SENATOR BOB DUFF Majority Leader

Twenty-fifth DistrictNorwalk & Darien



State of Connecticut SENATE State Capitol Hartford, Connecticut 06106-1591

> Capitol: 860-240-8600 Home: 203-840-1333 Bob.Duff@cga.ct.gov

www.SenatorDuff.cga.ct.gov

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General Law Committee Legislative Office Building Room 3500 Hartford, CT 06106

Dear Senator Maroney, Representative D'Agostino, and Members of the General Law Committee:

As you may be aware, on Thursday, February 29th, we testified in favor of Senate Bill 3, **An Act Concerning Consumer Protection**. Section 4 of this bill addresses an important issue of national, as well as state and local security, which we want to bring to your attention while we undergo the legislative process. Section 4 prohibits the state, municipalities and state and municipal contractors from purchasing or operating Chinese-made and Russian-made drones.

Over the last three months, the Federal Bureau of Investigation (FBI), the U.S. Department of Homeland Security and the Cybersecurity and Infrastructure Security Agency (CISA) have issued warnings that drones manufactured in China and Russia are sending proprietary information back to China and Russia through backdoors installed in the drones, which grant the manufacturers access to the data the drones collect on critical infrastructure and U.S. agencies' operations.¹ For example, in 2022, DJI was accused of leaking data on Ukrainian military positions collected by their drones to Russia.² Similarly, testimony before the Select Committee on the Strategic Competition Between the United States and the Chinese Communist Party established that the Chinese Communications, energy, transportation, water—for the sole purpose of disabling and destroying our critical infrastructure, and thus deter our ability to marshal military might, in the event of a conflict over Taiwan.³ To address this security issue, in December 2023,

¹Reuters, U.S. Curbs Chinese Drone Maker DJI, Other Firms It Accuses Of Aiding Rights Abuses. Accessed February 28, 2024: <u>https://www.reuters.com/markets/us/us-adds-more-chinese-firms-restricted-entity-list-commerce-2021-12-16/</u>

The Hill, *America Is Only As Secure As Its Least-Secure drone*. Accessed February 28, 2024: https://thehill.com/opinion/national-security/4368093-america-is-only-as-secure-as-its-least-secure-drone/

²Reuters, *China's DJI rejects claims of data leaks to Russia on Ukrainian military positions*. Accessed March 5, 2024: https://www.reuters.com/world/china/chinas-dji-rejects-claim-that-russian-military-uses-its-drones-ukraine-2022-03-28/

³ <u>https://selectcommitteeontheccp.house.gov/sites/evo-</u> <u>subsites/selectcommitteeontheccp.house.gov/files/evo-media-</u> <u>document/1.31.24%20Hearing%20Transcript.pdf</u>

Congress passed the American Security Drone Act, bipartisan legislation that immediately banned all federal agencies from procuring new Chinese-made drones.⁴ This ban, however, has not jeopardized national security in any way. Rather, NBC Nightly News recently ran a story about the use of American-made drones in Gaza to search for hostages held by Hamas.⁵

Even with this federal legislation, last month, the U.S. Department of Homeland Security issued another warning regarding these drones, stating that they "risk exposing sensitive information to PRC authorities, jeopardizing U.S. national security, economic security, and public health and safety."⁶ This risk is supported by the fact that this past January, the U.S. Department of Defense confirmed that DJI, the largest Chinese drone manufacturer, is actually a "Chinese-Military Company" working with the Peoples Liberation Army.⁷ In other words, DJI is a front for the Chinese military. The same company also was accused by the U.S. Department of Commerce in 2020 of supporting human rights abuses against the Uighyr people of Xinjiang.⁸ Despite these security concerns, many Connecticut agencies use DJI drones, unaware that DJI's Products Terms of Use⁹ agreement incorporates by reference DJI's privacy policy, which states that DJI "collect[s] information about you directly from you, from third parties, and automatically through your use of the DJI Products.... When you choose to upload your photos, videos or other content using DJI Products and Services, including text content relating thereto, we may collect and store such content, including EXIF data relating to the photo or video."¹⁰ DJI admits that it "may disclose your information to our parent company, affiliates and subsidiaries," which includes to the People's Republic of China as DJI is a Chinese Military Company.¹¹

As a result of these security concerns, federal warnings and bans, several states, including Arkansas, Florida, Mississippi, and Tennessee have banned or grounded Chinese-made

⁴Congress, *All Information (Except Text) for S.473 - American Security Drone Act of 2023*. Accessed February 28, 2024: <u>https://www.congress.gov/bill/118th-congress/senate-bill/473/all-info</u>

⁵NBC News, An inside look at U.S. drone operations amid search for hostages held by Hamas. Accessed March 1, 2024: <u>https://www.nbcnews.com/nightly-news/video/an-inside-look-at-u-s-drone-operations-amid-search-for-hostages-held-by-hamas-198270533862</u>.

⁶CISA, *Cybersecurity Guidance on Chinese-Manufactured UAS*. Accessed February 28, 2024: <u>https://www.cisa.gov/sites/default/files/2024-01/Cybersecurity%20Guidance%20Chinese-</u> Manufactured%20UAS.pdf

⁷U.S. Department of Defense Release: *DOD Releases List of People's Republic of China (PRC) Military Companies in Accordance With Section 1260H of the National Defense Authorization Act for Fiscal Year 2021*. Accessed February 28, 2024: <u>https://www.defense.gov/News/Releases/Release/Article/3661985/dod-</u> <u>releases-list-of-peoples-republic-of-china-prc-military-companies-in-accord/</u>

Reuters, U.S. Curbs Chinese Drone Maker DJI, Other Firms It Accuses Of Aiding Rights Abuses. Accessed February 28, 2024: <u>https://www.reuters.com/markets/us/us-adds-more-chinese-firms-restricted-entity-list-commerce-2021-12-16/</u>

⁸Washington Post, U.S. Bans Technology Exports To Chinese Semiconductor And Drone Companies, Calling Them Security Threats. Accessed February 28, 2024:

https://www.washingtonpost.com/technology/2020/12/18/china-smic-entity-list-ban/

⁹DJI, DJI UAS Products Terms of Use. Accessed March 5, 2024: <u>https://www.dji.com/terms</u>.

¹⁰DJI, DJI Privacy Policy. Accessed March 5, 2024: <u>https://www.dji.com/policy</u>

¹¹DJI, DJI Privacy Policy. Accessed March 5, 2024: <u>https://www.dji.com/policy</u>

drones.¹² For example, Florida grounded its Chinese-made drones in April 2023. Despite this, Florida's public agencies are still using drones and keeping their citizen's safe. In fact, just last year, one of NBC Nightly News segments showed how one Florida police department used an American-made drone manufactured by Skydio, to monitor a mall to stop smash-and-grab retail theft.¹³

We would like to take a moment to address a few of the concerns we have heard from police officers and firefighters. First, currently owned foreign-made drones will not be immediately grounded by the legislation in its current form. The only immediate ban is on using state funds to purchase new Chinese-made and Russian-made drones. There will be a transition period allowing for departments and agencies to phase out these drones.

Second, we have heard some comments about this security threat being overblown. In response, we would like to point out that the FBI, the U.S. Department of Homeland Security, Congress, President Biden and former President Trump have all stated that these devices do pose significant risks and have implemented policies to ban these drones. Moreover, it is the drone hardware itself that presents the security risk, as the security software updates for Chinese-made drones are controlled by Chinese entities that can introduce unknown data collection and transmission capabilities without the user's awareness.¹⁴ Once these drones and their peripheral devices, such as docking stations, are incorporated into a network, the potential for data collection and transmission of a broader type-for example, sensitive imagery, surveying data, facility layoutsincreases. This new type of data collection can allow foreign adversaries like the People's Republic of China to access previously inaccessible intelligence.¹⁵ Thus, critics of this section of Senate Bill 3 are correct that China likely does not care about the video collected from a drone used to search for a missing child in the woods of Connecticut. The very real security concern is that these drones have allowed China and Russia to access our electronic infrastructure, which if brought to a halt, would devastate our nation's ability to respond to a crisis – such as the invasion of Taiwan.

Third, it is true that Chinese-made drones often cost less than other drones, but China has accomplished this by giving its drone companies tens of billions of dollars in subsidies to "dump" their products on the U.S. market to remove any American-made competition and to collect data to send back to China.¹⁶ Thus, Chinese companies are not only using

¹²The Hill, States push back against Chinese drones. Accessed March 1, 2024:

https://thehill.com/opinion/congress-blog/4034033-states-push-back-against-chinese-drones/. ¹³NBC, *Police using drones to patrol malls during holiday shopping season*. Accessed March 1, 2024: https://www.nbc.com/nbc-nightly-news/video/police-using-drones-to-patrol-malls-during-holidayshopping-season/NBCN427077750.

¹⁴CISA, *Cybersecurity Guidance on Chinese-Manufactured UAS*. Accessed February 28, 2024: <u>https://www.cisa.gov/sites/default/files/2024-01/Cybersecurity%20Guidance%20Chinese-Manufactured%20UAS.pdf</u>

¹⁵CISA, *Cybersecurity Guidance on Chinese-Manufactured UAS*. Accessed February 28, 2024: <u>https://www.cisa.gov/sites/default/files/2024-01/Cybersecurity%20Guidance%20Chinese-</u> Manufactured%20UAS.pdf

¹⁶The Washington Post, *Drone company DJI obscured ties to Chinese state funding, documents show*. Accessed March 1, 2024: <u>https://www.washingtonpost.com/national-security/2022/02/01/china-funding-drones-dji-us-regulators/</u>.

drones to spy on us, but they are making it so there is no other option than to use their drones. The fact that Chinese-drones are the cheapest option does not make them the most efficient or safest option. Moreover, the money used to purchase these drones is funding the Chinese military and at least one company that supports human rights abuses, negating any fiscal benefit of purchasing Chinese-made drones.

Thank you for your time. If you have any questions, please contact our offices at (860) 240-8674.

Sincerely. ntin Zooney

Martin Looney Senate President Pro Tempore

Bob Duff

Majority Leader

Reuters, Consumer drone business stumbles, but commercial markets beckon. Accessed March 1, 2024: https://www.reuters.com/article/idUSL1N1DF0KH/.

FP, Pentagon Seeks to Counter China's Drone Edge. Accessed March 1, 2024: https://foreignpolicy.com/2019/08/27/pentagon-seeks-to-counter-chinas-drone-edge/.