatever's going on at the federal level, it's striking that they're, I think the last time I looked, there were only 17 registrants from the People's Republic of China on the federal FARA list, which is crazy when you think about how big China is, how many people and companies are operating on the ground here. There was an article in Newsweek in 2020 that said there were over 600 groups affiliated with the CCP that were operating on the ground in the United States. But we only have 17 registrants on the federal FARA list. So clearly we're missing a lot due to the commercial exemption that Alex mentioned, due to the, there's also an academic exemption. So if you want to protect Nebraskans, and via Nebraska, the rest of the country, I think there's an opportunity to kind of harden things here.

**HUNT:** Thank you. You know, speaking of the lobbying too, I'm wondering in the bill, I guess the amendment, I don't know what page it is, but when we talk about-- this isn't necessarily a question for you, it's just sort of a comment, I guess, like defining lobbyist. It creates a new definition for lobbyists instead of using the same definition for lobbyists and political activity that we already have in statute. So I'm curious about the reason for that. But thank you so much for your time.

**SANDERS:** Thank you. Any other questions? Senator Wordekemper.

**WORDEKEMPER:** Thank you, Chair. I'm over here all by myself, so I appreciate your looking this way. You touched on the united front. I think Ben did also. What, what was the origin of that, or when did that come about?

**JACQUELINE DEAL:** Thank you, sir. This is actually a topic that I think hasn't been covered enough by China specialists in the United States, because the Chinese Communist Party has effectively discouraged research into the united front. Again, they consider it their first magic weapon, so they don't want people to study it, or at least that's how the system works. But it goes back to the 1920s. The Chinese Communist Party was founded in 1921 and it was the founding of the CCP was actually inspired by representatives of the Comintern. In Moscow. The Soviet Communists were encouraging Chinese Communist Party formation in order to get things done in China that had to do with Soviet territorial aggrandizement and ambition. And so they encouraged the young Chinese Communist Party to form a united front with the other revolutionary party on the ground in China in the 1920s, which was the Nationalist Party. And the idea was the Chinese Communist Party would pretend to become Nationalists. The members of the CCP

would pretend to join the Nationalist Party in order to be in this united front with them, to try to strengthen China and kick out foreign powers that were operating on the ground in China in the 1920s. But really what happened is the Chinese Communist Party used its access to the Nationalist resources from within the first united front and built a military. So the origins of the People's Liberation Army are at the Nationalist Military Academy in Gwangzhou, called Whampoa. Zhou Enlai, who we sort of think of as the man on, on Mao Zedong's, right, a diplomat, was actually the recruiter. He, he used his position at the Nationalist Military Academy while secretly pretending to be a Nationalist in the first united front to identify Chinese Communist Party recruits from within the Nationalist military. And the first act of the People's Liberation Army in 1927 was a mutiny, when they finally stood up and said, actually, we're not Nationalists. And this is after the Nationalists wised up and cracked down on them in the Shanghai massacre in April of 1927. So in Octo-- August 1st, they stood up and said, we're actually the Red Army, or the precursor of the PLA. So when Xi Jinping talks about 2027 as this milestone 100th anniversary of the PLA, by which time certain modernization goals have to be achieved, and there's a debate about whether he actually means Taiwan has to be conquered. He's talking about this anniversary of this mutiny that was the culmination of the first united front of infiltrating the enemy, taking the adversary's resources and know-how, strengthening the PLA. And we know, unfortunately, how this turned out in the Chinese Civil war context, where the Chinese Communist Party ended up beating the Nationalists in 1949 and starting the People's Republic of China. And so that's been difficult for us in our relations with China ever since. So this is their way of fighting that's very deeply ingrained. It goes back 100 years. And it's different from our story about, you know, the American Revolution or how we won in WorldWar II. It's just as Ben said, it's political warfare centric.

**WORDEKEMPER:** Thank you. And I guess I've got one other question, I guess, from your statement prior to that question. You were talking about the amount of companies that were registered at the FARA. So one would think that, you know, as some colleagues pointed out, that the federal government issued, but obviously if we know that there's roughly 600 of them, the federal government must not be able to keep up with that. So I guess is that the reason why the states need to be proactive or what do we need to do to, I guess, help augment that?

**JACQUELINE DEAL:** I think what-- thank you for the question, sir, and Madam Chair, thank you again. I guess the closing these loopholes which this bill does is step one and say, you know, even if you're

doing supposedly commercial work or academic work, you have to disclose that you're connected to the CCP and taking money and acting as a foreign agent on behalf of this hostile foreign adversary. So that's one thing. I think in the case of the 600 groups, you're right that there are major gaps in our knowledge of who's who and what's what. And some of these are nonprofits in addition to for profit companies. But it's alarming that they're here, and yet we only have 17 registrants. So absolutely, the states have an opportunity to step up and redress some of this and, and ensure that, you know, when people come testify, you understand who they are and what they are representing or, you know, when they're doing business in the state or teaching students, you understand where they're coming from.

**WORDEKEMPER:** Thank you.

**SANDERS:** Senator Cavanaugh.

**J. CAVANAUGH:** Thank you, Chair. I apologize, you made me think of another question. And just brainstorming. Is there maybe a thought, I, like one of the things that obviously makes me uncomfortable about this bill, and we're talking about freedom of, you know, political freedom and all these sorts of things. Having everybody sign an affidavit every year or every other year seems a little, like in my mind, I'm thinking Cultural Revolution, right? I'm thinking of how China acted in the early part of the century. That's the type of thing that comes to my mind, when we're talking about having everybody who works at the university sign an affidavit. So maybe there's a way to say, if you are taking this money, you have to sign something disclosing it, but otherwise you don't have to sign an affidavit every year saying, no, we're not taking money.

**JACQUELINE DEAL:** A lot of research has shown, sir, that the Chinese see our universities as the kind of soft underbelly and the easiest place from which to extract know-how and intellectual property. And so while I see your point, like what they actually made people do is sign self criticisms and confess to things that they even hadn't done under pain of torture. To me, compared to that, I don't think having people just, you know, verify that they aren't doing something that is against-- or somehow making them a victim of Chinese political warfare, we'll call it that way. Or maybe they don't understand, but making them affirmatively attest, I am not, I have not succumbed this year to this effort that we know is robust and is fairly well along. That's the issue, you know, we've unfortunately let this get pretty far. You know, we have students being surveilled, we have professors working for multiple institutions in China and here. If we don't kind

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of act in a way that's positive and affirmative to remind people-- actually-- you know, I guess in the past we kind of didn't understand what was up and the degree to which we're facing this threat, and now we're very serious about it, and we want to make sure that you understand. To me, it's not that crazy or it's not that onerous to just every year attest you haven't succumbed to this political warfare strategy. It's just saying, yeah, I, I, I registered that this is a threat and I'm, I'm countering it or I'm doing my part to resist it. That's not so crazy, right?

**J. CAVANAUGH:** It's not-- perhaps not onerous to fill out a form, but compelling everyone to testify against themselves in a documentary form every year, every other year strikes me as more akin to the self-criticism than not, I guess is what I [INAUDIBLE].

**JACQUELINE DEAL:** Is it testimony or is it just disclosure? I don't really see it as testimony, testifying against yourself. I mean, unless you, you violate it and then you have to own up to violating it or something. More, you're just attesting, here's who I am and here's, you know, who I work for and don't work for. That kind of thing.

**J. CAVANAUGH:** OK. Thanks.

**SANDERS:** Thank you. We still have a question. Just thinking out loud. Maybe they're not registering because they don't know they're receiving money directly from CCP. Is it hidden on how they receive these funds?

**JACQUELINE DEAL:** I don't think it's-- at least my, my friends tell me that when you're connected to the CCP and receiving direction from them, it's actually not that subtle. You know, you know who you're meeting with when you have representatives of the consulate coming to events or people coming all the way from Beijing to bless your activities. It's actually pretty clear.

**SANDERS:** Wow. Thank you. Are there any other questions? Seeing none, thank you very much for your testimony. We have someone eagerly waiting. Welcome.

**MATT BARRALL:** Thank you, Chairwoman Sanders, members of the committee. My name is Matt Barrall. It's M-a-t-t B-a-r-r-a-l-l. I am the vice president for the Nebraska State Fraternal Order of Police. I am here speaking as a proponent for the bill, specifically on the drone portion. I am also a supervisor for my sheriff's office drone unit. I am a member of the Omaha Metro Drone Officers Association. Last year,

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when LB1300 was passed on behalf of the governor, it caught law enforcement unaware. There's 30 plus agencies in the state of Nebraska that use drones as a tool of law enforcement. All of them are Chinese. There are some that may use a couple others, but all of those agencies use Chinese drones. Why? Because they are frankly the best. They are the most cost effective. They are the most technologically advanced. It is unfortunate that that is the case. I would love to be able to buy an American made drone that did the same quality job that my DJI drone does. I actually brought it, but I realized it would be considered a prop, so I can't bring it to the table. I use it to assist our SWAT team. We go in, we find people, we make sure that they are able to be shown so we can resolve a situation safely as best as possible. That drone is smaller than Senator Hunt's iPad. There is not an American made drone that does that currently. So we unfortunately were very scared because it eliminated drone usage with those drones. So we reached out to state FOP, some law enforcement agencies, reached out to Senator Bostar. He was extremely gracious to meet with us. We explained our point of view and where we were at. And he was kind enough to write the amendment that allows us to continue to use those drones in order for American companies to catch up and for us to come up with a new plan on what we can use in the future. So we are incredibly grateful to Senator Bostar to put this amendment into our-- into this bill so we can continue to protect the officers in the state of Nebraska. And then, yes, we are actively looking at American made drones. We are hoping that technology does increase so we will be able to fulfill that same mission, and at the same time use an American made product. So. All right. Any questions? I'd be happy to answer.

**SANDERS:** Thank you very much for--

**MATT BARRALL:** Oh. I'm sorry, I also-- the next person that will testify is Nebraska's law enforcement drone expert. He is the subject matter expert when it comes to law enforcement drones for the state of Nebraska. So if I can't answer a question, I am sure he can.

**SANDERS:** Thank you, Mr. Barrall. I'm going to check to see if there are any questions from the committee. Seeing none-- Oh, Senator Andersen.

**ANDERSEN:** Thank you, Chairwoman. And thank you for, for being here. So in your research to find American drones that would fit the bill, were you able to find any? And what about the-- their, their abilities, both sensor-wise, duration, and price point. Would you--

**MATT BARRALL:** So for exterior operations, for search and rescue operations, for example, in Sarpy County, we use them primarily for, for search and rescue operations. We find autistic children. We just found one last week that had wandered away from his house. There are those that get closer to meeting that same technological level. But, for example, there isn't one that has the same thermal level right now. I mean, we found that kid because of the thermal level of, of our drone. There isn't an American made one that, that matches that. I'm hopefully there will be. But at this time, there isn't. For it-- again, for interior operations there, there is not a capable one that meets the same size requirement. BRINC's, Skydio, US Armor or Armor Holdings, they're too big and they don't have that same capability.

**ANDERSEN:** Thank you.

**SANDERS:** Are there any other questions? Seeing none, thank you, Mr. Barrall. Any other proponents?

**MATT BARRALL:** He's not, so.

**SANDERS:** Welcome.

**KAM SIMMONS:** Good afternoon, Chair Sanders, members of the committee. My name is Kam Simmons, that's K-a-m S-i-m-m-o-n-s. And I'm pleased to be representing Flock Safety this afternoon. We're a leading provider of law enforcement and public safety technologies, headquartered in Atlanta and operating in more than 5,000 communities across the United States. We're grateful for the opportunity to speak in support of Senator Bostar's efforts with LB644. As you've already just heard, the reality of working in law enforcement today is that agencies are being asked to do more with less. According to recent surveys, roughly 85% of agencies nationwide are facing officer shortages in the face of overwhelming demands and increase in retirements. Because of this, many agencies operate at minimum staffing levels, which can cause an increase in response times and a deep prioritization of violent, violent calls, nonviolent calls. At the same time, citizens are feeling less safe, with 40% of Americans reporting that they're afraid to walk home at night, which is the highest in three decades. In the face of this reality, agencies are frequently turning to technology to serve as a force multiplier and help them meet the public safety needs of their constituents. Flock is proud to be an American public safety technology company, providing a fully NDAA compliant suite of products for law enforcement. Today, we partner with 25 law enforcement agencies in the state of Nebraska, and our devices are being used by agencies every day across the country to solve just over 15% of all

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reported crime in the United States. In particular, drones have become an indispensable tool for public safety, allowing officers to respond to emergencies faster, and gain immediate, critical real time intelligence when they receive a call. As part of our mission to enhance public safety, we acquired a drone as a first responder company in September of last year, and we are aggressively ramping the production of a best in class American made drone here in the United States designed specifically to serve the needs of law enforcement. However, this effort will take us time. As you've just heard, the U.S. drone market has not yet reached parity with other hardware systems currently available on the market. And while Flock is developing an NDAA compliant system to fly higher, farther, and longer, with better camera clarity than any other drone, we're grateful for policy makers across the country also recognizes that law enforcement need to be acc-- need to maintain access to these critical tools today. We need an approach transitioning to American drone industry that facilitates the growth of domestic manufacturing, while ensuring law enforcement can maintain access to these critical public safety tools. We appreciate Senator Bostar for recognizing agencies need support in being able to maintain their drone, drone programs while the American industry scales up production. We look forward to continuing conversations with the senator and with the committee on the state of the industry as we work to bring American drones to market. And we're grateful for this leadership on, or his leadership on this issue, and we'll be happy to have-- answer any questions you might have.

**SANDERS:** Thank you, Mr. Simmons. We'll check with the committee, see if there are any questions. Seeing none, thank you very much for your testimony.

**KAM SIMMONS:** Thank you very much.

**SANDERS:** Any other proponents? Welcome.

**TRAVIS ROZEBOOM:** Thank you, Chairwoman. My name's Travis Rozeboom. I've been a full time police officer for 17 years in Nebraska, and I'm currently employed by the City of Papillion Police Department, where I serve as the lead drone instructor for our agency's drone program.

**SANDERS:** Travis, could you say and spell your first and last name?

**TRAVIS ROZEBOOM:** Yes, absolutely. First name is Travis, last name Rozeboom, it's spelled R-o-z-e-b-o-o-m.

**SANDERS:** Thank you.

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**TRAVIS ROZEBOOM:** Our agency has ten authorized pilots and several aircraft of may-- varying make and capabilities. I'm testifying today on behalf of the Chiefs Association, the Police Chiefs Association of Nebraska, the Nebraska, excuse me, Police Officers Association of Nebraska, and the Nebraska Sheriffs Association in support of LB644. I'm heavily involved in the use of drones for public safety at a local, state and national level. I currently serve as a steering committee member for the Law Enforcement Drone Association, which is a 501(c) focused on teaching best practices for drone use in law enforcement throughout the United States. We've over 3,000 members nationwide and have created such documents as the UAS Operations Standard for Law Enforcement in 2023, and the Tactical Operation Standard for Law Enforcement in 2024, where I signed as a advisory board member. I also recently participated in the drone and counter drone operations in Washington, DC for the 2025 presidential inauguration. In the 2024 legislative session, LB1300 was introduced. It was passed and became law, which was referred to as the Foreign Adversary Contracting Prohibition Act. The law created an issue for law enforcement in Nebraska by removing our ability to purchase and acquire new Chinese drone technology that we had been-- become accustomed to purchasing and utilizing for lifesaving missions. LB644 addresses this issue for law enforcement. It creates a time limited exemption related to the procurement of drones for Nebraska's law enforcement agencies, and we are extremely supportive and appreciative of the support that Senator Bostar has given and continues to provide law enforcement in Nebraska. I'll leave you with just one story kind of exemplifying why it is we use this technology in law enforcement. In-- on May 31st, 2024, early evening hours, Nebraska State Patrol attempted to speak to a suspect in south Omaha. During that exchange, the suspect ran out the back of the house, fired at officers with a firearm, took what they believed to be a female hostage, stole a vehicle and then fled. The chase and the manhunt took several hours. As they were approaching about the ten hour mark, they found them again in Blair, Nebraska. Chased him again. He wrecked in Kennard, Nebraska, where he took refuge in a lean-to building. Went inside. Drones were utilized as part of that mission to identify what weapons he did and didn't have and how the hostage was doing. He fled further in after another exchange of gunfire. The Nebraska state Patrol deployed a American made tactical drone that ultimately failed them in the transmission capabilities. It was no longer able to go in and see what the suspect had in his hands. Papillion PD and Omaha PD responded, assisted with the Chinese technology, the \$1,500 drones that we possess, and were able to get eyes on his hands and prevent lethal force from being utilized against that suspect. For these

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reasons, we are extremely supportive of the proposed extension of our ability to buy these Chinese drones. I would welcome any questions.

**SANDERS:** Thank you very much for your testimony. Roze-- Rozeboom?

**TRAVIS ROZEBOOM:** Rozeboom, yes, ma'am.

**SANDERS:** Thank you very much. See if there are any questions from the committee. Seeing none, thank you very much. Any other proponents? Good afternoon. Welcome.

**RICK NELSON:** Welcome. Madam Chairperson Sanders, the committee, my name is Rick Nelson, R-i-c-k N-e-l-s-o-n. I am the general manager of the Nebraska Rural Electric Association, and a general manager at Custer Public Power District, and will be testifying today as a private citizen. I'm also a member of the Committee on Pacific Conflict. This committee was created last year to ensure Nebraska's well prepared to counteract foreign adversary influence. I sit on the committee as a representative for utilities, and I can assure you that protection of the electric grid and our infrastructure is of the utmost concern for our committee. It is clear from my time representing the Utilities Owners Committee that state and local governments must not wash their hands of national security concerns. It is up to every level of government to ensure safety, security, freedom, and freedom for our citizens. Senator Bostar drafted LB644 to address the influence of foreign adversary nations on subnational level, and I can attest that the threat of subnational espionage and malign foreign influence needs to be countered wherever possible. I want to make it clear that this is a Nebraska problem. As a general manager of a rural public power district and a statewide organization, I spent a considerable, considerable amount of my time managing concerns across Nebraska most critical to our infrastructure and could tell you that the committee concerns are real. With that I'll open it up to any questions that you may have.

**SANDERS:** Thank you, Mr. Nelson, for your testimony.

**RICK NELSON:** Yep, absolutely.

**SANDERS:** We appreciate it. Check with the committee, see if there are any questions. Seeing none.

**RICK NELSON:** Thank You.

**SANDERS:** Thank you very much.

**RICK NELSON:** You bet.

**SANDERS:** Any other proponents of LB644? Welcome.

**SAMUEL VACHA:** Good afternoon. My name is Sam Vacha, first name S-a-m, last name V-a-c-h-a. I am testifying on behalf of the Washington County Sheriff's Office and Washington County Sheriff Mike Robinson, and we're in support of the Nebraska Sheriffs Association, Police Officers Association of America, and Police Chiefs Association of Nebraska. I was asked to speak today to provide insight on how bills like LB644 and LB660 might affect small agencies. I do want to thank Bostar for providing time to go forward with these drones, and that we can move forward to get drones and financing. The Washington County Sheriff's Office currently serves and protects 13,185 people, including the towns of Fort Calhoun, Washington, Arlington, Kennard, and Herman. This is done with a-- 31 full time sworn deputies with-- We also support and assist Blair Police Department, which serves, and there are 7,967 citizens. The Washington County, Washington County drone program currently has four drones and three Part 107 operators. I'll provide two examples to best illustrate the importance of these drones within the law enforcement agencies that are smaller like all my agenc-- my agency is. On August 20th, 2024, a barricaded suspect call was sent to the Washington County Sheriff's Office which reacted the drone team. Blair Police Department also assisted with this call. After the suspect was seen walking in the house with a rifle and the suspect stopped communicating law enforcement officers, a decision was made to send in a was considered a DJI Avata drone to gain intelligence on the situation. During a soft sweep of the residence, a rifle was located in the kitchen, and two rifles with scopes were located near a secondary, secondary bedroom window. The view from the window overlooked the street in front of the house where the initial cruisers had parked who responded to the call. We also identified the suspect had relocated himself into the basement. The drones provided the SWAT commander with a clear floor plan and obstacles that were located inside the residence. This information resulted in the successful arrest of the suspect without a shot fired or injuries. Later processing of the scene locate-- the located rifles were found to be fully loaded and ready to fire. It's, it's imperative for law enforcement that we understand that this was a very serious situation which could end very badly. But intelligence gained from this small, cheap drone actually provided and probably helped save lives that day. A second event took on-- place on May 4th, 2023, at the DeSoto Wildlife Preserve along the Missouri River. A missing persons report came into the sheriff's office. The missing person's vehicle was located near the south entrance of the DeSoto Wildlife Preserve. The

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DeSoto Wildlife Preserve covers approximately 8,365 acres between Nebraska and Iowa, and it consists mostly of wild grasses and woodland. Multiple law enforcement agencies, fire departments, and emergency management from Nebraska and Iowa assisted for seven days. The missing body-- person's body was located by a DJI Mavic 2 Enterprise drone in tall grass near the Missouri River. The drone feed showed tracks from search and rescuers that came within feet of the deceased body. Due to the tall grass, they could not locate the body, but the drone was able to. These are examples of how important and cheap drones for law enforcement agencies that are smaller like mine will continue to push forward our success and be able to save people's lives. Do you have any questions for me?

**SANDERS:** Thank you, Mr. Vacha. We'll check to see if there are any questions from the committee. Seeing none, thank you very much.

**SAMUEL VACHA:** Thank you.

**SANDERS:** Any other proponents on LB644. Welcome.

**MICHAEL LUCCI:** Thank you. Madam Chair, members of the committee, my name is Michael Lucci. I'm the founder of an organization called State Armor. The purpose of State Armor is to work with lawmakers such as yourselves--

**SANDERS:** Spell your first and last names, please.

**MICHAEL LUCCI:** My name is Michael, M-i-c-h-a-e-l, Lucci, L-u-c-c-i.

**SANDERS:** Thank you.

**MICHAEL LUCCI:** The purpose of State Armor is to work with state lawmakers, governors, Attorneys General on state policy solutions to global security threats. And so, of course, in our purpose, we try to answer the question that's been asked many times today, why states? Why ought states address this problem? I could address it individually through the items in this bill. But to start at a high level, the Communist Party of China has a state strategy. So that's, you know, at a high level, that's why states should respond, because they have a state strategy. And part of their strategy is to rely on the states to not be as sophisticated on national security, which candidly states shouldn't be super sophisticated on national security. It's not what states do so much. They do education, they do energy, and issues like this. So this strategy's outlined by President Biden's Director of National Intelligence in a 2022 memo, I think it's released in July of 2022, where he-- they call upon state officials to be aware of China's

subnational strategies and to take actions to counter them. Furthermore, I mean, states in our system are tremendously powerful in a lot of ways, they can control a lot of things that in other countries they would be controlled by the national government. So that's why states, we think, very much matter in this fight. That's why the other side thinks that states matter in this fight. I'll make a couple of comments about transnational repression. I'll speak to the genomics issue that's also in this bill, and then after that, I'd be happy to take questions. On transnational repression, I'll give you a couple cases of why this is so important for states to address. The recent case of a young lady named Frances Hui, who was a Hong Konger advocating for Hong Kong to remain free in 2018, 2019, 2020 period. She was attacked viciously, multiple times in Boston, the United States. The person who perpetrated those attacks was then brought up on FARA charges under the federal law. He was found not guilty. There were no state charges that came for the underlying crimes of harassment, stalking-- stalking, threats in the context of transnational repression that actually occurred. Another example, I won't identify the individual, but if, if this person existed in the state of Nebraska, you would all know this person's name. This person worked on very substantial federal legislation. This person has been stalked by the Sinaloa cartel in his state at the behest of the Chinese Communist Party for work that this person did to advocate for Uyghurs in the western part of China. I could go into more of that during the question section. On the genomics part of this bill. This is an issue where I'd say the Communist Party of China is the most forthright of any adversary the United States has ever had when they describe what they're trying to do. If you have the letter from the select committee in front of you, the second paragraph describes there how the PRC has identified the flow of USIP and PLA medical infrastructure as a crucial component in their effort to win the biotechnology war. This also references the goal of achieving biological dominance. I want to read one last statement from a general in the People's Liberation Army, who was the president of their National Defense University when he wrote this statement on why they want genomic information from all the rest of the world. In a publication called The New High Ground of War, this general wrote, In the development of biotechnology today, the most lethal weapons are genetically engineered weapons designed to attack people based on specific ethnic or racial background, causing specific races to become ill, such as suffering immune deficiency, loss of intelligence, sterilization, or even death, while leaving other races unscathed. They have said publicly what they're thinking on the genomic front. The company that's kind of at question here, Beijing Genomics, which

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is sanctioned by our federal government in multiple ways, is the mechanism by which they pursue this strategy. It is sanctioned for working with their military in China. It's sanctioned for using genomic data to surveil Uyghurs and other people within China. And when you have an adversary that openly tells you they intend to make genetically targeted bioweapons, you ought to cut off every vector you can by which they could access your genetic information, which is what this legislation would accomplish. Thank you.

**SANDERS:** Wow. Michael Lu-- Lu--

**MICHAEL LUCCI:** Lucci.

**SANDERS:** Lucci. Are you local or are you from Washington, DC--

**MICHAEL LUCCI:** I'm based just outside of Austin, Texas.

**SANDERS:** OK. Thank you very much for your testimony. Looks like we have a question. Senator Cavanaugh.

**J. CAVANAUGH:** Thank you, Chair. Thanks for being here, Mr. Lucci, and thanks for the nightmare fuel. The genomics part, actually, admittedly was probably the part I circled in the original bill at first because it jumped out at me. So I wanted to talk about that a little bit. So you hit on the letter, and I know the three minutes or five minutes really quick. So can you kind of go back a little bit? What are the feds doing about this?

**MICHAEL LUCCI:** Thank you. Senator. The federal government has taken, let's say, multiple actions. So the, the basic action is they've placed Beijing Genomics and subsidiaries and affiliates, which is important because they try to get around restrictions the Commerce Department has placed them on, I believe it's called their entity list for human rights abuses that occur in China. The Department of Finance has added them to the 1260H list, which is subject to actually a different part of this bill, where they talk about lobbyists for 1260H companies. Our DOD has put them on the 1260H list for working with China's military, which then begs the question, why does a DNA company work with China's military? And that gets into the nightmarish scenarios that, that I sort of described and that you referred to there. So they are quite open on their intent to weaponize biotechnologies and genomic information. The, the, the quote I read from that general, from his, his book, and again, he, he wrote this when he was the head of their National Defense University for the People's Liberation Army. He directly says, like, we want weapons that

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hurt people of this ethnic background, not presumably Han Chinese background. And so the, the fuel, the information, the data to produce such weapons-- so first, I should say, you produce pharmaceuticals with the same data. Really important thing that we want companies to produce pharmaceuticals with genomic data. But then the fuel to do the good or ill with that technology is genomic data of, of the entire world, as many people as possible. You can find pharmaceutical solutions off of mass amount of genomic data. You could also find ways to create bioweapons. They talk about their intent to create bioweapons.

**J. CAVANAUGH:** So if the feds are doing all this, how come-- what, what role do we have to play in that? Like, what good does passing this bill if the feds are already doing so much?

**MICHAEL LUCCI:** Senator, this company, Beijing Genomics, is operating across the entire United States except in the state of Idaho, that prohibited them from operating in the state of Idaho. So if they are operating in-- they had a partnership with Iowa State not too long ago. They're opera-- my-- he last I heard is they're around 20% of the market for genomic sequencing, which is actually good, because oftentimes these Chinese military companies, they wipe out the American company, like Huawei, which happened here. It takes forever to fix the problem because there's not an alternative vendor. So they're operating within the United States, research centers, health care centers, doing genomic sequencing. Every piece of that data is subject to China's 2017 national intelligence law referenced earlier. All of it has to go back to Beijing if Beijing wants it. And so the federal government has said, you know, it can't work with DOD. It-- there's some restrictions on investing in it. They're still operating all around the United States, presumably in, in, in Nebraska as well, providing that service. That actual data is stored on servers, in many cases, server, servers in Shenzhen, I believe operated by Huawei, which is sanctioned in many ways by the government here. So that data goes back there, either openly or not openly, and then who knows what they do with it from there.

**J. CAVANAUGH:** So I don't know if you heard when I said I've got the Med Center in my district where they do a lot of this research, I'm assuming they do some of this. So say we passed this bill. How are they going be able to continue to do this research, or what's-- what happens here?

**MICHAEL LUCCI:** Senator, the, the dominant players in the United States are still American sequencing companies. I believe that there are also

some European companies as well. And so the, the importance of acting now on the genomic issue is states and the federal government, hopefully they actually get done what they've been trying to get done on what's called the Bio Secure Act, they can get ahead of this problem before it's a crisis where-- Like, say we do this five years later, there might not be an American provider anymore. They might have wiped them out. I don't, I couldn't speak to the specifics of your district, but the lion's share of this work in the United States is still being done by American and European companies. If you look at what's called China's brute force economic strategy, they will subsidize in a sensitive industry such as Huawei, such as drones, which is why we are where we are on, on the drone issue. They will subsidize that industry to the point where there's not an American provider, and Americans will not invest in it because there's no way to make money. And then we're stuck. And so with respect to the genomic issue, we could be ahead of it before the country gets stuck.

**J. CAVANAUGH:** OK. Thanks.

**SANDERS:** Senator Guereca.

**GUERECA:** They-- [INAUDIBLE] thank you for your testimony. Talk about market penetration. How quickly, how, how recent is Beijing Genetics [SIC] to the American market? How quickly did they get that 20% of the market share?

**MICHAEL LUCCI:** Senator, I, I'm going to speak generally with, with my best knowledge, and I'd be happy to follow up. They were involved in litigation with an American company called Illumina, and Illumina was kind of the pioneer of a lot of this technology. My memory is that during that litigation, which ended in 2022, Beijing Genomics was in some ways not allowed to spread within the United States, subject to that litigation, finally resolving. It resolved in 2022, and my understanding is that they are now pursuing a really aggressive market strategy to gain market share within the United States. So again, because of, you know, whether that slowed them down or just the course of, of market development, they are not the major player yet. Now, I will point to another, you know, frightening headline from December. This-- the topic here is on routers, TP-Link routers. The headline was from the Wall Street Journal. It said President Biden is thinking about just banning these routers altogether. And I, I was aware of these routers, but I'm reading the articles. It says TP-Link is 65% of the router market in the entire United States. At the beginning of last year, I thought that they were 20% of the market. That was my most recent number was there were 20% of the market, but they pursued

the same strategy of going into these areas that are low margin, knocking out the American competitors. And so presumably we should get rid of TP-Link routers across the country. Known cybersecurity backdoors, Microsoft has published on it, etc. But they can very quickly accelerate and gain market share if we don't say we're not going to have this allowed in the United States.

**GUERECA:** And is that what we're seeing, are we seeing that their services are vastly cheaper than the domestic competitor?

**MICHAEL LUCCI:** Senator, I, I couldn't speak to pricing. I, I just haven't recently looked at that data. I can tell you that that is a strategy of-- I, I would describe the strategy as economic warfare that we've seen across fronts pursued by these companies. I will say on the positive front, the state of Tennessee passed legislation on this this morning. Idaho did it last year. Arizona did it a week ago. I mean, is-- this is an issue where when you actually describe what's happening, it's just chilling. And, and there is pretty rapid legislative action to address this problem. So I, I think you'll see a lot of states pick up the mantle on this particular issue.

**GUERECA:** Thank you.

**SANDERS:** Senator Andersen.

**ANDERSEN:** Thank you, Chairwoman. Thank you for being here. Two questions for you. When you talk about DNA, is there affiliation between companies like 24andMe [SIC] and Ancestry.com? I have a sister that she's all into genealogy, and she goes back, I don't know, 500 years or whatever. Is there any connection between these kinds of companies where you send DNA to them and the CCP?

**MICHAEL LUCCI:** Senator, again, I'm going to speak to the best of my knowledge and I could follow up with more. I heard testimony at, at the congressional level on this issue, Beijing Genomics, and the expert who was speaking at the time, I think this was July of last year, actually said if you've used 23andMe, the Communist Party probably has your DNA. That-- I think that that was from a hacking incident though, versus-- 23andMe, I think the, the founder was a Silicon Valley lady. So I think that that was because of incidents of hacking. Now, 23andMe and some of these other companies have come up for sale, and there's probably a national security issue in allowing them to sell to Beijing Genomics or some other company. Beijing Genomics came into our marketplace by purchasing an American genomics company. So they certainly have that in their toolkit.

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**ANDERSEN:** And just Googled on my phone real quick. There is a ancestrychina.com, if that leads you to anything. And the last question I'd ask you, you mentioned TP-Link. There's other known weak systems like Lenovo. Do you do research on the-- including things such as Internet of Things and telematics in different vehicles? Is that within your purview, do you have any views on that?

**MICHAEL LUCCI:** Senator, our organization works on all those issues. I will say very candidly, we really need the federal government to act on some of those issues. The amount of equipment that attaches to our critical infrastructure that sends back the data to China, routers, batteries. DHS just put out a memo two weeks ago that said there are 12,000 surveillance cameras attached to critical infrastructure in the United States that send data back to China, they're Chinese, they're Chinese cameras. So that's-- you could go anything with a, a, a connectivity module, a sim in it that connects to critical infrastructure. These are all problems. States, I know that the stress test in Nebraska last year is, is going to be getting, or is getting at these issues. But my personal opinion? Connected technologies manufactured by a Chinese company should not be coming into our country. I'll just give you one more headline. You could, you could pull this off right now. FDA and CISA, C-I-S-A, Cybersecurity Infrastructure Security Agency, they put out a joint memo two, maybe three weeks ago. The headline just says, Contec 8000 has a back door, C-o-n-t-e-c, Contec 8000 has a back door. Contec is the health care monitor that sits next to your hospital bed. Here's your blood pressure. Here's your heart rate. Here's your oxygenation levels. The memo from our federal government says it all goes back to one place in China. And not just that the data--- in violation of who knows how many data privacy laws, not just that the data goes back, but they retain the ability to manipulate what's on the screen. So if I'm 120 over 80 on my blood pressure, they can make it say something else. So any connected technologies I don't think should be coming into our country at all. I think that it's all, it's all just massive risks, whether it's to personal data or more broadly, what's pretty clearly a strategy of economic warfare to make us so, you know, dependent on these technologies and being able to take data out of the country that we're not able to pivot because they can control so many technologies we depend upon.

**ANDERSEN:** Thank you.

**SANDERS:** Any other questions from the committee? Senator Cavanaugh.

**J. CAVANAUGH:** Thank you, Chair. Thanks again for being here Mr. Lucci. Lucci, right?

**MICHAEL LUCCI:** Lucci, yes.

**J. CAVANAUGH:** You mentioned two things, then we kind of get distracted on, like the data privacy and all that stuff, but I'm-- not distracted, I apologize. That is not what I meant. But we-- you did also talk about transnational repression in your comments and you said you wanted to talk a little bit more about that. So just, you know, I guess ask you in general-- well, can you tell me what transnational repression is?

**MICHAEL LUCCI:** Senator, transnational repression is the context of a crime. So the crime's already on the books, it's harassment, it's stalking, it could be assault. Transnational repression is when such a crime occurs and is done on behalf of a foreign regime or, or a terrorist organization. And so I mentioned a young lady named Frances Hui, she was just in court because of someone who had been stalking, harassing. She, she was holding these rallies in Boston about Hong Kong being-- the freedom of Hong Kong being good, we should fight for this, etc. An identifiable individual was stalking her, harassing her, saying, I will shoot you in the face with a gun. This man ended up getting zero punishment because he was only prosecuted under federal FARA, and they just didn't land it for whatever reasons. Now, all the underlying state crimes that occurred, the state actually didn't pursue, because-- I, I just texted Frances, I was like, well, what about the state crimes on this? She said they didn't pursue because the federal claim was brought. That's why it's so important not just for states to pursue crime when it's done in this context, but actually to have a context of transnational repression. In another state, there's a person who worked on the weaker forced labor law that passed Congress. And I had a phone call with this gentleman for about 50 minutes. The call was interrupted 35 times. He has had cartel members park cars in front. And to get to the point of why states? This gentleman has interacted heavily with the FBI. But the FBI is not your go to when you have a crisis right now, when you're being gang stalked, when you're having a gun pointed at you by cartel members on behalf of the Communist Party, The FBI doesn't do that. They do, like, the deep investigation. The only relief he had was from his local PD. But the local PD kept saying, we don't understand exactly what this is. You're working on this thing in Congress that China doesn't like, and now Sinaloa cartel is after you. Like, we don't understand the context of how this works. And that's why it's really important to at least do the educational piece. I'll say one more thing. If this

gentleman was in this state, because of his prominence in his state, you would all know his name. And so we've, we asked him, did you tell the governor? He hasn't told anybody in the entire state because of the fear of the state law enforcement and others not being able to address this issue. So he hasn't even told anybody because the depth of the fear. So putting something on the book to make this clear, we're going to defend people who are subject to this. We're going to be really proactive about it. It will have the effect of at least people being able to raise their hand and say, OK, this is happening to me. I'm glad you're addressing it now.

**J. CAVANAUGH:** Well, I'm certainly confused when you brought up the Sinaloa cartel as pertained to China. That's-- that is a bit of a, I guess, confusing connection. I guess my question is, it was to Ms., is it Ms. Hui? Is that how you say it?

**MICHAEL LUCCI:** Frances Hui, yes.

**J. CAVANAUGH:** Frances Hui? I mean, again, that's confusing because if you point a gun at somebody here, that's a crime that they'd have charged, I've seen charged. It doesn't have anything to do with international politics, but I, I don't understand why the local law enforcement is not equipped to pursue charges. Like, that'd be a terroristic threat or--

**MICHAEL LUCCI:** Yes.

**J. CAVANAUGH:** --use of a weapon.

**MICHAEL LUCCI:** Senator, it would-- my understanding from speaking with her, it was just within their discretion that they didn't pursue charges because federal charges were being pursued. And so they were just kind of deferring. Now, the federal charges were for Foreign Agent Registration Act violations for a different issue. But they said, OK, this is kind of a federal issue, so we'll defer to them. And he was ju-- a jury just found him innocent of that federal FARA charge. And so I asked her, so what, what are they bringing him up on at the state level? Nothing. They just deferred to the federal on this. And that's, that's why it's so important for states to have a stake in addressing these problems as well. There's all these issues with federal FARA, we could talk about that more if you'd like. But states should not let their guard down when crimes are committed. Even if the feds come in, states ought to keep their guard up in defending people like what happened with Frances Hui.

**J. CAVANAUGH:** Thank you.

**SANDERS:** Any other questions? Senator Guereco.

**GUERECA:** Do we know of any instances of transnational oppression going on here in Nebraska?

**MICHAEL LUCCI:** Senator, as it comes to mind, I couldn't speak to a specific right now. What, what happens on campuses with CSSAs? So the Communist Party pursues what's called an anaconda in the chandelier strategy. So, you know, stay with me on this. How do you keep 1.3, 4 billion people to all fall in line when the Communist Party itself's 90 million some people and then the police force of that is some subsector of that. The strategy is called the-- human rights attorneys call it the, the anaconda in the chandelier strategy, which is when-- it's unclear where the lines are, but when someone gets close enough to a line, the anaconda in the chandelier lashes out at that person and everyone sees it. They actually have a line for this. They, they call, they say kill a chicken to scare the monkeys. So you kill a chicken, all the monkeys see it and the monkeys back off. So what human rights activists say about the CSSAs is now the anaconda, which was restricted to the People's Republic, it has now gone global through the CSSAs. That is the anaconda in the chandelier on probably nearly every campus of a large university across the United States. From personal experience, I know Chinese students who went through universities here. They, they'll tell you like, we knew who the spies were. We knew we couldn't talk around these, we knew we had to be careful around these people, we knew that they were reporting back. There's federal-- there's several DOJ indictments along these fronts as well. So the CSSAs are one easy example. Whatever it is happening in Omaha with that Service Center, that's probably worth understanding what they're doing as well.

**GUERECA:** Can you expand a little bit on those Service Centers?

**MICHAEL LUCCI:** Senator, the Overseas Chinese Service Centers is, is probably a little bit outside my scope of expertise. I know that, you know, probably the world expert on those issues is, is, is probably going to testify in a little bit, who is really an investigative journalist who has broken a lot of those stories. My understanding as well is that the people who really understand that system. They do it by reading the Chinese source documents in China. I don't read Mandarin, so I couldn't speak to it as well. But I know that there's estimated to be seven of them across the country. There's one in Houston, Texas, down there where I live. They're involved in all sorts

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of-- they're here for civil purposes, ostensibly, but then they're involved in all sorts of other activities. There have been indictments brought in, convictions found in New York City for maybe a little bit of a different version of an actually like really bona fide police station that was operating in New York. But I would defer to Philip, who I think will speak later.

**GUERECA:** Thank you.

**SANDERS:** Any other questions from the committee? Se-- Senator Wordekemper.

**WORDEKEMPER:** Thank you for being here. I appreciate it. And the information you're, you're presenting to us, I find fascinating, that, that there's just so much going on. And I guess as a labor guy, union guy, I guess your moral of your testimony could be buy American, American made, which would be good as a, as a side note. But Senator Cavanaugh brought up the, the cartels and the Chinese. So are we talking Chinese cartels, or I mean, or the Mexican cartels? Can you expand on that a little bit?

**MICHAEL LUCCI:** Senator, I, I recognize that I opened up a can of worms by making that mention. So let me boil it down as quickly as possible. The number one cause of death for military age Americans is fentanyl. That's all produced in China. It's trafficked into our country largely by the Sinaloa cartel and other cartels. They're very directly in business together. The Communist Party of China launders almost all of the profits back to Mexico for the cartels. They are sort of endemically in business together. I mean, they are the entire cycle of what I think is just straight up chemical warfare upon the United States. About 100,000 Americans die per year. Now, within the United States, it's arms of, of different triads. And sometimes it's students helping with the money laundering. This has been described, I would say, very well before the federal Congressional Select Committee on the Chinese Communist Party, where they really documented every step of this process. They documented how the Sinaloa cartels do money laundering through ostensibly private Chinese businesses to get the money out of America into a Chinese business, into Mexican pesos. So these two are, amongst others, are in cahoots for a variety of ill purposes. The fentanyl chemical warfare is one of those purposes. It was news to me when I met this person from another state, the depth of operations that they conduct together, that, that there would be kind of boots on the ground within the United States that would be manned by cartel members at the behest of-- Why else would cartel members care about the Uyghur forced rights, you know, Forced Labor Prevention

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Act. I mean, they have no direct interest in that issue. So I recognize I opened a can of worms, and I hope that I spoke to it to some extent there as well. There is really good federal testimony and research on the synergy between the Communist Party and the Mexican cartels.

**WORDEKEMPER:** Thank you.

**SANDERS:** Any other questions from the committee? Seeing none, thank you, Mr. Lucci for your testimony. Greatly appreciated.

**MICHAEL LUCCI:** Thank you.

**SANDERS:** Are there any other proponents on LB644? Any opponents on LB644. Welcome.

**SPIKE EICKHOLT:** Thank you. Good afternoon, Chair Sanders and members of the committee. My name is Spike Eickholt, S-p-i-k-e E-i-c-k-h-o-l-t. I'm appearing on behalf of the Nebraska Criminal Defense Attorneys Association. I'm only going to speak to two sections of the bill. I'm not a consultant from D.C., OK, so I'm not going to talk about drones. I'm not going to talk genetics, I'm not going to talk about registration, I'm not going to talk about anything else. Our association is a members group of about 370 or 400 attorneys who practice criminal defense. And we typically will look at any kind of bill that's introduced that impacts the criminal code. Sections 17 and 18 would provide for an enhanced penalty for a variety of different crimes. And it's our position that this listing is arbitrary, it's unnecessary, and that's the reason we're opposed to the bill. That's the only reason we are opposed to the bill. I explained that to Senator Bostar's office before and requested that perhaps those could be taken out of the bill and they were unwilling to accommodate. So that's why I'm here opposed. Senator John Cavanaugh asked this earlier. But there are a number of crimes that are listed here in Sections 17 and 18 that are eligible for enhancement if they're committed by a person who is acting as an agent of a foreign principle. Many of these crimes are already felonies. The justification, the only-- I didn't hear the introduction and I don't think I heard every proponent, but the only justification for this inclusion of the bill was the previous testifier, Mr. Lucci, that gave an anecdote about another state in which the local authorities opted not to charge some perpetrator with some state law crimes. Not that they couldn't, not that the penalties weren't sufficient. It's just that the local prosecutor's office there decided not to because the person had been indicted federally for some other crime. This bill is

not going to change that. Prosecutors have prosecutorial-- prosecutorial discretion. They cannot be compelled by the Legislature or really anybody to bring crimes. The Legislature creates the crimes, and we already have some significant ones to capture the kind of behavior that you heard testified to earlier from Mr. Lucci. When we first reviewed the bill, my association and I, we didn't quite know what this is to capture, because this bill has something to do with spying and CCP and stuff like that. And it's our position that the listing of crimes are somewhat arbitrary and arguably not even really connected with some of the justifications for this bill. For instance, none of the espionage crimes are listed, none of the, theft crimes, bribing of local officials, those things aren't eligible for enhancement. Instead, you have third degree assault, which is like a typical bar fight type thing, and you have these things that necessarily aren't really being captured, I don't think, by the intent of the bill. I mention that not only to be critical of the drafting of the bill, but also to point out that if you remove these sections of the bill, I don't think it takes anything from the overall purpose of it. In other words, we have crimes. Our prosecutors, I assure you, have no problem in charging crimes. And if it's pointing a gun at somebody, if it's assaulting somebody significantly, those things are prosecuted very aggressively in this state. And you didn't hear from a proponent, the Attorney General, the county attorney's association, or anyone who would be responsible for charging these kind of crimes, argue why these were necessary in order for them to bring crimes against people who do these kind of things. So we would urge the committee to delete those two sections of the bill. And I'll answer any questions if you have any.

**SANDERS:** Thank you very much for your testimony. Are there any questions for Spike Eickholt?

**J. CAVANAUGH:** Me?

**SANDERS:** What-- I'm just asking. Senator Cavanaugh.

**J. CAVANAUGH:** Thank you, Chair. Thank you, Mr. Eickholt, for being here. So I just caught the tail end of your testimony, and I apologize. And you heard Mr. Lucci before you talking about that example out of Massachusetts where they hadn't charged state level offenses. I guess, what, what's going on there?

**SPIKE EICKHOLT:** Well, I don't know. I referenced that when you're out of the room. But one thing I pointed out was that that's just a decision that apparently the local prosecutors at the state level

opted to do. Maybe it was because the person who committed the assault there was indicted for that whatever FARA stands for, whatever the federal law that was indicted that they couldn't get a conviction on.

**J. CAVANAUGH:** Foreign Agents Registration Act?

**SPIKE EICKHOLT:** Right. And I don't know what the penalty carried for that. Maybe it was life imprisonment, or something that made sense why the state would not pursue unrelated criminal charges. But this bill is not an answer to that, because that's something the prosecutor's office there in Massachusetts decided not to pursue under their state law. In other words, you passing a bill, you passing a crime, your increasing a penalty, doesn't compel the local authorities to do anything with it. The concern we have as an association is that when all the sentiments that you've heard here today, all the justifications, all the thoughts in your head, that's not going to make it into Chapter 28 when this bill passes, if it passes with these sections in there. It's just going to be the letter of the text. And the concern we have as practitioners, this is just an arbitrary enhancement for crimes that are already crimes.

**J. CAVANAUGH:** And if the feds charge somebody, that doesn't preclude the state from also charging them.

**SPIKE EICKHOLT:** That's exactly right. They're separate sovereigns, you can charge somebody federally and also pursue related or unrelated state charges.

**J. CAVANAUGH:** And you can charge them even if they get convicted in federal court, or acquitted in federal court.

**SPIKE EICKHOLT:** That's exactly right.

**J. CAVANAUGH:** So. OK, so the offense is still an offense for which somebody could be charged, whether the offense is charged or not.

**SPIKE EICKHOLT:** That's right. I pointed out a couple of things. Senator Bostar's office has listed a number, or his office, or whoever wrote the bill, has listed a number of different crimes, but there are other crimes that could be pursued in this setting. We have conspiracy charge under 28-202, we have accessory to a felony where you can charge somebody with a crime if you aid, or consummate, or assist someone else committing a felony. It sounds like these incidents that this sections of the bill I was trying to target would necessarily involve conspiring with other people in addition to the perpetrator. So I, I assure you there's enough crimes, and you find out from your

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own practice there's enough crimes on the books that somebody pulls a gun and points it at somebody, you can stack mul-- relative felonies very easily without this.

**J. CAVANAUGH:** A number of things come to mind, and I guess I-- in that analogy where somebody pointed a gun at somebody else. In my experience, if you point a gun at somebody, you're getting charged.

**SPIKE EICKHOLT:** Right. Certainly with terroristic threats, and with the mandatory consecutive use of a firearm, which has a hard mandatory minimum of 5 to 50 consecutive to underlying charge.

**J. CAVANAUGH:** Thank you.

**SANDERS:** Any other questions for Mr. Eickholt? Seeing none, thank you for your testimony. Are there any other opponents on LB644? Any in the neutral for LB644? Good afternoon, welcome.

**PHILIP LENCZYCKI:** Hi. My name is Philip Lenczycki. That's spelled P-h-i-l-i-p L-e-n-c-z-y-c-k-i. Thank you for having me here today. I'm a reporter with the Daily Caller News Foundation, and my investigations primarily concern Chinese Communist Party influence and intelligence operations within the United States. Since its founding in 1921, the CCP has been an underground organization operating with indifference towards the rule of law. The party has historically leveraged espionage and irregular warfare to outmaneuver much larger opponents, and it now aims to supplant the US as the world's superpower before the 100th anniversary of the People's Republic of China in 2049. And towards this end, the Chinese government wages a "whole of society people's" war against the West, utilizing both witting and unwitting, cooperative and coopted proxies. Unfortunately, your state is also in China's crosshairs, as evidenced by multiple entities operating in Nebraska under the control of a Chinese intelligence service called the United Front Work Department. According to federal authorities, one such entity that has been discussed here today as overseen by this intelligence agency, is the Chinese Students and Scholars Association, which has a branch at the University of Nebraska-Lincoln. And while the Chinese Students and Scholars Association was purportedly established in order to provide assistance to Chinese academics overseas, its members in the U.S. have also been involved in the suppression of free speech and the harassment, intimidation, and surveillance of Chinese students according to a congressional commission. The United Front Work Department also operates at least seven so-called Overseas Chinese Service Centers in the U.S., including one in Omaha, which is located

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within a nondescript nonprofit called the Nebraska Chinese Association. As with the Chinese Students and Scholars Association, this Overseas Chinese Service Center system also allegedly exists to assist Chinese living outside China, according to the Chinese government. Yet in addition to their United Front ties, there's also evidence indicating all of these cooperate with China's civilian police authority, the Ministry of Public Security. And reports show that at least some branches outside the US likewise moonlights as unsanctioned police stations and courts within their host countries. In 2018, Overseas Chinese Service Center leaders from around the world and including from Omaha, met with Chinese Communist Party United Front and Ministry of Public Security officials in China. During that trip, participants visited a Chinese police department where officers demonstrated how certain centers in this network secretly host satellite police stations and courts overseas. While it's unknown if any of the Overseas Chinese Service Centers in the US now double as unsanctioned police stations or ports, they wouldn't be the first. And that is because we know now that there are at least a dozen other Chinese civic associations in the US that are cooperating with Chinese law enforcement agencies. And half of these, approximately, are also hosting underground courtrooms on American soil. I'll stop there because my time has elapsed, but I'm happy to take your questions.

**SANDERS:** Senator Cavanaugh.

**J. CAVANAUGH:** Thank you, Chair. Thanks for being here, Mr. Lenczycki?

**PHILIP LENCZYCKI:** Yes, sir.

**J. CAVANAUGH:** Is that right? And what is The Daily Caller News Foundation?

**PHILIP LENCZYCKI:** It's a nonprofit news outlet.

**J. CAVANAUGH:** So it is The Daily Caller?

**PHILIP LENCZYCKI:** No, that's our sister agency.

**J. CAVANAUGH:** OK. Why, why are you not in favor of this bill? It sounded like you're in favor.

**PHILIP LENCZYCKI:** I'm a reporter. I'm looking at the facts. The bill is something that's outside of that, I'm just here to report on, tell you about what the lay of the land is.

**J. CAVANAUGH:** So you're here in your capacity as a reporter?

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**PHILIP LENCZYCKI:** I'm here as a capacity as an American citizen and telling you about the situation here in Omaha as we've investigated it.

**J. CAVANAUGH:** And did you give us this article about the situation in Omaha?

**PHILIP LENCZYCKI:** Correct.

**J. CAVANAUGH:** OK. Thanks.

**SANDERS:** Thank you. Any other questions? Senator Guereca.

**GUERECA:** [INAUDIBLE] kind of asked the previous-- Could we get an extent of what the Service Center does in Omaha? Is there a court, underground courtroom?

**PHILIP LENCZYCKI:** So, as I mentioned, we don't have any evidence that there is a court within this Service Center in Omaha. However, leaders from this association went to China to learn about how other centers in this global network are operating such overseas courts and police stations. And we know that individuals who are leaders of this Nebraska Chinese association who have traveled to China to meet with these officials. They have their own relationships with the Chinese government and with the United Front.

**GUERECA:** And that big trip, when did that take place?

**PHILIP LENCZYCKI:** The trip that we're-- that we mentioned in this article was in 2018.

**GUERECA:** Thank you.

**SANDERS:** Thank you. Are there any other questions from the committee? Seeing none, thank you Philip Lenczycki.

**PHILIP LENCZYCKI:** Lenczycki.

**SANDERS:** Thank you very much--

**PHILIP LENCZYCKI:** Thank you so much.

**SANDERS:** --for your testimony. Any other in the neutral? Good afternoon and welcome.

**DAVID HUNTER:** Good afternoon, Madam Chair Sanders and members of the Government, Military and Veterans Affairs Committee. My name is David

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Hunter, D-a-v-i-d H-u-n-t-e-r. I serve as the executive director of the Nebraska Accountability and Disclosure Commission, and I'm appearing on behalf of the commission in a neutral capacity on LB644. A portion of the bill would amend the Nebraska Political Accountability and Disclosure Act in the area of lobbying. The bill would require that a lobbyist who represents a foreign adversary to disclose they are acting as an agent of the foreign adversary on their lobbyist registration form. Additionally, the Nebraska Accountability and Disclosure Commission would create a disclosure form for consultants of the foreign adversary to disclose detailed information about the foreign adversary and their business relationship, and detailed information about the consultant and of any person employed by or acting on behalf of the consultant. A civil penalty of \$100,000 would be assessed for each initial violation of these requirements. Subsequent violations would result in additional penalties of up to \$1 million per violation. Furthermore, the commission would pay a reward of \$50,000 to any person who provided information resulting in the finding of a violation. The Commission believes conducting an investigation into these matters would require the additional services of an outside investigator. Also, the commission has a concern that while it could assess a civil penalty of \$100,000 against the violator, actual collection of the penalty is not always immediate or certain. And if the commission awards \$50,000 to the informant, that becomes an immediate claim against the state whether the commission has collected the civil penalty or not. One or more of these awards could have a serious financial impact on the commission. In light of this concern, the commission would request that the pay out provision to the informant be amended to a lesser amount, such as \$10,000, or be more flexible to allow the Commission to assess any amount up to \$50,000 dependent on collection of the civil penalty. Thank you for the opportunity to testify today.

**SANDERS:** Thank you for your testimony, Mis-- David Hunter. Are there any questions from the committee? Senator Cavanaugh.

**J. CAVANAUGH:** Thank you, Chair. Mr. Hunter, thanks for being here. I saw you were here at the beginning when I asked Senator Bostar about the requirements, or that folks file with the Attorney General and not NADC. Would your office be capable if the bill was amended to have them file with NADC as opposed to the Attorney General?

**DAVID HUNTER:** I don't-- I'm not familiar with that part of the bill that concerns the Attorney General's office, so we would have to look into that some more.

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**J. CAVANAUGH:** OK. So you're just here to testify neutral as it pertains to the part about administering the fine for the civil fee, I guess? Is that what it was?

**DAVID HUNTER:** Yeah, that's mainly-- that'd be our main concern.

**J. CAVANAUGH:** OK.

**DAVID HUNTER:** I mean, as it's written.

**J. CAVANAUGH:** All right. Thanks.

**SANDERS:** Any other questions from the committee? Seeing none, thank you for being here, thank you for your testimony.

**DAVID HUNTER:** Thank you.

**SANDERS:** Are there any other testimony for LB64-- LB644 in the neutral? I see none. We'll invite Senator Bostar back for closing. While you're coming up, the online position comments. Proponents, four; opponents, five; neutral, one. Thank you.

**BOSTAR:** Well, thank you, Chair Sanders, members of the committee, for your time and attention. It's much appreciated. Just thinking about some of the, the testimony, I think that there are a number of things we can do to, I think, hopefully secure the NADC's comfort. I don't think it would be inappropriate to have the collections clear the NADC prior to dispersal of any other funds. That way that, you know, they weren't put in a position where they were sending out funds before receiving other funds. So I think that's, that's, that's perfectly reasonable. And I think there's ways to, to solve that. You know. Mr. Eickholt's testimony led me to believe that perhaps the bill doesn't go far enough, and that there are various other criminal penalties that should be captured within it. So I would encourage the committee to, to look for those opportunities to provide additional enhancements. Because I think, I think he makes a good point that while the bill as written was focused on crimes related to the activities of transnational repression, that we really shouldn't be stopping there, and we should be looking at enhancing crimes related to general espionage and conspiracy and everything else. So, you know, I think I would ask the committee to really examine that as they, as they do their work. This has been a long hearing, so I won't take too much time. But I just want to say that this is-- it can be easy to assume that the federal government is, is taking care of all of this. They are not. They, they can't. Even on the-- you know, you heard about Beijing Genomics is one example. They've sanctioned, they've put

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in place all sorts of restrictions, and yet 20% of all genomic market share in the United States is that company. Because they're not banned, because the federal government has a real difficulty in doing those kinds of things. So it is left to us to take these actions. And also, we-- you know, it was brought up that we're not experts in national security. And that's you know, I think it's the state government level, we, we aren't in general. But I also think that's the point. You know, when a procurement officer in DAS is examining proposals in RFPs and contracts for something coming in, it would be useful for them to know whether or not the person trying to sell them something is representing a foreign adversary. Because they're not experts. Because they don't know how to figure that out for themselves. Because that hasn't been what we've had to do. That's why we need it. Because, because that doesn't come naturally to state government, and we need the help. And I'd be happy to answer any questions.

**SANDERS:** Thank you, Senator Bostar. Are there any questions from the committee? Seeing none, thank you very much--

**BOSTAR:** Thank you very much.

**SANDERS:** -- for your testimony on LB644. We now close the hearing on LB644.

**Unidentified:** A pleasure to experience. We're going to argue next time just to see.

**Speaker 2:** How your last year went through.

**Speaker 1:** The next two.

**Unidentified:** Years of. You stick around a little bit.

**Speaker 2:** That's what.

**SANDERS:** I'm going to ask those that are not testifying on LB193 or LB660 if they could please leave the room. And I also want to check how many are here to testify on LB193. How many are here to testify on LB660? OK, please go ahead. Yeah, we'll go ahead and start with LB193. We're almost at good evening, Senator Andersen.

**ANDERSEN:** I'll be the eternal optimist and I'll stick with good afternoon.

**SANDERS:** Welcome.

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**ANDERSEN:** Thank you, Chairwoman Sanders and the members of the Government, Military and Veterans Affairs Committee. For the record, my name is Senator Bob Andersen, B-o-b A-n-d-e-r-s-e-n, and I represent Legislative District 49, northwest Sarpy County, undoubtedly the best district in Omaha, Nebraska. LB193 is a clean-up bill, increasing the number of legislators assigned to the Committee for a Pacific Conflict from 4 to 5. All four of the legislators, Senator Bostar, Ballard, Holdcroft, and Sanders, currently assigned to the committee are co-sponsoring this bill. I thank you for your time, and I'm happy to answer any questions.

**SANDERS:** Any questions from the committee? Senator Cavanaugh.

**J. CAVANAUGH:** Thank you, Chair. Senator Andersen, thank you for being here. I've just got to ask, where do you get off saying 49's the best district in Omaha?

**ANDERSEN:** Well, when I come up here, I swear to tell the truth, the whole truth, and nothing but the truth, so help me God.

**SANDERS:** Are there any questions for Senator Andersen? Seeing none, thank you for your testimony. You're going to stick around--

**ANDERSEN:** Yes, ma'am.

**SANDERS:** --for the closing? Are there any proponents on LB193? Any opponents on LB193? Any in the neutral? You're going to waive closing. Thank you very much.

**ANDERSEN:** It's not evening yet.

**SANDERS:** OK. That's-- we'll end on LB193, and we'll open on LB660. Oh, and on LB193, Senator Andersen on the online comments, proponents 1, opponents 0, and 0 in the neutral. Now we'll open on LB660. Welcome.

**ANDERSEN:** Thank you, Chairwoman Sanders and my fellow members of the Government, Military and Veterans Affairs Committee. For the record, my name is still Senator Bob Andersen, B-o-b A-n-d-e-r-s-e-n, and I represent the great district of 49 in northwest Sarpy county, part of Omaha, Nebraska. Today I am introducing LB660, the Secure Drone Purchasing Act. I should have handed this out. Sorry. The United States and the great state of Nebraska are facing increasing, increasing threats from several countries. None possess a greater threat to the United States than the People's Republic of China. China, wholly controlled by the Chinese Communist Party, or the CCP, steals intellectual property on a routine basis. One of the primary

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and lucrative ways for the CCP to acquire and steal Nebraska proprietary data is the use of drone technology. The fleet of PRC drones operating over Nebraska and our surrounding states has grown exponentially. Unfortunately, these drones are popular, cheap and sophisticated. Two Chinese companies, DJI, Dà Jiāng Innovations, and Autel, control 90% of the global drone market. Both companies have close connection to China's ruling Communist Party and the People's Liberation Army. These drones have been deemed a significant risk, security risk to the United States by both the FBI and the Federal Cybersecurity and Infrastructure Security Agency, or CISA. The threat comes from the facts that, one, these drones have the capacity of storing data and transmitting data to locations not identified by the drone operator; and two, the Chi-- Chinese law requires both that these companies openly share their data and inform the CCP prior to informing the public of any security vulnerabilities in their software or hardware. As a result, the Chinese government agents have the ability to access these systems and retrieve data without the knowledge of a U.S. user. As the U.S. intelligence community has reported, these vulnerabilities allow the Chinese government to develop a rich, detailed-- richly detailed, regularly updated picture of the nation's pipelines, railways, power generation facilities, and waterways, and allow the Chinese to better target US critical infrastructure. As legislators, we have a duty to protect the interests of Nebraskans by ensuring drone technology and other advanced technologies used by the state and in subdivisions are not sensors for the Chinese Communist Party. LB660 proposes to add-- to address this new threat by authorizing the Division of Aeronautics, part of the Nebraska Department of Transportation, in consultation with the Department of Administrative Services, to develop and maintain a list of secure drones authorized for purchase. The list will include drones identified by the divisions as one, cleared by the Department of Defense; two, compliant with the Defense Authorization Act of 2024; three, are capable of tra-- are capable of transmitting data to-- are not-- are incapable of transmitting data to unauthorized persons or entities; and four, determined by the division to pose no threat to national security of Nebraska, and of proprietary confidential data. You-- I sent out an amendment and the intent is that this amendment would be submitted directly to the floor as opposed to the committee. And this amendment is to enhance the Nebraska security against foreign surveillance threats. I have the amendment in front of you that I plan to bring if you advance this bill out of committee. The amendment renames the bill as the Nebraska Anti Foreign Surveillance Act, otherwise known as NAFSA. This amendment incorporates key provisions from Senator Storer's LB665, and

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expands the scope of LB660 beyond simply drones to intrude-- to include other electronic surveillance and data collection sensors. LB665 seeks to prohibit the continued use of electronic id-- identification tags, or EIDs used in livestock management and tracking. The amendment integrates definitions of prohibitions that protect Nebraska's livestock industry, one of the pillars of our state's economy from foreign interference. By adopting language in 6-- LB665, this amendment formally defines foreign adversary linking to the federal regulations, specifically Title 15 CFR 791.4 that we previously discussed in the previous hearing, thereby reinforcing Nebraska's alignment with national security policies. Additionally, the amendment emphasizes the protection of private property rights in livestock management, and recognizes the threat posed by foreign surveillance technology to the security and sovereignty of the great state of Nebraska. Importantly, it prohibits the use of electronic livestock identification devices manufactured by foreign adversaries, ensuring that no foreign entity can compromise our agricultural infrastructure. In closing, LB660, strengthened by the NAFSA amendment, is a necessary step to protect Nebraska from foreign surveillance. By ensuring that no taxpayer dollars are spent on drones or electronic devices that could compromise our security, we are taking a proactive stance in defending our state's critical infrastructure, economy, and private industries from foreign adversaries. This bill is not just about drones. It's about safeguarding Nebraska's future. With clear guidelines, alignment with federal security policies and protections for both the technology and agricultural sectors, LB660 reinforces our commitment to national security at the state level. I urge the committee to support this legislation by bringing to the rest of the body for consideration to keep Nebraska secure. Thank you for all your time, and I'm here, happy to answer any questions.

**SANDERS:** Thank you, Senator Andersen. Check with the committee, see if there are any questions? Senator Cavanaugh.

**J. CAVANAUGH:** Thank you, Chair. Senator Andersen, thanks for being here. I appreciate the correction in the introduction of this bill from the last bill. That's all I have.

**SANDERS:** There are no other questions, you wish to stay for closing?

**ANDERSEN:** I will stay.

**SANDERS:** Great. Any proponents on LB660?

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**TOM RAWLINGS:** Well, good afternoon again. I remain Tom Rawlings, T-o-m R-a-w-l-i-n-g-s from State Shield. I won't talk about livestock tags because I haven't tagged cows since I was about ten years old. I do want to talk a little bit about why I think this approach, I really appreciate Senator Andersen's approach to the drone issue. I have had conversations and, and working on the drone issue around the states. I had long talks with, and sometimes conflicts with my law enforcement friends in Georgia and Alabama and Louisiana and other places. But what I really like about this bill is it recognizes what we all know, which is that these DJI and Autel drones are cheap, they work, they're necessary right now. And so rather than simply say we're going to ban these things, rather than simply say we're going to not have any more of them in the future, I really love the way that Senator Andersen has done this bill. He says that we're going to put together a collaboration of experts, including law enforcement, as you'll see. And the-- of course, we'll have-- we'll take into consideration what the feds are doing. But I love number (c), which is a line, 8, 10 of the bill on page 3, determined by the division to be designed, maintained, modified, or operated in such a manner that they are incapable, under normal operations-- operating conditions of transmitting data to unauthorized entities. So what the, the federal Cyber Secur-- Cyber Intelligence Security Agency, called CISA, and others have been working on is ways to mitigate the threat of this data being shared. And so I would anticipate that this commission, or this group can come up with not only these are good, safe drones, but also these are drones that if they are operating in a particular manner with certain security protocols, that they will be fine too. And I think that's what we need to encourage American manufacturing, but we also need to recognize that it's going to take some time for American manufacturers to catch up. So I really appreciate this bill. And I really think this is a way to address, not only the drone issue, but also to figure out ways to mitigate other issues such as the electrical grid, the cranes at the ports that are sending information, etcetera. We have to, we have to find this middle ground where we're incentivizing everything being brought back here, reshored here in the U.S., but at the same time, we are recognizing that the market may not be there yet. And these drones serve incredibly important purposes with law enforcement and agriculture and everybody else. Thank you. I'll be happy to answer any questions.

**SANDERS:** Thank you, Mr. Rawlings, for your testimony. Questions from the committee? Senator-- oh my God, my mind has just gone blank.

**WORDEKEMPER:** Wordekemper's fine.

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**SANDERS:** And my database is full.

**WORDEKEMPER:** I, I,, I can appreciate that, Chair. Thank you. In your opinion, if we passed this bill, or if this bill moves forward, as you pointed out, there's things that might be able to be addressed sooner. Do you think there's a conflict with the other bill that we heard earlier, LB644?

**TOM RAWLINGS:** I'm not going to criticize the bill, especially coming from the governor's office. I think the senator, Bostar, has, has done a great job on that bill. I, I do tend to feel that this approach is a little bit more flexible and, and will-- because, again, the issue is not-- the, the issue is whether or not the drone is capable of transmitting this data to China or to any other unauthorized person. If we can find other ways of mitigating that while using the same drone, that's, that, that should be acceptable. We'd have the best of both worlds. I am, like I said, I did not focus in, in my first testimony, I kind of wasn't focused on that part of the bill, I was really focused on the foreign agents part of it. But I do think that Senator Andersen's approach is a, is, is what I consider to be a very practical one.

**WORDEKEMPER:** Thank you.

**SANDERS:** Any other questions for Mr. Rawlings? Seeing none, thank you again for your testimony.

**TOM RAWLINGS:** Thank you. Good to be with you all.

**SANDERS:** Thank you. Any other proponents on LB660? Any opponents on LB660. Welcome back.

**MATT BARRALL:** Thank you. Chairwoman Sanders, members of the committee, again, I'm Matt Barrall, M-a-t-t B-a-r-r-a-l-l. I am the vice president of Nebraska's state Fraternal Order of Police. It is extremely unfortunate that I have to speak in opposition of Senator Andersen's bill. I really like a majority of this bill. This bill has a lot of common sense applications, especially when it comes to a committee that looks at how can we continue to use the drones that we have but prohibit that data from leaving the United States, because that is possible. It is possible right now. We can easily do it. A basic term we use, we call it sandboxing. What it does is it prohibits that data from leaving the drone. Any updates come in, they don't get transmitted. We get them in a hard copy, we plug them into a computer that is not attached to the Internet, and that is how we do it, it

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works. Unfortunately, the portion of the bill, and this is where it came down to why we had to oppose it, is the use of the Blue, the federal Blue List. The federal Blue List is a federal Blue List. The federal Blue List, unfortunately, the drones are either extremely cost prohibitive, we're talking \$200,000 or more. Maybe Omaha could, maybe the State Patrol could, no other agency really could use those. They are no longer made. Unfortunately, there isn't a real good way to remove drones from the Blue List. And the third one is, is they are on there for-- with military technology only. They operate, for example, on a frequency that we cannot use, we are not allowed to use. So having at this point to use drones only on the Blue List, even, for example, the last one, the Skydio X10D. There is a civilian, there's a Skydio X10. That's not on the Blue List. The city of Omaha is going to be using those. They couldn't under this bill because it's not on the Blue List. If we change that, if the senator is, is at all willing to make some amendment, we would be in favor of this bill, because this bill does give us, as Senator Wordekemper pointed out, more latitude than the other bill. And we would absolutely change our being in favor. Unfortunately, with the Blue List, it would eliminate drones for 99.9% of law enforcement as it stands right now in Nebraska. That's all.

**SANDERS:** Any questions for Mr. Rawlings? No, Mr. Barrall. Thank you. Any questions from the committee? Seeing none, thank you for your testimony. Any other opponents on LB660? Any neutral testifiers on LB660? Welcome.

**TRAVIS ROZEBOOM:** Hi, again.

**SANDERS:** Again, yes. Almost good evening.

**TRAVIS ROZEBOOM:** Almost. My name is Travis Rozeboom. It's spelled T-r-a-v-i-s. Rozeboom is R-o-z-e-b-o-o-m. My name's Travis Rozeboom. I've been a full time police officer for 17 years in Nebraska, and I'm currently employed by the city of Papillion Police Department. I'm testifying today on behalf of the Police Chiefs Association of Nebraska, the Nebraska Police Officers Association, and the Nebraska Sheriffs Association regarding LB660 in a neutral position. I mentioned before that I'm heavily involved in the drone space, both state, local, national level. One of the things that I had the pleasure of doing was traveling to the 2025 presidential inauguration. That event and that process actually opened my eyes quite a bit. We hear a lot of times, just said in the news, that the feds aren't allowed to fly the Chinese tech. And I just kind of wanted to clarify. They, they are not allowed to by statute and by some of the federal

prohibitions. But there are two documents out there that are worth looking at with regard to cybersecurity. One is the CISA document that I know a lot of people have mentioned. That document is created by a federal organization that puts together best practices for cybersecurity. In that document, they, they state how you can, under federal law, do best practices, which includes things like air gapping, not letting the, the data go in and out without going through several level, levels of security to include SOC 2 Type 2 cybersecurity compliance. And within that, the Department of Homeland Security actually authorizes an exemption process for the federal partners to utilize CISA best practices to air gap their, their aircraft. I witnessed that in D.C. A lot of the federal agencies were actually flying DJI aircraft. Every aircraft that we flew and were detecting were DJI aircraft flown by several local and federal partners. And then I did just want to mention that there are a lot of concerns with the data that's going in, and one gentleman early-- earlier mentioned the smart technology. Most of the batteries, most of the components are, are coming from China. Really, the only way to secure a lot of this data is to air gap it and to address the cybersecurity side of this. So I would just encourage anyone looking at this to look at those CISA documents, look at what DHS is doing, and perhaps take that into consideration when making any, any decisions on drones for the Nebraska public safety officer-- operators. With that, I'd take any questions.

**SANDERS:** Thank you again, Officer Rozeboom. Are there any questions? Senator Cavanaugh.

**J. CAVANAUGH:** Thank you, Chair. Thanks for being here, Officer Rozeboom. I'm just curious, what-- so the ones you operate, are-- would they qualify into this?

**TRAVIS ROZEBOOM:** Yes, so I always-- I specify with people. In the drone space, you've got your interior drones, which is like tactical interior stuff, and then you've got your exterior drones. But then exterior, if it's an enterprise level drone, it's got a software developer kit on it, which means that a third party company, I'll just name a few, DroneSense out of Austin, Texas, using American servers, or FlytBase, or DroneDeploy, a California company. They can write software to be the command and control side of that aircraft, and they, then, are the ones air gapping it, so you, you have the drone here, and then there's like five layers of security. So any data going in or out, as long as it's being operated by that software, the American software or safe country, that can be operated. Where you run into trouble is if, say, an agency who doesn't have much of a budget

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is flying, say, a consumer grade DJI, Autel, whatever, if that SDK's not available, you can't fly it through the third party software. And then backing up and going to the interior side, the best way to do an interior side, because there is no interior platform that's made with an enterprise level, they're all consumer grade, the best way to do that would be to not ever connect it to the Internet. Any firmware updates to make sure that it still flies would be done off network, vetted by some security or IT protocols.

**J. CAVANAUGH:** Ok. And tho-- So those are how you deal with the actual device. I guess, does this bill ban the use or purchase of specific devices?

**TRAVIS ROZEBOOM:** It does in the sense that it's, it's, it's telling you to buy off of the Blue List. And so the ones on that Blue List have been vetted by the organization that created the list. I believe it's a federal list. Those platforms on there are really geared towards military operators, and they, they have those protocols built in, they've, they've vetted that. All the transmitting components can't, can't be, or are less likely to be, compromised.

**J. CAVANAUGH:** But-- So I guess my question is, you operate drones for the city of Papillion. Are your drones purchased off the Blue List?

**TRAVIS ROZEBOOM:** They are not currently, no.

**J. CAVANAUGH:** OK. And so Mr. Verl [PHONETIC]?

**MATT BARRALL:** Barrall.

**J. CAVANAUGH:** Sorry, Mr. Barrall said that to-- basically for somebody to buy it, it'd be like \$200,000. Is that--

**TRAVIS ROZEBOOM:** Depending on--

**J. CAVANAUGH:**--[INAUDIBLE] comparable what you're operating?

**TRAVIS ROZEBOOM:** I think comparable is a, is a relative term. But to get an aircraft that does similar features and capabilities, it could be all the way down to, say, \$15,000. But you're going to have very limited use versus a public safety drone that we're used to, does X, Y and Z, does, does them all very well. Generally speaking, the cheapest platform I saw on that Blue List that would do the majority of what public safety does for outside is in the range of \$35,000 up to \$100,000, somewhere in that range.

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**J. CAVANAUGH:** OK. And so just so I understand your testimony, so your testimony is more akin to Mr. Barrall's, which is maybe we could accomplish the same thing through process and not by listing.

**TRAVIS ROZEBOOM:** Yeah, I would absolutely agree with that characterization. I've been asked to testify on behalf of the, the PCAN and NSA and POAN in a neutral stance. But I would, I would agree very much from a personal level that a lot of those could be accomplished in the way that he did.

**J. CAVANAUGH:** Just trying to be helpful and figure out where we can go forward.

**TRAVIS ROZEBOOM:** Yeah, I, I think there's a lot of really good things in that language. It would just be a matter of working with the appropriate bill writers and, and amendments to do that.

**J. CAVANAUGH:** OK. Thank you.

**SANDERS:** Any other questions? Seeing none, thank you again for your testimony. Are there any other testimony, LB660 in the neutral. Welcome.

**SETH VOYLES:** Thank you. Thank you. Chair Sanders and members of the committee, my name is Seth Voyles, S-e-t-h, V as in Victor, o-y-l-e-s. I'm a registered lobbyist, and I'm testifying on behalf of the Omaha Public Power District. Thank you for the opportunity. We are testifying in the neutral capacity on LB660. OPPD, a political subdivision of the state, is a publicly owned electric utility engaged in generation, transmission, and distribution of electricity. OPPD serves an estimated population of more than 855,000 in a 13 county, 5,000 square mile service area in southeast Nebraska. OPPD is not in the past and does not currently purchase drones from foreign countries noted on the American Security Drone Act list of covered foreign entities. This includes any and all drones that may come from China. OPPD's, OPPD's fleet currently consists of 22 active aircraft. We have been mindful of the aircraft we have purchased from the beginning, giving physical and cyber security the utmost importance in our evaluation of airframes. Being able to allow purchase-- Being able to only purchase aircraft cleared by the state could potentially slow down or hamper finding the right aircraft solution and caring for our infrastructure. I've talked with Senator Andersen on this. Public power utilities using drones for inspections and other issues are not the problem. Unauthorized drone flights are the risk. OPPD has to comply with NAERCIP standards, that's North American Electric

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Reliability Corporation Critical Infrastructure Protection. This is a set of mandatory cybersecurity standards designed to safeguard North American electric grid by protecting critical infrastructure from cyber threats, essentially ensuring reliability and security of our power generation, transmission, distribution systems within the energy sector. The NAERCCIP standards play a crucial role in safeguarding the reliability and security of the North American power grid. Throughout the discussions the past few years on foreign adversary legislation, public power utilities have been afforded an exemption due to the mandatory NAERCCIP standards. These are in LB1300 and LB1370 from last year, and LB43 and LB644, which you guys just heard earlier today. We ask that you include-- include that same language in the bill, just kind of makes it consistent across the way, since we do have the CIP standards that take care of all the reliability and cybersecurity issues that we have, they are mandatory standards. We're the only, we're the only sector that gets mandatory standards, and if we are not in compliance with them, it could be up to \$1 million a day in fines. We take this stuff very seriously. We use the drones, like I said, to look over our stuff, we go and open the boilers, those kind of things. But just making sure we have that same NAERCCIP out as the other bills would be, would be preferable for us. With that, I'll try to answer any of your questions. Thank you very much.

**SANDERS:** Thank you for your testimony. Check to see if there are any questions. Senator Cavanaugh

**J. CAVANAUGH:** Thank you, Chair. Thanks for being here, Mr. Voyles. So just so I understand, you're saying use that NAERCCIP standard instead of the Blue List? Is that what you're saying?

**SETH VOYLES:** No, we're not going to, we're not going to comment on the Blue List, it's more-- So in LB644, public power utilities have an issue since we do comply with mandatory cybersecurity standards on how information goes in and out. Everything's air gapped, everything's firewalled, all those kind of things. A lot of times we feel that we have, since we have those mandatory standards to make sure stuff cannot get out and go anywhere, just if you have-- if we have an exemption on that from this, the rest of it, we would be OK with it.

**J. CAVANAUGH:** So then it would be an either/or, the Blue List or the standard? Is that what you're saying?

**SETH VOYLES:** Yeah, a lot of times on ours, it's just-- we have a-- it's like with the-- we did the ten miles around the military installations. As long as you're complying with those standards,

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you're good for what the equipment you have on there. And for us, like we said, we have 22 drones right now, 19 of which are USA built, two of which I think are Swiss. I don't know if any of those are on that Blue List though, because I think the Skydio one, or whatever they were talking about, if that's not on the list, that's the majority of ours. But we don't, we don't use these widespread for a lot of things. It's just, you know, checking our lines when there's a tornado, when our lines go down or something-- issue like that, it's easier for us to get one of these things out there and look at that stuff. We have specialized ones that go inside the boiler when we're doing the boiler inspections so that we don't have to send a person in there. I don't know if any of those are on the Blue List, though.

**J. CAVANAUGH:** OK. Thank you.

**SANDERS:** And the other questions from the committee? Seeing none, thank you for your testimony, Mr.--

**SETH VOYLES:** Thank you very much.

**SANDERS:** --Mr. Voyles. Any other testifiers for LB660 in the neutral? Seeing none, Senator Andersen, would you like to come up to close? The online position comments, proponent 1, opponent 2, neutral 2. Welcome back.

**ANDERSEN:** Thank you. Good afternoon again. Chairwoman Sanders, fellow members of the Government, Military and Veterans Affairs Committee. I want to thank the testifiers, and thank them for their time. A couple comments from some of the dialog that's been ongoing. The, the sandboxing, that's one technique of record and hold the, the video. But for law enforcement, that's not going to work for them. So may have some applications if you're doing surveys of, of grazing pastures, that, that may work. There's a number of different interim solutions that we're pursuing right now as well to try and secure the data until we actually get to 2027. The Blue List, I'm not wed to the Blue List. In our research. That's what we came up with was the, the has the greatest preponderance of, of being used, whatever fits best for us. I would submit a collaborative approach between the state troopers, FBI, local police, sheriff, DHS, DOD, and then others. Intent is to come up with the best list of secure drones to use in our state to secure it. The United States, great state of Nebraska facing increasing threats from hostile countries. None poses a greater threat to United States than the People's Republic of China, as we've discussed ad nauseum. China, wholly controlled by the Chinese Communist Party, steals intellectual property on a routine basis. One

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of the primary and lucrative ways the PRC acquires and steals data is through drone technology. The fleet the PRC drones operating over Nebraska and our surrounding states has grown exponentially. The NAFSA amendment expands the scope of LB660 to be more encompassing of various Chinese technologies which need to be prohibited from operating in our great state. In this specific case, it expands the scope to include Chinese components, including electronic I.D. tags used to track and manage livestock. As legislators, we have a duty to protect the interests of Nebraskans by ensuring drone technology and other advanced technologies used by the state as subdivisions are not sensors for the Chinese Communist Party. And with that, and I'm happy to any-- answer any final questions.

**SANDERS:** Any questions from the committee? [INAUDIBLE] Thank you for bringing LB660.

**ANDERSEN:** Thank you, Chairwoman.

**SANDERS:** There are no questions. We'll go ahead and close the hearing on LB660. And that also closes our hearing of the Government, Military and Veterans Affairs Committee for today.