HEARING ON CHINA'S GLOBAL INFLUENCE AND INTERFERENCE ACTIVITIES

HEARING

BEFORE THE

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THURSDAY, MARCH 23, 2023

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U.S.-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION

WASHINGTON: 2023

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HEARING ON CHINA'S GLOBAL INFLUENCE AND INTERFERENCE ACTIVITIES

THURSDAY, MARCH 23, 2023

U.S.-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION

Washington, DC

The Commission met in Room 406 of Dirksen Senate Office Building, Washington, DC and via videoconference at 9:00 a.m., Commissioner Bob Borochoff and Commissioner Michael Wessel (Hearing Co-Chairs) presiding.

OPENING STATEMENT OF COMMISSIONER BOB BOROCHOFF HEARING CO-CHAIR

COMMISSIONER BOROCHOFF: Welcome to the third hearing of the U.S.-China Economic and Security Review Commission's 2023 Annual Report Cycle. Thank to our witnesses for joining us today and for their invaluable testimony.

America is a land of shared ideals that include the belief in freedom of expression, religion and individual pursuits within the confines of the law. The government is accountable to the people, not the other way around.

These freedoms have shaped my life and allowed me over the years to create and own many businesses to build what I feel is a family of employees and to contribute to society.

Over my three years serving on this commission, I have watched the concerning trend of the Chinese Communist Party, CCP, promoting its ultimate authority and silencing all dissent. This is a global and many-faceted influence campaign that we will examine today.

Today's hearing will assess the purpose, tactics and consequences of the Chinese Communist Party's influence activities for the United States and its partners around the world.

Under General Secretary Xi Jinping, China has dramatically expanded its efforts to shape the attitude and actions of people outside of its borders in ways that advance the Chinese Communist Party's objectives.

The main way it does this is through the United Work Front to rally support for the Chinese Communist Party among groups outside of the party while neutralizing sources of potential opposition to its policies and authority.

As you will see from our witness testimonies today, the Leninist approach to foreign policy frequently involves the use of proxies and covert methods to manipulate people, to advance the CCP goals and gather intelligence and exert pressure on the Chinese diaspora.

China has also ramped up its global propaganda activities over the last decade, investing in new media platforms and other efforts to customize and maximize the impact of its preferred narratives on foreign audiences. China's United Front work and propaganda experts -- efforts, I'm sorry -- expand to all corners of the globe.

Today we will devote particular attention to the impact of these activities in Taiwan, countries that are members of The Five Eyes intelligence alliance and developing countries with an eye toward understanding how they and the United States can build resilience against China's improper influence and interference activities.

This hearing will shed light on one of China's key strategies in its strategic competition with the United States.

Our witnesses today have deep and diverse expertise in these issues. And I welcome the fact that six of our ten witnesses have not appeared in the past before the Commission and bring valuable perspectives to these challenges.

We look forward to exploring this topic in detail in the hearing today and to discussing actionable policy and recommendations for Congress. I will now hand it over to my co-chair for the hearing, Commissioner Wessel.

PREPARED STATEMENT OF COMMISSIONER BOB BOROCHOFF
HEARING CO-CHAIR

Hearing on "China's Global Influence and Interference Activities"
March 23, 2023
Opening Statement of Commissioner Bob Borochoff

Welcome to the third hearing of the U.S.-China Economic and Security Review Commission's 2023 Annual Report cycle. Thank you to our witnesses for joining us today and for their invaluable testimony.

America is a land of shared ideals that include the belief in freedom of expression, religion, and individual pursuits, within the confines of the law. The government is accountable to the people, not the other way around. These freedoms have shaped my life, and allowed me over the years to create and own many businesses, to build what I feel is a family of employees, and to contribute to society. Over my three years of serving on this Commission, I have watched the concerning trend of the Chinese Communist Party (CCP) promoting its ultimate authority and silencing all dissent. This is a global and many-faceted influence campaign that we will examine today.

Today's hearing will assess the purpose, tactics, and consequences of the CCP's foreign influence activities for the United States and its partners around the world. Under General Secretary Xi Jinping, China has dramatically expanded its efforts to shape the attitudes and actions of people outside its borders in ways that advance the CCP's objectives. The main way it does so is through "united front work" to rally support for the CCP among groups outside of the party while neutralizing sources of potential opposition to its policies and authority. As you will see from our witnesses' testimonies today, this Leninist approach to foreign policy frequently involves the use of proxies and covert methods to manipulate people to advance CCP goals, gather intelligence, and exert pressure on the Chinese diaspora. China has also ramped up its global propaganda activities over the last decade, investing in new media platforms and other efforts to customize and maximize the impact of its preferred narratives on foreign audiences.

China's united front work and propaganda efforts extend to all corners of the globe. Today, we will devote particular attention to the impact of these activities in Taiwan, countries that are members of the "Five Eyes" intelligence alliance, and developing countries, with an eye toward understanding how they—and the United States—can build resilience against China's improper influence and interference activities.

This hearing will shed light on one of China's key strategies in its strategic competition with the United States. Our witnesses today have deep and diverse expertise on these issues, and I welcome the fact that six of our ten witnesses have not appeared before the Commission and bring valuable perspectives to these challenges. We look forward to exploring this topic in detail in the hearing today and to discussing actionable policy recommendations for Congress.

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OPENING STATEMENT OF COMMISSIONER MICHAEL WESSEL
HEARING CO-CHAIR

COMMISSIONER WESSEL: Thank you, Commissioner Borochoff and I'm pleased to be joining you today in this hearing and want to thank all of our witnesses for joining us here today and for their preparation.

Today seems to be China Day on the Hill so there's a lot of -- a lot going on and a lot that we hope to learn today.

With continuing heightened tensions between the U.S. and China, we can only expect CCP-sponsored influence operations to expand. And these activities demand strict scrutiny.

There's bipartisan support in Congress and broad support among the public for addressing the challenges by the CCP's activities. It's important to recognize, as all of us do, that the problems are fostered by the CCP and not by the Chinese people.

Our focus must remain on the activities of the CCP and the course being laid by General Secretary Xi Jinping. The CCP is not interested simply in managing the debate about its policies. It wants to eliminate any dissent or disagreement. Its toolbox is large and growing and the tools are being used aggressively.

As policy makers address these issues, we must be careful to protect the interest of the Chinese people. The U.S. has a responsibility to protect all Americans which includes the Chinese diaspora community that too often faces harassment, threats and coercion from the CCP.

The CCP has targeted them, their voices and often friends and family. The FBI's recently released hate crime statistics for 2021 identified 746 attacks targeting people of Asian descent across the country, an increase from 249 a year earlier.

This is the highest level in three decades. That's unacceptable. We must not allow our efforts to address the CCP's policies and their impact on our country to inflame our rhetoric.

Today's hearing seeks to address CCP influence activities. We must not confuse influence activities with espionage, although at times they work in tandem. The CCP's espionage activities continue unabated.

The CCP deploys a multitude of influence tactics across sectors to advance its interests and silence voices at odds with the party's state. China uses a variety of professional and industry-led groups to facilitate relationships with business leaders and policies at the federal and sub-national level.

These relationships, Beijing hopes, will allow it to control the national narrative while shaping policy debates worldwide. It seeks to influence media, education, business and other sectors from former government officials to business leaders, from think tanks to educators.

The CCP has identified and seeks to utilize every opportunity to support its narrative. Most supporting their narrative do so unwittingly, but not all. CCP influence efforts often target the U.S. and our democratic allies due to the open nature of our societies and institutions.

What the U.S. and other democracies cannot tolerate are subversive activities that undermine the integrity of our governments, businesses, media and academic institutions.

Understanding the features of China's influence activities within various sectors is necessary for policy making that preserves U.S. values and builds democratic resilience to China's authoritarian overreach.

In addition to today's witnesses, I want to thank the Commission staff for the design of our hearing, the identification of witnesses and their preparation. Their efforts help ensure a balanced and forward-leaning approach on these issues. I'll now turn it back to my co-chair.

PREPARED STATEMENT OF COMMISSIONER MICHAEL WESSEL
HEARING CO-CHAIR

Opening Statement
Commissioner Michael Wessel
March 23, 2023

I want to thank our witnesses for joining us today and for their preparation. With continuing heightened tensions between the U.S. and China we can only expect Chinese Communist Party sponsored influence operations to expand and deepen. And these activities demand strict scrutiny.

There is bipartisan support in Congress and broad support among the public for addressing the challenges posed by the CCP's activities. It is important to recognize, as all of us do, that the problems are fostered by the CCP, and not by the Chinese people. Our focus must remain on the activities of the CCP, and the course being laid by General Secretary Xi Jinping. The CCP is not interested simply in managing the debate about its policies, it wants to eliminate any dissent or disagreement. Its toolbox is large and growing, and the tools are being used aggressively.

As policymakers address these issues, we must be careful to protect the interests of the Chinese people. The U.S. has a responsibility to protect all Americans, which includes the Chinese diaspora community that too often faces harassment, threats, and coercion from the CCP. The CCP has targeted them, their voices and, often, their friends and families. The FBI's recently released hate-crime statistics for 2021 identified 746 attacks targeting people of Asian descent across the country, an increase from 249 a year earlier. This is the highest level in three decades. This is unacceptable. We must not allow our efforts to address the CCP's policies and their impact on our country to inflame our rhetoric.

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CCP influence efforts often target the United States and our democratic allies due to the open nature of our societies and institutions. What the United States and other democracies cannot tolerate are subversive activities that undermine the integrity of our governments, businesses, media, and academic institutions.

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PANEL I INTRODUCTION BY COMMISSIONER BOB BOROCHOFF

COMMISSIONER BOROCHOFF: Thank you very much, Commissioner Wessel. I, too, want to thank the staff for just an incredible job.

Our first panel will assess case studies from other countries and evaluate potential tools U.S. policymakers could employ to enhance the resilience of U.S. society against China's undue influence and interference.

First, we'll hear from Dr. Puma Shen, associate professor at National Taipei's university and the chairman of Doublethink Lab who will address Taiwan's experience and response to China's interference operations.

Dr. Shen is a lawyer by training who writes widely on China's disinformation practices as well as white collar crime.

Next, we will hear from Dr. Andrew Chubb, a senior lecturer in Chinese politics and international relations at Lancaster University who will examine China's influence activities in the Five Eyes countries.

Prior to joining the University of Lancaster, Dr. Chubb held research, scholar and fellowship positions at Columbia University and Princeton University where he conducted research on topics such as Chinese nationalism and maritime disputes.

And finally, we will hear from Ms. Caitlin Dearing Scott, the technical and team lead for countering foreign authoritarian influence at the International Republican Institute's Center for Global Impact who will provide an overview of China's efforts to influence and interfere in the developing world.

At IRI, Ms. Dearing Scott leads global programming to bolster democratic resilience to influence from both China and Russia and has author and co-authored a number of studies on this subject.

I want to thank you all for your testimony. I'd like to remind you each to keep your remarks to 7 minutes. And, Dr. Shen, we'll begin with you.

OPENING STATEMENT OF PUMA SHEN, ASSOCIATE PROFESSOR, NATIONAL TAIPEI UNIVERSITY AND CHAIRMAN, DOUBLETHINK LAB

DR. SHEN: Thanks, good morning Commissioners and member of committee. I'm Puma Shen and associate professor at National Taipei University, also the chairperson of Doublethink Lab here to testify on CCP's interference with Taiwan.

So CCP's primary concern is maintaining stability and legitimacy. While national rejuvenation is often cited as a reason for CCP's desire to invade or interfere with Taiwan, it is merely an excuse to hide these underlying reasons.

The CCP's priority is to maintain legitimacy and ensure that the public believes CCP is the best option for the country. So with economic growth winning under Xi Jinping's leadership, national rejuvenation has become the primary source of legitimacy.

And in this regard, any challenges to this idea are viewed as a threat to CCP's stability and legitimacy. Taiwan, with its thriving democracy and non-adherence to the Chinese system is seen as the challenge to the CCP's idea of national rejuvenation.

As a result, the CCP's negative sentiment towards Taiwan is increasing due to Taiwan's thriving democracy which may lead to increased interference.

To achieve the interference with Taiwan, the CCP employs two approaches: building connections or imposing pressure and leading to different effects. The CCP engages in similar interference tactics with other countries but the effects may vary depending on the country's response and level of dependence on China.

And further, U.S. is experiencing more significant pressure from CCP than Taiwan. The U.S. had still learned from Taiwan's experience by understanding the different mechanisms that CCP uses to influence here.

The CCP's interference tactics in Taiwan involved multiple departments with overlapping and competing roles. These departments create Red Hat documents that provide guidance on how to carry out their tasks related to Taiwan.

Despite the overwhelming number of connections from China to Taiwan, the key point is how the departments overlap with each other as illustrated by my written testimony. There's a graph created by Dr. Lin from Academia Sinica.

The targeted groups here in Taiwan can generally be categorized as the young generation and the grassroots. CCP seeks to influence Taiwan's youth which explains why numerous teachers, students and alumni are contacted.

The grassroots categories includes Taiwan's Farm Association, village chiefs, legislative systems, among others. While they have had some success with Taiwanese businesspeople and local elites, they have not been as successful with gangsters and religious groups.

And in addition to the United Front Work offline network, the CCP uses a range of tactics to interfere with Taiwan's democratic process online.

Chinese have their armies which include member of the People's -- of the PLA and the police, even the Communist Youth League. They're capable of spreading vast amounts of disinformation online during Taiwanese election season.

Although several society groups and media outlets have been focusing on analyzing and exposing Chinese disinformation, the swing voters who are not really affected by the significant events could still be swayed by Chinese disinformation.

Therefore, the outcome of an election could depend on internal debates between KMT and DPP in turn as well as on the success of the CCP's disinformation campaign, both online and offline.

CCP's disinformation's strategies have evolved over time and making it crucial to understand these changes. I use a three-eye framework to illustrate these changes, including information manipulation, investment and ideology driven approaches.

The main takeaway from my study is that the coupling process between the creation of disinformation and the distribution of disinformation in the CCP strategy and that allows for more covert operations and making it harder to discern their influence.

Taiwan has developed a model for countering disinformation. Taiwan fights against disinformation with three distinctive types of approaches: the legislature, the government task force and civil society.

First, the Anti-infiltration Act passed in 2019 is designed to counter CCP's attempts to influence Taiwan's political system. However, the law has limitations and has not been entirely effective in countering disinformation campaigns.

The law's provisions focus mainly on the conduct of political parties and candidates during elections and do not address the online spread of disinformation. The Taiwanese government has established a dedicated task force to coordinate efforts to counter disinformation but they are not strong enough when countering conspiracy theories.

So the last one, the civil society groups in Taiwan, play a critical role in countering disinformation campaigns. These organizations have been able to provide valuable insights into the nature of disinformation campaigns.

Additionally, they have developed tools and platforms that allow citizens to report suspicious contact and engage in the fight against disinformation. Taiwan has also developed media literacy curriculum for schools, as well as courses for the general public. Civil society organizations in Taiwan operate independently from the government, as they need to gain the trust of the public in order to effectively counter disinformation. This is crucial for the long-term success of Taiwan's efforts to counter disinformation campaigns.

So to express my views on this issue, the U.S. Congress should facilitate the exchange of information and methodology with Taiwan to identify proxies and agents. The U.S. and Taiwan should consider establishing center of excellence to analyze and address disinformation campaign. Taiwan's military and civil defense groups should also have opportunities to engage with their U.S. counterparts to learn more their experiences and the best practices. So in conclusion, the CCP's changing strategies for expanding its influence network offline and spreading disinformation online require a multifaceted approach to be combated effectively.

Taiwan's model for countering disinformation provides some valuable insights that can benefit the U.S. and it is imperative for both countries to work together and to combat disinformation campaigns and hold accountable those who seek to undermine democratic institutions. That is my testimony. Thank you so much for listening.

PREPARED STATEMENT OF PUMA SHEN, ASSOCIATE PROFESSOR, NATIONAL TAIPEI UNIVERSITY AND CHAIRMAN, DOUBLETHINK LAB

March 23rd, 2023

Puma Shen

Associate Professor / Chairperson

National Taipei University / Doublethink Lab

Testimony for the U.S.-China Economic and Security Review Commission

Taiwan's Experience and Response to China's Influence and Interference

Good morning/afternoon, chairpeople and members of the commission. I am Puma Shen, an Associate Professor at National Taipei University with a research focus on CCP influence operations (CIOs). Additionally, I have the honor of serving as the Chairperson of Doublethink Lab, where I lead a team of researchers in exploring the complexities of CIOs. I am here today to testify about the critical issue of China's interference with Taiwan, which requires immediate attention.

China's Primary Concern: Maintaining Stability and Legitimacy

National rejuvenation is often cited as a key reason for China's desire to invade or interfere with Taiwan.[1] However, this belief is just an *excuse* that hides the underlying reasons for China's actions. At its core, China's primary concern is maintaining its own stability.

The Chinese Communist Party's (CCP) priority is to maintain legitimacy and ensure that the public believes CCP is the best option for the country. Previously, the CCP used the economy as a means of justifying its rule by promoting the idea that it made people rich.[2] However, China's economic growth is now waning, and the CCP needs to find another source of legitimacy. Under President Xi Jinping's leadership, national rejuvenation has become the primary source of legitimacy,[3] with Neo-Confucianism also being used to justify this policy.[4]

However, because China has chosen national rejuvenation as its new source of legitimacy, it is much more difficult for the CCP to persuade the Chinese public as to why Taiwan still exists. In the past, when the CCP used the economy as an excuse, it was much easier to justify its rule, as China viewed Taiwan as inferior. This made Taiwan relatively safe from the threat of invasion or interference.

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[1] Davidson, Helen. "China's plans to annex Taiwan moving 'much faster' under Xi, says Blinken." *The Guardian,* October 18, 2022. https://www.theguardian.com/world/2022/oct/18/chinas-plans-to-annex-taiwan-moving-much-faster-under-xi-says-blinken.

[2] Ringen, Stein. (2016). *The Perfect Dictatorship: China in the 21st Century*. Hong Kong: HKU Press, 2016.

[3] Embassy of the People's Republic of China in the Kingdom of Norway. "The Taiwan Question and China's Reunification in the New Era." August 10, 2022. http://no.china-embassy.gov.cn/eng/zjsg_2/sgxw/202208/t20220810_10739670.htm.

[4] Shen, Puma. "Governing through Corruption: The Symbolism of the Death Penalty for Chinese Corrupt Officials" [藉貪腐統治：死刑對於中國貪污官員之象徵意義]. *National Taiwan University Law Review*, 16, no. 1 (June 2021): 81-118. http://lawdata.com.tw/tw/doi/?doi=10.53106/181263242021061601004#.

If the public is driven by the concept of national rejuvenation and genuinely believes in it, extreme patriotism among Chinese citizens can arise, making it difficult for the CCP to control.[5] In this context, the existence of Taiwan poses a threat to China's idea of rejuvenation. Taiwan serves as an example of a thriving democracy that does not adhere to the "Chinese system."[6] As a result, Taiwan's very existence is viewed as a challenge to China's legitimacy regardless of what Taiwan does. In essence, Taiwan is a symbol of everything that is opposed to China's idea of national rejuvenation.

To summarize this point, China's primary concern is maintaining its own stability both politically and economically as well as by ensuring the CCP's legitimacy as the ruling party. The concept of national rejuvenation has become a key source of legitimacy for the CCP under President Xi's leadership, and any challenges to this idea are viewed as a threat to China's stability and legitimacy. Taiwan, with its thriving democracy and non-adherence to the "Chinese system," is seen as a challenge to China's idea of national rejuvenation, and as a result, tensions between China and Taiwan are likely to remain fraught.

China's Interference with Taiwan: Departments Involved

In this section, I will explain how CCP interferes with Taiwan, which departments are involved, and who is targeted. CCP's interference in other countries can be classified into three categories: ideological interference, establishing dependence, and rule-making. Ideological interference involves manipulating media and academia to control people's thinking while establishing dependence means making other countries rely on China's economy and technology. Finally, rule-making includes things like diplomatic relations, military exercises, and joint law enforcement. Doublethink Lab has created an index based on these levels, which measures how closely each country is tied to China. More information can be found via the Doublethink Lab-led China Index project (https://china-index.io/).

To achieve the aforementioned interference, CCP employs two main approaches - *building connections* or *imposing pressure* - in countries across the globe, each leading to different effects. By comparing China Index data that measures PRC influence-related connections, pressures, and effects across countries, we can group key states into clusters. Some countries possess strong ties with China while experiencing little pressure and revealing moderate effects (figure 1), while others face significant pressure with low observations of influence effects (figure 3).

[5] Associated Press. "Security tightened at Japanese embassy in Beijing as protests over islands go on." *The Guardian*, September 16, 2012. https://www.theguardian.com/world/2012/sep/16/chinese-protests-japanese-islands-dispute; *Bloomberg*. "China Canceled H&M. Every Other Brand Needs to Understand Why." March 14, 2022. https://www.bloomberg.com/graphics/2022-china-canceled-hm/.

[6] Wu, Jieh-min, Tsai Hung-jeng, and Cheng Tsu-bang. *Anaconda in the Chandelier–Mechanisms of Influence and Resistance in the 'China Factor'*[吊燈裡的巨蟒–中國因素作用力與反作用力]. Taipei: ReveGauche, 2017.

While both Taiwan and the U.S. are facing pressure from the CCP, the China Index reveals that the U.S. is experiencing more significant pressure than Taiwan across a spectrum of influence battlegrounds from the economy to academia. Therefore, the U.S. is obliged to examine its own influence landscape in order to understand how to deal with pressure from China. However, the U.S. can still learn from Taiwan's experience by understanding the different mechanisms that CCP uses to influence Taiwan and how to counteract these tactics. To begin, it is essential to examine the departments in China responsible for global interference strategies.

China's departments that handle interference are not neatly separated from each other; rather, they overlap and compete for influence. To create a broad agenda, China forms multiple working groups every five years to investigate various issues. However, each working group competes with the others to shape the agenda about different topics.

For example, the Taiwan Working Group publishes its strategy for Taiwan every year, but only in a public version lacking many details.[7] The real specifics are contained in the "red-headed documents," which provide guidance for each department on how to carry out its tasks related to Taiwan.[8] These documents contribute to competition and overlap between departments, as they give each department a unique role to play. The departments then compete with each other to execute their respective tasks related to Taiwan.

To illustrate the mentioned overlap, the Chinese Ministry of State Security typically deals with underground criminal activities, but in Taiwan's case, the Taiwan Affairs Office may also deal with this area.[9] The United Front Work Department usually deals with religious groups, political parties, farmers' associations, schools, and other organizations, while the Taiwan Affairs Office is more like a "window" that deals with Taiwanese businessmen, students, religious groups, and underground organizations.[10] Meanwhile, other departments (as well as Chinese think tanks) often contact schools, alumni associations, and other educational organizations. As a result, these departments often have overlapping responsibilities.[11]

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[7] *People.cn*. "2022 Taiwan Working Group Gathering in Beijing – Wang Yang Attends and Delivers Speech" [2022 年對台工作會議在京召開 汪洋出席並講話]. January 26, 2022. http://tw.people.com.cn/BIG5/n1/2022/0126/c14657-32340150.html.

[8] Horsley, Jamie P.. "China's Central Government Seeks to Rein in Regulatory Documents." Brookings Institution, June 28, 2019. https://www.brookings.edu/opinions/chinas-central-government-seeks-to-rein-in-regulatory-documents/.

[9] SETN.com. "Manipulating Taiwan gangsters! Qiao's relationship, obtaining a license, revealing China's mysterious 'Managing Director'" [操縱台灣黑幫！ 喬關係、拿執照 中國神秘「管處長」揭密]. September 29, 2017. https://www.setn.com/news.aspx?newsid=299822.

[10] Kuo. (1996). An Overview of the Chinese Communist Party's Organizational System for Dealing with Taiwan（中共對台工作組織體系概論）. Investigation Bureau, Ministry of Justice.

[11] http://www.moe.edu.cn/jyb_zzjg/moe_350/201506/t20150618_190610.html
Singtao.com. "Li Qiang: China's Economy will "Brave the Wind and the Waves, the Future is in Sight" [李強：中國經濟「長風破浪 未來可期」]. March 14, 2023. http://std.stheadline.com/daily/news-content.php?id=1769654&target=2.

Dr. Lin from Academia Sinica (Taiwan's foremost research institute) has used Chinese official data to create graphs illustrating the social networks between Chinese departments and Taiwanese individuals and associations.[12] Despite the overwhelming number of connections, the key point is how the departments overlap with each other (see appendix).

China's Interference with Taiwan: Targeted Groups

Although China's interference with Taiwan involves various departments that have overlapping responsibilities, the targeted groups can generally be categorized as the "young generation" and the "grassroots" (the so-called 「一代一線:青年一代與基層一線」).[13] China seeks to influence Taiwan's youth, which explains why numerous teachers, students, and alumni are contacted. The grassroots category includes Taiwan's farmers' associations, village chiefs, and legislative assistants, among others.

In terms of the three levels of interference, China's interference methods in Taiwan primarily focus on establishing ideology and building dependence. For instance, they attempt to instill CCP propaganda in Taiwanese students and teachers and try to make Taiwanese businesspeople, gangsters, local officials, religious groups, and politicians dependent on China. While they have had some success with Taiwanese businesspeople and local elites, they have not been as successful with gangsters and religious groups.

Local chiefs (an elected leader who represents a community or neighborhood in Taiwan) in Taiwan are among the most vulnerable to China's interference tactics. They are frequently approached by China and may be introduced to pro-China fringe political parties, connected to the United Front Work Department, and invited on paid trips to China.[14] As a result, local chiefs are at risk of becoming overly dependent on China.

Gangsters and Taiwanese businessmen are also targeted by China due to their potential financial gains. However, the level of their vulnerability varies. Taiwanese businessmen may choose to relocate their entire family to China, making them more vulnerable to China's influence tactics than other groups. In contrast, many gangsters still have families in Taiwan and are reluctant to act against their local network.

It is worth noting that while businessmen have more options for relocating to escape Chinese pressure, it is still possible for China to exert influence over them. Conversely, for gangsters, it is

[12] Lin, Thung-Hong: China's Authoritarian Sharp Power and It's Impacts on Taiwan (NSTC 110-2420-H-001-005, 111-2420-H-001-001).

[13] Yu, Yuan-jie. "'Three Middle and One Youth' to the 'One Generation and One Grassroot' in 30 Years of Cross-Strait Exchanges" [兩岸交流 30 年:「三中一青」到「一代一線」之統戰分析]. *Qingliu Bimonthly*, March 2017. https://www-ws.pthg.gov.tw/Upload/2015pthg/62/relfile/9295/386371/75d01d67-1958-4bc6-93d3-b8f80f082b4d.pdf.

[14] Bi, Hou-de. "Bold Local Chief: Who is Tasting the CCP's Carrots and Sticks?" [大膽里長]. *Taiwan Handout*, January 16, 2020. https://taiwanhandout.org/archives/1078.

difficult to escape from China once they become involved in its activities. This makes them more vulnerable to China's tactics. Ultimately, all three groups are at risk of being co-opted by China's influence tactics, but the level of vulnerability involved depends on the individual circumstances of each case.

Religious groups in Taiwan are highly localized and influential social groups comprised of diverse worshippers. Due to their strong sense of identity, religious groups in Taiwan are generally more resistant to China's attempts at manipulation. The temple system is democratic, with decisions made based on the opinions of all worshippers, including the deities they worship. This makes it difficult for China to exert control over a religious group, as they must convince a diverse set of individuals with varying opinions. In some instances, the temple system may reject China's request, citing the authority of the deity in charge, which is known to be an important factor in the decision-making process.[15] However, smaller temples in Taiwan are more vulnerable to China's influence tactics. They need to survive, and their earnings do not always rely on the worshippers. In such cases, it is much easier for China to buy their loyalty. However, if the temples are not strong enough to survive independently, it means that they are not particularly influential either.

If local chiefs, counselors, and religious groups that work closely with local politicians are all approached by China, this then becomes a red flag for Taiwan's security. Furthermore, if gangsters join a temple and become the majority of the temple's committee, then the entire district would be extremely vulnerable to CCP's interference. It is crucial that Taiwan remains vigilant and aware of China's tactics to protect its democratic institutions from being compromised by China's influence.

It is worth noting that farmers' and fishers' organizations in Taiwan are also targeted by disinformation campaigns, but not in the same way as politicians or grassroots organizations. Instead of infiltrating these organizations, the campaigns seek to influence them by offering economic incentives, such as allowing them to sell products to China.[16] By creating legitimate business relationships, China can exert pressure on these organizations and their members using the threat of economic sanctions to influence Taiwan's domestic politics. This can create the perception among Taiwan's citizens that their government is too radical and that Taiwan should take a more conciliatory approach toward China. While this is not a form of infiltration, it still constitutes a form of legal warfare that may require different strategies to be countered. However, this topic is beyond the scope of this testimony.

[15] Shen, P. (2021). The blend of reality and illusion in temple culture. Mainland Affairs Council. Unpublished confidential document.

[16] Zhang, Zi-shao. "'Much Money is Spent, Words are Plentiful, Bait is Set.' Who will Bite in the CCP's Agricultural United Front Against Taiwan?" [「錢灑得多、話說得滿、餌咬得深」，中共對台農業統戰誰會上鉤？]. *The News Lens*, March 19, 2021. https://www.thenewslens.com/article/148632.

Interference in Taiwan's Democratic Process: Offline and Online

The Chinese Communist Party (CCP) uses a range of both offline and online tactics to interfere with Taiwan's democratic process. While we have already discussed the United Front Work Department's offline activities, it is important to consider the role of the People's Liberation Army (PLA) and the Communist Youth League in online disinformation campaigns.

Chinese cyber armies, which include members of the PLA and Armed Police, are capable of spreading vast amounts of disinformation online. My research has found that online disinformation can have a tremendous impact on Taiwan's democratic process, particularly when it reinforces offline rumors.[17]

For example, during the 2018 election, the largest Facebook group supporting a pro-China candidate was actually administered by a consultant of the Chinese People's Political Consultative Conference (CPPCC).[18] Additionally, the biggest content farm website spreading pro-China and anti-US messages was established by a fringe political party that was approached by China. Facebook ads for this candidate were also partially paid for by a support group in Taiwan that is linked to the United Front Work Department. These groups work together to create a positive image of a candidate, which can be greatly enhanced by the Chinese cyber army's disinformation campaigns. During the 2020 presidential election, this very candidate had twice the Internet presence of the current president.[19]

Furthermore, traditional media outlets play an important role in disseminating disinformation during Taiwan's election season. The Want-Want Group, which received a subsidy from the Chinese government, allegedly directed one of its TV channels to release disinformation targeting specific candidates through its news station. Furthermore, the candidate supported by this TV channel reportedly received coverage in 60-80% of the channel's daily news.[20]

During elections, Chinese disinformation campaigns often target people who are apolitical or have no strong affiliations with political parties, as they are the most vulnerable to believing Chinese propaganda. However, it is important to note that the impact of Chinese disinformation attacks may not be as significant if offline activities decrease. This was seen during the pandemic, when travel restrictions led to a decline in United Front Work Department activities. Additionally,

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[17] Shen, Puma. "How China Initiates Information Operations Against Taiwan. Taiwan Strategists," *Taiwan Strategists* 12 (December 2021): 19-34. https://www.airitilibrary.com/Publication/alDetailedMesh?docid=P20220613001-202112-202206130009-202206130009-19-34.

[18] Shen, Puma. "The Chinese Cognitive Warfare Model: The 2020 Taiwan Election" [中國認知領域作戰模型初探：以 2020 臺灣選舉為例]. *Prospect Quarterly* 22, no. 1 (January 2021): 1-65. https://www.airitilibrary.com/Publication/alDetailedMesh?docid=15601696-202101-202103190013-202103190013-1-65.

[19] *Ibid*.

[20] Gong, Jun-wei. "'Korean Wave' Ignites the TV Viewership Battle: An Anlaysis of Han Guo-yu's News Hours" [「韓流」點燃遙控器戰爭：韓國瑜新聞時數實測分析] . *The Inititium*, April 24, 2019. https://theinitium.com/article/20190424-taiwan-remote-control-war/.

a large amount of disinformation online does not necessarily equate to people being influenced. For instance, even during the 2020 election in which there was a significant amount of information supporting the pro-China candidate, he ultimately lost. The effects of Chinese propaganda can also be neutralized by other social and political events, such as China's aggressive behavior towards Taiwan, protests like those seen in Hong Kong, and reports of Chinese espionage in Australia.

Moreover, civil society groups and media outlets have been focusing on analyzing and exposing Chinese disinformation, raising public awareness about the issue.[21] This has led people to become more skeptical and critical of information coming from China, especially since the term "information warfare" became a buzzword in Taiwan in 2019.

Despite these limitations, swing voters who are not attentive towards significant events could still be swayed by Chinese disinformation. Therefore, the outcome of the election could depend on legitimate political debates between the KMT and DPP in Taiwan as well as on the success of China's disinformation campaigns.

Understanding China's Changing Strategies for Spreading Online Disinformation

The ways China spreads disinformation have changed over time, making it crucial to understand the evolving strategies involved. I use a "3I" framework to illustrate these changes, encompassing Direct Information Manipulation, Indirect Investment, and Ideology-Driven approaches.[22]

Direct Information Manipulation: Information Flow

The first strategy used by China is Direct Information Manipulation. This approach involves three different levels of information manipulation, each varying in scale and intensity. At the high level, the Propaganda Department and other committees set key themes that are often observed through state media or officials' Twitter accounts. Low-level information manipulation occurs through trolls and patriots who spread low-end fake news through social media and bot networks. Finally, the most harmful form of direct manipulation is connected-level information operations, which involve China-controlled content farms spreading biased reports and conspiracy theories through organic channels.[23]

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[21] Kao, Shih-Shiuan. *Taiwan's Response to Disinformation: A Model for Coordination to Counter a Complicated Threat*. NBR Special Report no. 93. Seattle, USA: National Bureau for Asian Research, 2021. https://www.nbr.org/publication/taiwans-response-to-disinformation-a-model-for-coordination-to-counter-a-complicated-threat/.

[22] *See* note 17.

[23] Lee, Min-chen, et al. *Deafening Whispers: China's Information Operation and Taiwan's 2020 Election*. Medium - Doublethink Lab, October 24, 2020. https://medium.com/doublethinklab/deafening-whispers-f9b1d773f6cd

China has been successful in utilizing its infrastructure to disseminate content through the 50-cent party and its cyber police.[24] The Communist Youth League is also involved in inciting disinformation campaigns through cross-posting content farm articles on social media.[25] Additionally, China has established content farm channels on YouTube that utilize AI voice generators to read biased articles with traditional Chinese subtitles.[26] Understanding the relationship between the Propaganda Department, trolls, and YouTube channels is essential for combating these attacks.

Indirect Investment: Money Flow

China's second strategy involves Indirect Investment, which entails providing financial backing to groups that can generate and disseminate disinformation. This approach includes investing in Taiwanese marketing companies, exerting economic pressure on influencers, and enticing live streamers to join the propaganda network via online donations. By separating the creation and distribution processes in this strategy, China can invest more covertly and indirectly, making it more challenging to detect their influence. This allows them to avoid direct confrontations and, instead, manipulate public opinion by spreading false information through trusted channels and influential figures.

Ideology-Driven: Human Flow

The third strategy used by China is an Ideology-Driven approach, which involves establishing an "ideology market" to attract individuals who already have the incentive to criticize the government. In this approach, China manipulates information through volunteers who agree with anti-government messages and further spread disinformation in an organic way. The UFWD often shares videos or photos that can be manipulated within private messenger chat groups, where information is weaponized by citizens who voluntarily disseminate pro-China and anti-democracy messages.[27]

To conclude, China's changing strategies for spreading online disinformation require a multi-faceted approach to be combatted effectively. By understanding the 3I framework of Direct Information Manipulation, Indirect Investment, and Ideology-Driven approaches, individuals can better identify and combat disinformation campaigns around the world.

How Taiwan Fights Back

Taiwan has been able to develop an effective model for countering disinformation that has proven to be resilient and adaptive. This section will explore how Taiwan fights against

[24] *See* note 18.

[25] *Ibid*.

[26] Shen, Puma. *New Variants of COVID-19 Disinformation in Taiwan*. Washington D.C., USA; National Democratic Institute, 2022. https://www.ndi.org/publications/new-variants-covid-19-disinformation-taiwan.

[27] *See* note 17.

disinformation with three different types of approaches: legislature, government task force, and civil society.

The first layer of Taiwan's approach to countering disinformation is legislation. In 2019, Taiwan passed the Anti-Infiltration Act, which is designed to counter China's attempts to influence Taiwan's political system.[28] The law has provisions that prohibit political donations from foreign entities, the use of illegal funds for political purposes, and espionage. However, the law has limitations and has not been entirely effective in countering disinformation campaigns. The law's provisions focus mainly on the conduct of Taiwanese political parties and candidates during elections and do not address the online spread of disinformation. This loophole has allowed CCP to continue to run disinformation campaigns and spread fake news online. The law has also been criticized as being a "punishment" kind of law (as opposed the “transparency” kind), which is not ideal for countering information operations.[29] This is because many information operations are covert, making it difficult for the law to be enforced effectively.

It is worth noting that some politicians in Taiwan have called for the use of the Social Order Maintenance Act to counter disinformation campaigns.[30] However, this approach has been criticized as too vague and overly broad. The Social Order Maintenance Act is a law that was derived from martial law and is primarily focused on maintaining social order and stability. It is not an appropriate tool for countering disinformation, as it could be used to suppress free speech and political dissent.

To address this limitation, some experts have suggested that Taiwan should consider implementing a registration act that would require individuals and organizations engaged in political activities to disclose their sources of funding and other relevant information.[31] This would increase transparency and accountability and could help to deter information operations that are funded by foreign entities.

The second layer of Taiwan's approach to countering disinformation is the government task force. Taiwan's government has established a dedicated task force to coordinate efforts to counter disinformation. The task force includes representatives from a range of different agencies, including the Ministry of Justice, the Central Election Commission, and the National Communications Commission.[32] The task force is responsible for monitoring disinformation campaigns, investigating their sources, and providing recommendations to the government for

[28] *See* note 21.

[29] Shen, Puma. “Disinformation in Taiwan.” In *Impact of Disinformation on Democracy in Asia*. Washington D.C., USA: Brookings Institution, 2022. https://www.brookings.edu/research/impact-of-disinformation-on-democracy-in-asia/.

[30] *See* note 21.

[31] Zhong, Chen-fang. “U.S. Expert: Taiwan should not allow China’s Sharp Power to Invade its Public Debate Space” [美专家：台湾不应允许中国锐实力侵犯其公共辩论空间]. *VOA Chinese*, October 25, 2019. https://www.voachinese.com/a/experts-on-how-taiwan-can-counter-chinas-disinformation-campaign-20191025/5138402.html/.

[32] *See* note 21.

how to counter them. The task force has been effective in debunking fake news but has been less effective in countering conspiracy theories.

The third layer of Taiwan's approach to countering disinformation is civil society. Civil society groups in Taiwan have played a critical role in countering disinformation campaigns. Organizations like Doublethink Lab and the AI Lab have used artificial intelligence to analyze patterns in disinformation campaigns and identify potential sources.[33] These organizations have been able to provide valuable insights about the nature of disinformation campaigns and have helped the government to respond more effectively. Additionally, they have developed tools and platforms that allow citizens to report suspicious content and engage in the fight against disinformation. Organizations like TFC, Mygopen, Kuma Academy, and Cofacts have also worked tenaciously to promote public media literacy and critical thinking skills. These organizations have also developed a media literacy curriculum for primary and secondary schools as well as online courses for the general public.[34] In addition, they have established fact-checking platforms and have used technology to install bots in popular chat apps that can automatically debunk messages containing false information.[35]

It is important to note that civil society organizations in Taiwan operate independently from the government, as they need to gain the trust of the public in order to effectively counter disinformation. If civil society groups were seen as being too closely aligned with the government, they could be viewed as part of the government's propaganda efforts, which would undermine their credibility and effectiveness. Therefore, it is crucial for civil society groups to maintain a certain degree of distance from the government. This is crucial for the long-term success of Taiwan's efforts to counter disinformation campaigns.

Recommendations

1. It is recommended that the U.S. Congress facilitate the exchange of information and methodologies on countering CCP influence and disinformation operations with Taiwan, particularly regarding how to identify proxies and agents. Taiwan has experience countering disinformation campaigns and can provide valuable insights and best practices that could benefit the U.S. In addition, to enhance cooperation and better respond to the Chinese threat, the U.S. and Taiwan should consider establishing a "center of excellence" to analyze and address disinformation campaigns, including the investigation of IP addresses to uncover the source of campaigns. This center would be a collaborative effort involving the U.S. and Taiwan, similar to what the US does in NATO. By pooling resources

[33] For Doublethink Lab reports, *see* https://doublethinklab.medium.com/; For AI Lab reports, *see* https://ailabs.tw/blog/.

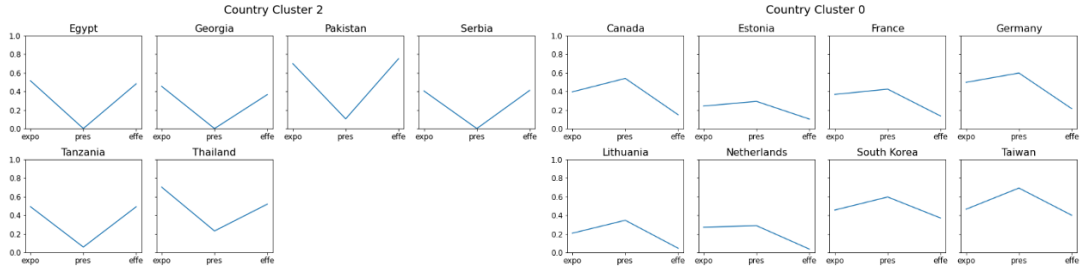
[34] *See* note 21.

[35] Tools include Auntie Meiyu, see http://www.checkcheck.me/, and MyGoPen's LINE messenger fact-checking tool, see https://www.mygopen.com/p/blog-page_28.html.

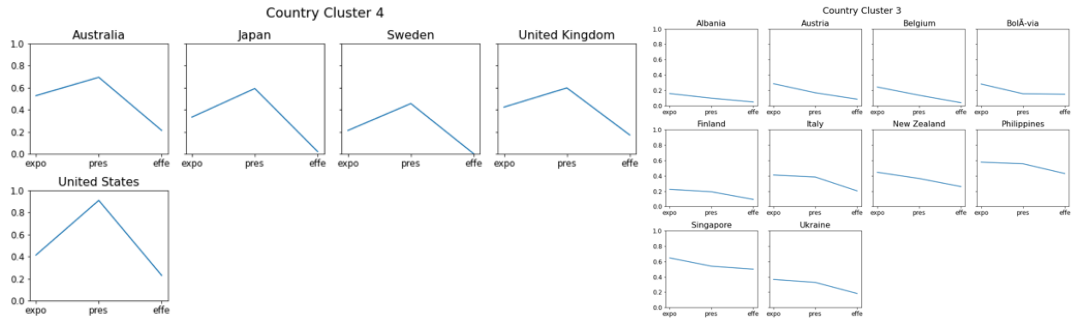
and expertise, the U.S. and Taiwan can better understand the nature of disinformation campaigns and develop effective strategies to counter them. Given the global nature of disinformation campaigns, it is also important for the U.S. and Taiwan to work together to develop international norms and standards to address this challenge.

2. U.S. Executive Branch agencies, including the U.S. State Department, should actively push back against China's propaganda and disinformation campaigns, which often aim to undermine the U.S.-Taiwan relationship by spreading anti-U.S. messages. The U.S. should take a leading role in countering Chinese disinformation campaigns—collaboration with Taiwan is crucial for achieving this goal. By working together, the U.S. and Taiwan can better understand the nature of these campaigns and develop effective strategies to counter them. The U.S. should also support Taiwan's efforts to build resilience against disinformation campaigns and help to promote a more transparent and open media environment in Taiwan. This would not only help to safeguard democratic institutions in Taiwan, but also strengthen the U.S.-Taiwan relationship.
3. Building resilience and preparedness in Taiwanese society is essential for countering China's aggression, and this requires strong military and robust civil defense capabilities. Taiwan's military requires more advanced weaponry, and civil defense groups should have more opportunities to engage with their U.S. counterparts to learn from their experiences and best practices.

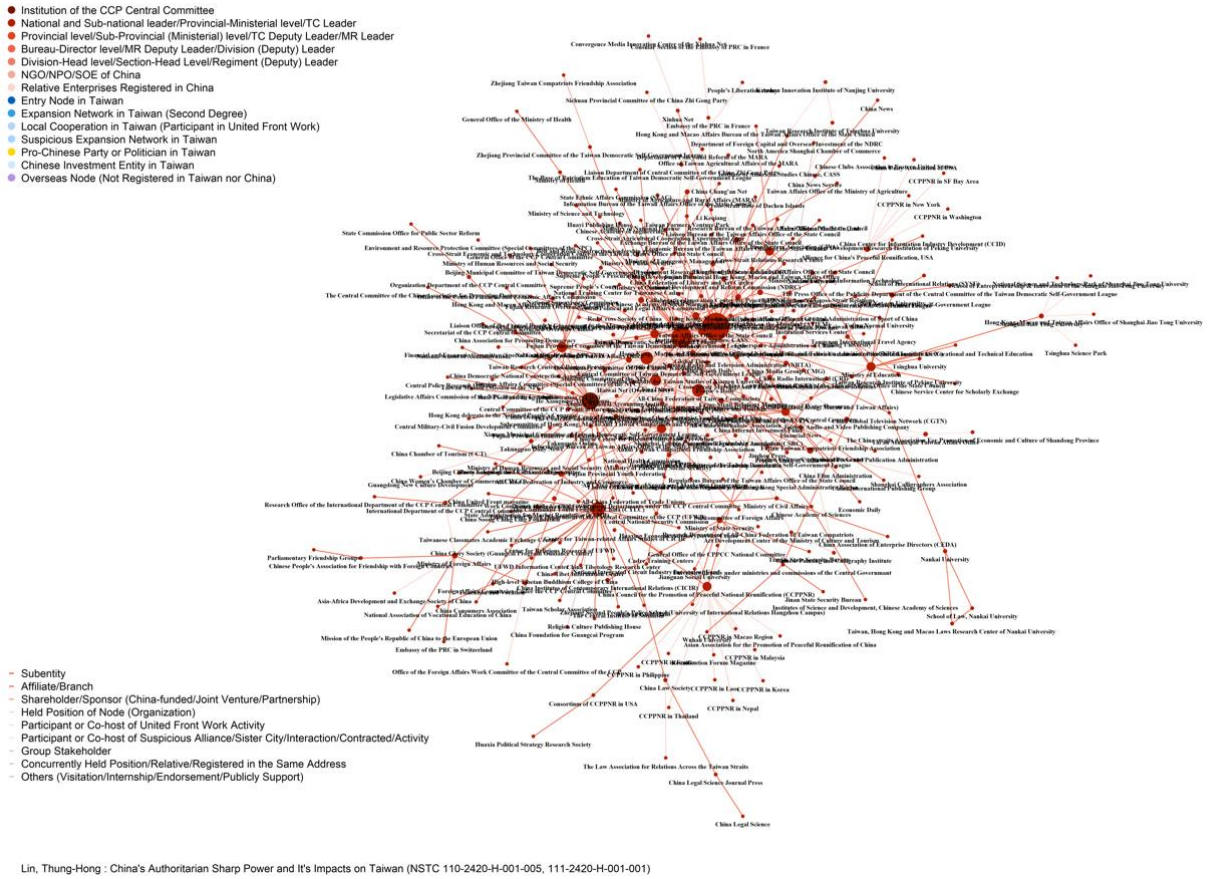
Appendix



Figures 1 & 2

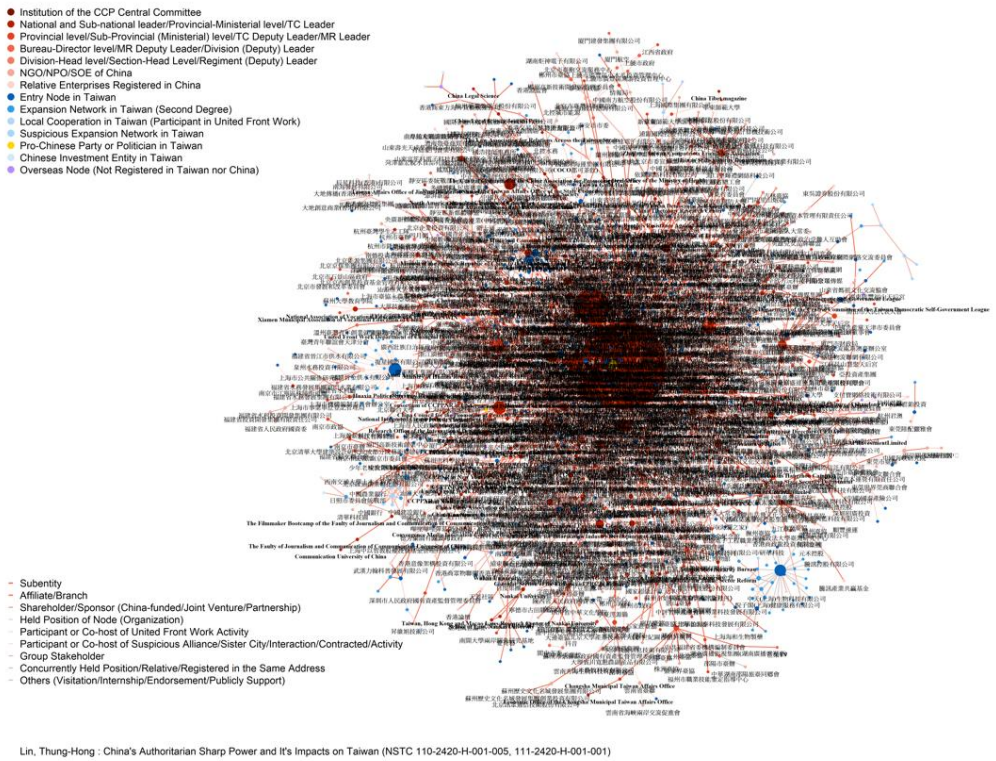


Figures 3 & 4



Lin, Thung-Hong : China's Authoritarian Sharp Power and It's Impacts on Taiwan (NSTC 110-2420-H-001-005, 111-2420-H-001-001)

Chinese Departments and Connections to Taiwanese Actors



The Responsible Departments in China (red) and the entry nodes in Taiwan (blue)

OPENING STATEMENT OF ANDREW CHUBB, SENIOR LECTURER IN CHINESE POLITICS AND INTERNATIONAL RELATIONS, LANCASTER UNIVERSITY

COMMISSIONER BOROCHOFF: Thank you so much, Dr. Shen. Next, we have Dr. Andrew Chubb.

MR. CHUBB: Thank you, Commissioners, very much for the opportunity to testify on what I think is a really important topic, not only for foreign policy concerns but also for the health of liberal democracy worldwide. My research and advocacy in this area is primarily focused on Australia and the UK and so my answers will draw primarily on those examples.

Just to briefly summarize my answers to the Commission's questions, a number of core elements of Beijing's influence and interference attempts are common across the Five Eyes, and many of them have been alluded to already by the Commissioners, cultivating politicians and other elites, lobbying and political donations, monitoring and coercing political dissidents, targeted ethnic groups such as Tibetans and Uyghurs, including via threats to people's families still inside the PRC.

It's a particularly tricky problem shaping the Chinese language information environment, both through censorship of PRC-based social media platforms and also through pressure on local organizations. Mobilizing proxies, supporters to counter anti-PRC protests, and of course, overt, and transparent propaganda and cultural outreach initiatives. Well-known examples like the China Daily or the Confucius Institutes, all of these have been seen across the Five countries.

One possible point of variation if the reporting out of Canada is to be believed, we may have seen more direct attempts at influencing the outcomes of elections in North America. We haven't seen evidence of the PRC favoring one side of politics in the other examples that I'm aware of. In all of the Five Eyes countries, the range of issues is very diverse.

Electoral interference and elite cooptation certainly presents significant risks to national security, but the most demonstrable impact I would argue of Beijing's interference has been on civil liberties and human rights, particularly inside the diaspora communities, freedoms of speech, association, and the right to political information, et cetera.

This stretches all the way back to the 1990s and even before, so there's a contrast, I think, here between the risks to national security, which I think most of the governments in question are very cognizant of, and the demonstrable and existing impacts on the civil liberties, I think, have not been adequately addressed, certainly not in a comprehensive and focused way.

In terms of responses, Australia has certainly mobilized the most rapid legislative response. It's been U.S. law enforcement, however, that's actually been prosecuting perpetrators of interference, and all of the Five Eyes' national security agencies are now talking about interference much more publicly, though not always as transparently as we would like as democratic citizens.

The basic analytic point that I want to underscore is that we need to look at this as a diverse set of risks to different liberal democratic institutions and values and principles rather than an overall national security threat as many officials and commentators have advocated.

Failing to maintain that distinction between national security and rights protection, minimizing the overlap, and developing policy responses on that basis actually goes against basic principles of liberal democracy -- keeping the scope of national security within well-defined limits, for example.

And it's also why I believe none of the Five Eyes countries has adequately tackled the PRC's most demonstrable impacts on domestic politics in a systematic manner. Although it's been widely cited as an example to follow, I think Australia's response also illustrates the drawbacks of a comprehensive national security-framed response.

These included, first, a rush to enact sweeping national security legislation with vague definitions that critics inside Australia, legal experts, have criticized as overreaching and a threat to civil liberties, and which so far have shown very limited effectiveness in countering PRC interference. No convictions, only one prosecution and that's over a United Front-linked businessman's donation to a hospital during COVID.

Second, applying a national security lens to the whole array of issues has tended to stimulate alarmist public discourse about everyday Chinese people as potential spies, disloyal, and in a broad sense, broad-based suspicion has influenced the political elite, like when we saw Chinese Australians being challenged with racially based loyalty tests in the Australian Senate a couple of years back.

And thirdly, serious measures to tackle the rights protection aspects of counter interference have been largely overlooked. In fact, applying a national security lens to the interference against the rights of members of the diaspora actually risks reframing the targets of these interference efforts as potential threat vectors.

As the Australian Security Intelligence organization has noted in several of its reports to Australian Parliament, if you're vulnerable to coercion, you might be coerced into cooperating with a foreign intelligence agency. And that makes sense as a national security angle problem, but it's very narrow, and I don't think it's an appropriate angle for looking at the issue as a whole.

The core recommendations from my submission are to establish a trans-national rights protection office, affiliated with each country's peak national human rights institution. The purpose of this institution would be to provide first of all, easily accessible and low-risk points of contact for people on the receiving end of this type of coercion. Remember, many people feel like they may be under surveillance, and so from that perspective, contacting the national security hotline might actually bring even greater risks to yourself and your family who might be inside the authoritarian regime in question.

Also, research and monitoring and systematic and transparent reporting of the issues, helping targeted individuals and communities to navigate the bureaucracies when they do encounter these types of issues, and they try to seek redress. Advising government agencies in order to prevent extradition and deportation processes from being abused, and also investigating possible future mechanisms by which to penalize trans-national rights violations that occur offshore.

So this proposed office represents a necessary updating of liberal democratic institutions for the 21st Century world of intensified communications and increased authoritarianism. I wanted to put that on the table first of all, and I look forward to the conversation. Thanks again for inviting me.

COMMISSIONER BOROCHOFF: Thank you so much, Dr. Chubb. And now, Ms. Caitlin Dearing Scott.

PREPARED STATEMENT OF ANDREW CHUBB, SENIOR LECTURER IN CHINESE POLITICS AND INTERNATIONAL RELATIONS, LANCASTER UNIVERSITY

Testimony before the US-China Economic and Security Review Commission
Hearing on "China's Global Influence and Interference Activities"
23 March 2023

Experiences and Responses of "Five Eyes" Countries to China's Influence and Interference

Andrew Chubb
Senior Lecturer in Chinese Politics and International Relations, Lancaster University
Fellow, Center for China Analysis, Asia Society Policy Institute

Thank you for the opportunity to participate in this hearing on a topic of importance not only to foreign policymaking but also the health of liberal democracy. My research and advocacy in this area has primarily focused on Australia and the United Kingdom, and my testimony draws primarily on those examples.[1]

Rather than a singular national security challenge, the PRC's attempts to influence and interfere in politics inside other countries are better understood as the sources of a diverse set of risks to liberal democracy. Issues such as electoral interference or elite cooptation present significant risks to national security, but the most demonstrable overseas impact of Beijing's interference has been on civil liberties and human rights, particularly inside diaspora communities. None of the Five Eyes countries has adequately tackled these effects.

Addressing the PRC's influence and interference attempts is an opportunity to fundamentally strengthen democratic institutions. However, it is crucial that policy responses recognize and maintain distinctions between issues of national security and civil liberties, both in order to ensure effectiveness and to avoid further unintended harm to liberal democracy. Although widely cited as an example to follow, Australia's response also illustrates the drawbacks of an aggregated national security approach to diverse issues of influence and interference.

To counter the most impactful PRC overseas political activities in a rights-oriented manner consistent with liberal democratic principles, this submission recommends the establishment of a Transnational Rights Protection Office affiliated with each country's national human rights institution.[2]

1. PRC political activities inside Anglophone democracies

Several core elements of Beijing's efforts to influence and interfere with democratic politics are evident in each of the "Five Eyes," and many other countries beyond. These include:

- Cultivating favorable relationships with politicians and other elites through political donations, lobbying and other forms of outreach;
- Monitoring and coercing perceived political threats, including dissidents and repressed ethnic groups such as Tibetans and Uyghurs, often via threats to families inside the PRC;
- Shaping the Chinese-language information environment abroad, including through pressure on local organizations and via censorship of PRC-based online platforms;
- Mobilizing supporters and/or proxies to vocalize support for Beijing's political positions, counter protests against PRC policies, and ;
- Promoting business ties with Chinese diaspora populations and sub-national governments;

- Distribution of foreign-language propaganda through traditional channels such as the *China Daily* newspaper, and through social media;
- Cultural soft power initiatives, such as Confucius Institutes.

Based on limited publicly available information, one possible variation across the "Five Eyes" countries may be the PRC's more direct attempts to influence election outcomes in North America. In 2018 PRC external propaganda organs purchased advertorials criticizing the Trump administration's tariffs in rural Republican-voting regions. In 2022, leaked intelligence reports from the Canadian Security Intelligence Service (CSIS) reportedly accused PRC diplomatic missions of covertly channeling funds to multiple election candidates in favor of the incumbent Liberal party.[3] By contrast, PRC interference in Australia and the UK has not obviously sought to favor any one side of politics.[4]

1a. Impact of PRC influence and interference

The core set of PRC overseas political activities described above raises three distinct sets of risks to liberal democracies. As detailed in Table 1, some are matters of national security, concerning the basic integrity of the political system and its decision-making processes. But more constitute encroachments on the civil liberties or human rights of individuals and groups within democratic societies. Meanwhile a third set of risks concern academic freedom inside higher educational institutions.[5] Disaggregating the various issues is a necessary first step towards comprehensive policy responses to protect and strengthen liberal democracy against these risks.[6]

Based on the cases of Australia and the UK, the impact of the PRC's influence and interference activities appears to have been greatest on civil liberties and human rights inside democracies. Electoral interference and elite cooptation present genuine national security risks, but publicly available evidence of substantive PRC impact on the foreign and security policies of Five Eyes countries has so far been limited.[7] By contrast, Beijing's interference against dissidents and persecuted ethnic groups has severely impacted on freedoms of speech, political association and social trust in émigré communities, and Beijing's political red lines powerfully shape the content of the Chinese-language news environment abroad.

The PRC today, like many other authoritarian states, has the capacity to surveil, harass and threaten UK residents who advance critical viewpoints or are otherwise seen as threatening to the party-state. Chinese democracy and human rights campaigners have faced surveillance and infiltration for more than three decades, undermining the movement's cohesion and effectiveness.[8] In recent years, exiled Uyghurs have described widespread ongoing intimidation from PRC officials, often via digital platforms, including the threat that relatives in Xinjiang could wind up in the region's mass internment camps. Most concerningly, many members of targeted communities fear that seeking help from local authorities would place family members – or themselves – at even greater risk.[9]

While national security agencies in each of the "Five Eyes" now devote significant attention to national security threats arising from CCP overseas political activities, their rights protection institutions have been largely absent in the development of policy responses.

Risk types	National security		Liberal-democratic rights							Academic freedom			
	Electoral interference	Elite co-optation	Extraterritorial suppression of dissent	Control of diaspora media	Co-optation of community organisations	Direct action		Paid propaganda	Economic pressure on commercial enterprises	Financial dependency	Punitive disclosure	Institutional entanglement	Pressure for self-censorship
						State-sponsored	Spontaneous						
Specific issues													
Causes	Technological change PRC capabilities PRC statements and behaviour Lib-democratic parties' use of censored social media platforms	Influence of money in politics PRC economic rise Deficiencies in regulatory frameworks State of China literacy among elites	CCP repressiveness PRC economic rise Communications technology facilitating remote coercion Lack of appropriate institutions to protect political rights of diaspora communities	PRC propaganda policy Technology-facilitated censorship Changing audience demography Lack of funding for independent diaspora media	CCP United Front strategy and Overseas Chinese work PRC's economic rise Chinese community demography Host-country governments' lack of engagement with diaspora	CCP policy Nationalist beliefs Participants' susceptibility to inducement / coercion	Nationalist beliefs Alienation of participants from host country	CCP external propaganda drive Decline of media revenue Inadequate labelling	CCP economic statecraft PRC's economic rise State of China literacy among executives	Marketisation of higher education Rise of PRC education market State of China literacy among university management	CCP information-gathering practices Absence of prohibition in university codes	CCP censoriousness Funding cuts for language teaching Opaque contractual arrangements	CCP repression Protection of sources and other individuals Lack of institutional support

Disaggregation of risks associated with PRC political activities. Source: Andrew Chubb, *PRC Overseas Political Activities: Risk, Reaction and the Case of Australia* (London: Royal United Services Institute, 2021).

Table 1: Disaggregation of risks associated with PRC political activities.

2. The US experience in comparative perspective

The broad outlines of the US's experience grappling with issues of PRC influence and interference parallel those of the other four countries. Each of the overseas activities discussed above has been extensively documented in the United States, as elsewhere.[10] The goals and methods of the PRC's pursuit of political influence in the US were evident by the late 1990s, but attracted little attention outside overseas Chinese communities, intelligence agencies and sections of the media until 2017-2018. And like in the other four Anglophone democracies, these activities have generated distinct sets of risks to national security, human rights and academic freedom in the US.

A second commonality between the experience of the US and other "Five Eyes" countries is that grappling with these issues has raised a further set of challenges from within. In each country, public debates over these issues have featured alarmist statements not only from media commentators and pundits, but also politicians and public servants.[11] Studies in the US and Australia suggest alarmist public rhetoric has fed into generalized suspicions directed towards members of the Chinese diaspora, and the fanning of vestigial anti-Chinese racist sentiments.[12] Overbroad and prejudiced discourses such as these are detrimental to social cohesion, public policymaking and national security.

3. Political and policy responses

Australia enacted the most rapid legislative response to foreign interference among the "Five Eyes," passing three key pieces of legislation – described by then-Prime Minister Malcolm Turnbull as a response to "disturbing reports of Chinese influence" – before the end of 2018:

- *Electoral Legislation Amendment (Electoral Funding and Disclosure Reform) Act*, passed in December 2018: banning foreign donations to political parties ("EDFR Law");
- *Foreign Influence Transparency Scheme Act*, passed in June 2018: establishing a new public registry for policy advocacy on behalf of foreign principals ("FITS Law");
- *National Security Legislation Amendment (Espionage and Foreign Interference) Act*, also passed in June 2018: expanding the scope of espionage and secrecy offences, and introducing new criminal penalties for covert, deceptive or coercive interventions into political processes ("EFI Law").

The package strengthened prohibitions on covert lobbying on behalf of foreign principals, outlawed various techniques deployed by the CCP to suppress dissent, and created transparency requirements for former senior officials taking on consultancy work for foreign principals.[13] However, as detailed in section 5 below, Australia's legislative response has raised concerns of both overreach and ineffectiveness.

The UK has been slower in its legislative response to interference issues. The *National Security Bill (*hereafter *"NSB"),* introduced in 2021, mirrors the Australian EFI and FITS Laws in several respects. In common with the Australian legislation, the *NSB* introduces a crime of foreign interference and will establish a Foreign Influence Registration Scheme (FIRS), along with new espionage offences, and broadened sabotage and government secrecy offences.[14] Similar to Australia's case, critics including the UK's National Union of Journalists have strongly criticized the lack of a public interest defence to the new crimes, arguing it threatens the ability of the media to hold power to account.[15]

Australia's FITS Law was enacted with sweeping definitions of "on behalf of" and "foreign principal" that hampered the transparency scheme's effectiveness.[16] The UK's FIRS scheme appears to have the opposite problem of an overly narrow scope of registrable activity. Earlier versions of the bill, like Australia's FITS, would have rendered registrable an extremely wide range of foreign interactions with the UK government. The latest version, presented in February 2023, has a much narrower scope of "foreign powers" that appears to exclude even major state-owned enterprises that are rightfully understood as arms of the PRC party-state. The NSB is expected to pass the parliament in 2023.

In response to the leaked CSIS reports alleging of PRC interference in the 2019 and 2021 elections, the Canadian government announced a review of the effects of foreign interference on those elections, along with an intention to introduce a Foreign Influence Transparency Registry to "ensure communities who are often targeted by attempts at foreign interference are protected." A National Counter Foreign Interference Coordinator situated within Public Safety Canada, will coordinate counter-interference actions, replicating a role created in Australia in 2018.[17]

4. Law enforcement and intelligence responses

United States law enforcement has been the most active among the Five Eyes in pursuing perpetrators of PRC interference. The FBI website features a top-level tab on "Civil Rights," and a page on "International Human Rights Violations" that invites information on foreign interference, particularly transnational repression, from émigré communities. The agency has also launched at least 10 criminal cases against alleged perpetrators of transnational repression since 2020, applying pre-existing offenses such as harassment and stalking.[18] Since its enactment in 2018 Australia's EFI Law has not resulted in any convictions, and only one prosecution – a "preparatory" foreign interference case concerning a donation of $37,000 to a hospital during the COVID-19 pandemic.[19]

The FBI's counterparts in Australia and Canada have also set up websites on foreign interference, but do not convey a comparable level of intent to attract engagement from diverse targeted communities.[20] The UK's MI5 and the New Zealand's SIS appear to still lack readily accessible public-facing information resources for such communities. However, in recent years all of the "Five Eyes" intelligence agencies have shown an increasingly forward-leaning tendency in public statements on foreign interference. China has featured regularly in annual threat assessments, and agencies in the UK have stepped forward with public-facing "foreign interference alerts" in lieu of a corresponding criminal offense of foreign interference.[21]

5. Australia's experience

Australia's experience in counter-interference policy highlights several drawbacks of an aggregated counter-interference approach rolling together national security, civil rights and academic freedom issues.

First, the most impactful techniques of PRC interference have clearly been a secondary concern in counter-interference legislation. A key proponent of Australia's approach, Andrew Hastie has stated that "protect[ing] diaspora groups from coercion was "precisely why the

Coalition government passed foreign interference laws in 2018."[22] But the EFI Law passed in 2018 appears to have narrowed the scope of protections against such interference. An offence of interference against "any political right or duty" already existed in Australia in the *Crimes Act 1914*. The 2018 EFI Law replaced this with an offence for coercion (force, violence, intimidation, threats) that interferes with exercise of "Australian democratic or political right or duty," with the Explanatory Memorandum repeatedly stating that the word "Australian" had been added to "limit the operation of this paragraph only to rights that arise because of a person's status as Australian."[23] This would appear to exclude many of the groups most vulnerable to PRC transnational coercion, such as Uyghur refugees in Australia. No one has so far been charged over transnational coercion activities under the EFI Law.

More worryingly, Australia's experience shows how applying a national security lens to issues of transnational coercion can have the effect of recasting the targets of CCP interference as potential threat vectors. This is evident in the Foreign Interference sections of several of ASIO's annual reports to the Australian Parliament which have alluded to national security threats from diaspora members who may have been coerced into acting as agents of foreign intelligence.[24] This national security angle on the issue of transnational coercion may be real enough, but it is a narrow and potentially inflammatory frame for the issue of transnational right violations as a whole.

A further drawback of the national security approach to countering PRC interference has been unnecessary collateral damage to Australia's democratic institutions. Australian experts criticized the rapid drafting and enactment of the laws, with the Law Council noting that sweeping language in the *EFI* and *FITS* laws undermined the rule of law.[25] Legal experts expressed particular concern about the EFI Law's radical expansion of the scope of "national security" to include Australia's "political, military or economic relations with another country," bringing a large but undefined array of new matters within the scope of national security.[26] Human Rights Watch and Amnesty International argued it risked criminalising the revelation of human rights violations or illegal conduct by Australian government agencies.[27]

Finally, the securitized, at times alarmist, public discussion on PRC influence in Australia generated an urgency to rapidly enact legislation, and incentivized the politicization of national security by political parties.[28] Besides the issues with the drafting of the EFI and FITS Laws campaign finance experts identified serious shortcomings in the rapidly enacted *EDFR Law*.[29] The law did not prohibit donations from Australian-based subsidiaries of foreign companies, nor cap donations at a level that would prevent undue influence from being generated.[30] Critics have noted that the Law did not even preclude continued donations by either of the two CCP united front tycoons at the center of the media exposés and security agencies' concerns.[31] Nor did it address the lack of disclosure obligations for donations of up to AU$14,000, the long lag time for reporting of donations above that amount, and a number of other related issues.[32]

6. Policy recommendations

National security aspects of PRC interference have rightly received significant attention in the United States as elsewhere, but the rights protection aspects of CCP interference have been addressed only tangentially. The FBI has led the way in prosecutions for interference against civil rights of US residents, but the agency's handful of transnational repression cases do not constitute an adequate or systematic response to the issues. Congress has the

opportunity to lead the US government, allied governments including the "Five Eyes", and democracies elsewhere, in pioneering focused action to address the rights protection aspects of PRC interference.

The central recommendation of this submission is that each country should establish a Transnational Rights Protection Office tasked with monitoring and analysing transnational rights protection issues, and empowering targeted individuals and communities. The office should be aligned with, or appended to, a national rights protection agency, such as the US Commission on Civil Rights (USCCR). The new office should serve at least five key functions within an overall mandate to investigate and directly mitigate the human rights impact of foreign interference inside the US:

- Providing accessible information, advice and support to individuals facing threats of transnational human rights infringements;
- Collecting data, research and reporting on the prevalence and forms of transnational infringements against US residents' human rights;
- Supporting individuals, communities and vulnerable family members to access legal assistance, humanitarian visas and potential avenues of redress;
- Advising and supplying information to other US government agencies to ensure extradition, deportation and freezing of assets are not used to violate human rights;
- Investigating future legal avenues of remedy against perpetrators of transnational rights violations against US residents.

The proposed office represents a necessary updating of liberal-democratic institutions for a 21st century world marked by intensified global communications and increasing authoritarianism – not simply countering the PRC but rolling back the influence of all authoritarian actors inside democracies by better supporting the targets to exercise their fundamental political rights. It offers a concrete example of how boosting the prospects for democracy internationally amidst the current great power rivalry can and should start with strengthening democracy at home.

The Transnational Rights Protection Office proposal is a central element in a set of mutually reinforcing policy measures that flow from a disaggregated analysis of the national security, civil liberties and academic freedom risks presented by PRC overseas political activities.[33]

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[1] The assessments and recommendations outlined in this submission draw from Andrew Chubb, *PRC Overseas Political Activities*, London: Routledge, 2021. For a short US-oriented summary see Andrew Chubb, "China's Overseas Influence Operations: Disaggregating the Risks," US-China Perception Monitor, September 14, 2021, https://uscnpm.org/2021/09/14/prc-overseas-influence-disaggregating-the-risks/; and for a UK-focused policy report addressing both human rights and academic freedom issues see Andrew Chubb, "Rights Protection: How the UK Should Respond to the PRC's Overseas Influence," Lau China Institute, King's College London, 2022, https://www.kcl.ac.uk/lci/assets/policypaper0222-rights-protection-how-the-uk-should-respond-to-the-prcs-overseas-influence-final.pdf

[2] Within this testimony:

- Overseas political activities, shorthand for actions seeking to influence or interfere, refers to any state-directed or orchestrated actions designed to exert an influence on the political situation within another country.
- Influence refers to actual effects produced by such activities. Note that influence can be manifest in *inaction* – but it crucially must involve the PRC actions generating some effect. Note also that influence might itself be positive, such as the increased diversity of student populations.
- Interference, following the distinction proposed by the Australian government in 2017 interference refers here to any covert, coercive or corrupt and thus unacceptable activities in pursuit of influence.

[3] The claims remain unconfirmed as of the time of writing. https://globalnews.ca/news/9253386/canadian-intelligence-warned-pm-trudeau-that-china-covertly-funded-2019-election-candidates-sources/; https://www.theguardian.com/world/2023/mar/07/canada-china-election-meddling-leaked-intelligence-reports
[4] During Australia's 2022 election campaign, the head of the Australian Security Intelligence Organisation (ASIO) actively refuted the incumbent Liberal government's claims that China was interfering in favor of the Labor opposition, stating that "doesn't go after one particular party or the other." In the UK, security agencies issued a "foreign interference alert" in January 2022 over lawyer Christine Lee's donations and cultivation of ties to all three major political parties.
[5] Academic freedom issues are largely set aside within in this submission due to space constraints. One initiative addressing this aspect of the PRC and other authoritarian actors' impact on academic freedom is the "Model Code of Conduct for the Protection of Academic Freedom in the Context of the Internationalisation of UK Higher Education," launched in June 2022. See https://hrc.sas.ac.uk/networks/academic-freedom-and-internationalisation-working-group/model-code-conduct Full disclosure: the author is a member of the Academic Freedom and Internationalisation Working Group that developed the code.
[6] Author, *PRC Overseas Political Activities*, Chapter II.
[7] Australia and the UK's alliances with Washington have remained a matter of bipartisan consensus, even through the turbulence of the Trump administration. Australian senator Sam Dastyari, who had taken political donations from pro-PRC united front business figures, hastily retracted a remark that the South China Sea was "China's internal affair" as soon it was reported in English, demonstrating the strength of elite consensus against China's position.
[8] Jie Chen, *The Overseas Chinese Democracy Movement* (Cheltenham: Edward Elgar, 2019).
[9] Index on Censorship, 'China's long arm: How Uyghurs are being silenced in Europe', 10 February 2022; Sophia Yan, 'Exclusive: China continues to harass exiles on British soil, claim victims', *Telegraph*, 16 August 2020.
[10] E.g. Chen, *The Overseas Chinese Democracy Movement*, pp. 58-60; Nicholas Eftimiades, 'Foreign Operations', in *Chinese Intelligence Operations* (Createspace Independent Publishing, 1994), Chapter 5, esp. pp. 38-42; James Jiann Hua To, *Qiaowu: Extraterritorial Policies for the Overseas Chinese* (Leiden: Brill, 2014). For a more extensive list of sources and evidence, see Chubb, *PRC Overseas Political Activities*, Chapter II.
[11] E.g. FBI Director Christopher Wray's public statements about a "whole of society threat" from the PRC and Senator Marsha Blackburn's claim that "China has a 5,000 year history of cheating and stealing."
[12] Tobita Chow, "How China Threat Narratives Feed Anti-Asian Racism," Justice is Global, 2021, https://peoplesaction.org/wp-content/uploads/2021/06/JIG_AntiAsianRacismReport_2021_0608.pdf; Natasha Kassam and Jennifer Hsu, "Being Chinese in Australia: Public Opinion in Chinese Communities," Lowy Institute, March 2021, https://interactives.lowyinstitute.org/features/chinese-communities/
[13] Techniques intended to be criminalized under the law include state-directed suppressive counter-protests, threats of harm to family members based overseas, to businesses, and threats of visa denial. 'EFI Law (Aus)', 92.2 and Explanatory Memorandum, pp. 163-166; Australian Government, *Report on the Operation of the Foreign Influence Transparency Scheme, 2018-2019* (Canberra: Attorney-General's Department, 2019), pp. 4-5.
[14] https://www.gov.uk/government/publications/national-security-bill-factsheets/foreign-interference-national-security-bill-factsheet
[15] https://www.nuj.org.uk/resource/government-announces-new-national-security-bill-amendments.html; https://www.nuj.org.uk/resource/coalition-of-journalism-organisations-slam-the-national-security-bill.html
[16] After its launch in December 2018, the scheme prompted registrations from several former officials working for foreign interests, but none from PRC united front affiliated groups or Confucius Institutes. Anthony Galloway, 'Foreign Interference Scheme Targets Just One Potential Agent of Influence', *Sydney Morning Herald*, 28 November 2019. Experts criticised the legislation as overly complex, noting that lawyers were offering clients conflicting advice on whether they needed to register, and the Attorney-General's Department (AGD) struggled to provide clear guidance to the public. Fact sheets explaining the scheme to the public were released in draft form and later required correction, and former Prime Minister Kevin Rudd complained publicly of receiving indeterminate advice from the AGD on the question of which of his own activities he needed to register. See https://twitter.com/MrKRudd/status/1341870469880795137; in 2019, the Attorney-General criticised his own department when it asked another former Prime Minister, Tony Abbott, to register under the scheme after he spoke at a think tank event co-organised with a US conservative group. Max Koslowski, 'Foreign Influence Laws Won't Change After Tony Abbott Targeted, Porter Says', *Sydney Morning Herald*, 5 November 2019.
[17] https://pm.gc.ca/en/news/news-releases/2023/03/06/taking-further-action-foreign-interference-and-strengthening
[18] https://www.fbi.gov/investigate/counterintelligence/transnational-repression

[19] The case's next hearing is due on March 31, 2023. https://www.smh.com.au/politics/federal/federal-police-to-blitz-foreign-interference-in-multicultural-communities-20230224-p5cnd8.html
[20] Australia's Countering Foreign Interference website features a page on "Countering foreign interference in communities," but the page offers no advice or contacts for individuals who have been subject to foreign interference against their civil rights beyond an appeal for tipoffs to the National Security Hotline. For vulnerable diaspora community members who suspect they may be under Beijing's surveillance, contacting the National Security Hotline can appear likely to bring even greater risks to themselves and their families inside the PRC.
[21] https://www.bbc.co.uk/news/uk-60032711
[22] https://www.smh.com.au/politics/federal/this-student-attended-a-protest-at-an-australian-uni-days-later-chinese-officials-visited-his-family-20190807-p52eqb.html
[23] *Explanatory Memorandum*, pp. 92, 163, 169, at https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id:%22legislation/billhome/r6022%22
[24] E.g. ASIO Report to Parliament 2007–08, p. 6.
[25] The Law Council of Australia pointed out that such broad definitions undermine the rule of law, which depends on clarity of rules, especially in relation to serious crimes. *Hansard (Australian Parliament)*, 'National Security Legislation Amendment' pp. 10-11.
[26] EFI Law, 90.4(1)e; Human Rights Law Centre, 'Response to Amendments Proposed by the Attorney-General's Department', 14 March 2018, p. 7, at https://static1.squarespace.com/static/580025f66b8f5b2dabbe4291/t/5aa86b72e2c4839970023836/1520986999078/Human+Rights+Law+Centre+-+Supplementary+Submission+to+the+Inquiry+into+the+National+Security+Legislation+Amendment+%28EFI%29+Bill+2017+-+14+March+2018.pdf
[27] Elaine Pearson, 'Australia's Government Must Guard Against Foreign Interference, But Not By Curbing Our Rights', ABC, 14 June 2018, https://mobile.abc.net.au/news/2018-06-14/australia-government-foreign-interference-espionage-human-rights/9857660; Paul Karp, 'Espionage Bill Could Make Some Protests Criminal Acts, Getup Says', *Guardian*, 26 June 2018, https://www.theguardian.com/australia-news/2018/jun/26/espionage-bill-could-make-some-protests-criminal-acts-getup-says
[28] The 2022 election campaign saw the most egregious examples of politicization of national security, with the then-Prime Minister and Defence Minister claiming without evidence that the PRC was intervening in favor of the Labor opposition (see Note 4). But the Labor Party, too, appeared determined to make domestic political headway against the Morrison government in 2019 over MP Gladys Liu's involvement with pro-PRC community qqgroups. Politicization of foreign interference issues was evident as early as the December 2017 by-election in Bennelong. See author, *PRC Overseas Political Activities*, pp.5-7.
[29] Yee-fui Ng, 'The Foreign Donations Bill Will Soon Be Law - What Will it Do, and Why is it Needed?' *TheConversation*, 27 November 2018, https://theconversation.com/the-foreign-donations-bill-will-soon-be-law-what-will-it-do-and-why-is-it-needed-107095
[30] Paul Karp 'Coalition Bill to Ban Foreign Political Donations Passes Senate', *Guardian*, 15 November 2018, https://www.theguardian.com/australia-news/2018/nov/15/coalition-bill-to-ban-foreign-political-donations-passes-senate
[31] Ng, 'The Foreign Donations Bill'.
[32] Centre for Public Integrity, 'Hidden Money in Politics: What the AEC Disclosures Don't Tell Us', briefing paper, February 2020, publicintegrity.org.au/wp-content/uploads/2020/02/Briefing-paper-Hidden-money-in-politics-2019.pdf; Danielle Wood and Kate Griffiths, 'Who's in the Room? Access and Influence in Australian Politics', Grattan Institute Report No. 12, 2018, p. 45.
[33] For an illustrative set of policy recommendations, see author, *PRC Overseas Political Activities*, Chapter IV.

OPENING STATEMENT OF CAITLIN DEARING SCOTT, TECHNICAL AND TEAM LEAD – COUNTERING FOREIGN AUTHORITARIAN INFLUENCE, CENTER FOR GLOBAL IMPACT AT THE INTERNATIONAL REPUBLICAN INSTITUTE

MS. SCOTT: Ladies and gentlemen of the Commission, it is an honor to be here today. It is likewise an honor to present the findings and recommendations drawn from the International Republican Institute's work with partners around the world to bolster democratic resilience to the corrosive influence of authoritarian actors, including the People's Republic of China.

In our work with civil society, media, and policymakers in countries around the developing world, we learned a great deal about the PRC's goals and actions. There are a few salient points that we think are worth particular attention.

At the strategic level, we believe the PRC's actions in the developing world reflect a broad strategic goal of constructing a world more safe for autocracies like the Chinese Communist party. Ideally, from Beijing's perspective a system like this would have the PRC firmly at its center. This desire to spread Chinese wisdom, to borrow Xi Jinping's phrase, often weakens democratic institutions and strengthens the liberal actors in the process.

We have noted in our work, particular emphasis by the PRC on Latin America, Africa, and the Pacific Islands, where through patient cultivation of influential individuals the PRC hopes to engineer a cohort of elites who will provide support or at least assent for this remade global system.

Conversely, those who refuse to bend to Beijing's will now face a higher risk of being targeted by the CCP and its proxies, including efforts to isolate or discredit, intimidate, or silence them. We have seen this happen to partners of ours.

At a more tactical level, and it may seem like an obvious point, economic ties are the entry point for other forms of PRC political influence. Senior officials in Beijing recognize that economic influence through trade or infrastructure lending translates into influence in many other spheres. Beijing knows that robust trade relationships are a shortcut to creating powerful, sustainable, pro-PRC lobbying blocs because of the influence businesses have on politics and foreign policy.

This reality is particularly prevalent in our work in sub-Saharan Africa and Latin America where our partner countries, even if aware of the pitfalls of economic engagement with the PRC, see few alternatives to economic promises offered by them. Even advanced democracies in Europe are not immune to this economic leverage, whether for access to the Chinese market or the promise of much needed investment.

We've also noted robust attempts by the PRC at pure political influence and interference. Often this is led by the CCP's international liaison department, which runs a global-spanning program of exchange, convenings, and training meant to win friends for the PRC's approach to governance.

With the exception of several advanced democracies such as Taiwan, Australia, and Canada, we do not have evidence of the PRC trying to directly steer elections, preferring instead to identify, empower, and occasionally fund proxies, candidates, and parties that favor cooperation with the PRC and who will not push the envelope on any of the PRC's red lines.

In most places we work, the PRC works across the political spectrum to ensure favorable outcomes regardless of who is in power. The PRC is also increasingly complementing economic influence with efforts to shape the information space.

The PRC has enjoyed particular success through content sharing and training arrangements, all expenses paid scholarships for journalists, investment in local radio and

television stations, and use of political and economic proxies to disseminate PRC narratives in local media outlets.

As the saying goes, money talks, and the PRC is speaking in a loud voice across the developing world. IRI-sponsored research has demonstrated how Brazil, South America's most populous country, typifies many of these trends. Brazil is now China's principal supplier of agricultural commodities.

Trade between the two countries grew from $6.7 billion in 2003 to more than $100 billion in 2018. As this economic relationship has grown, the PRC is focused on cultivating relationships with political and economic leaders, developing a powerful cadre of supporters.

In the last two years, the PRC has increasingly used these allies to exert overt influence in the bilateral relationship and to put economic, political, and diplomatic pressure on Brazil. This has been fostered by a perception of Brazil's economic dependence on the PRC that is perpetuated by PRC and Brazilian lobbies alike.

In the most extreme example, the PRC was able to force the firing of a strongly anti-China foreign minister as a condition for providing Brazil with vaccines during the COVID pandemic, aided by those in the Brazilian establishment who favored a more conciliatory approach.

Despite what may seem like a litany of bad news, it is important to note that the PRC's ambitions and reality are often two very separate things. In our work, we've also seen substantial resilience coming from the very institutions that help constitute a liberal democracy. Institutions like the press, political opposition, civil society, an informed public, independent legal systems, and inclusive political processes.

It is not a coincidence that the elements of democracy that check authoritarian behavior by rulers at home are a bulwark against the worst parts of foreign authoritarian influence. You don't have to have perfect democratic institutions to make this work. Even in countries where institutions are incomplete or patchwork, we've seen journalists, civil society, and principled officials act as important checks on PRC ambitions.

In Ecuador, for example, journalists and civil society are keeping China-related corruption on the front pages, while issues around a China-funded railway were at the heart of the recent presidential election in Kenya. With all this in mind, what actions should the Commission and Congress take?

I'd like to highlight five topline recommendations here. First, Congress should push harder for allies to invest in bolstering democratic resilience in the developing world. Supporting democracies globally in an institutional, well-resourced fashion can't be the job of the United States alone. We need partners like the EEU to pay in and the Five Eyes countries to contribute as well. Second, Congress should greatly expand the number of educational and technical exchanges from the U.S. and the global South. IRI consistently hears from its partners that these exchanges are one of China's biggest soft power wins in the global South. This is an area where the U.S. and other advanced democracies should have an advantage, should we choose to wield it.

Third, the U.S. must continue to invest in its diplomats and in public diplomacy. We know from first-hand experience that the quality of U.S. representation on the ground is crucial to countering China's ambitions.

Fourth, Congress should direct the U.S. trade representative to devise strategies to reduce other countries' economic dependence on China and encourage efforts already underway, such as those currently being conducted Japan and Germany.

Reducing this concentration of trade with China in economically important sectors is a crucial step in avoiding the emergence of pro-PRC lobbying groups such as seen in Brazil.

Finally, the National Endowment for Democracy and the rest of the democracy rights and governance community exists to precisely the institutions that enable resilience. There are many opportunities around the world to invest in resilience that will go missed without Congress' support. I thank the Commission for this opportunity and I look forward to your questions.

PREPARED STATEMENT OF CAITLIN DEARING SCOTT, TECHNICAL AND TEAM LEAD – COUNTERING FOREIGN AUTHORITARIAN INFLUENCE, CENTER FOR GLOBAL IMPACT AT THE INTERNATIONAL REPUBLICAN INSTITUTE

"Coercion, Capture, and Censorship: The People's Republic of China's Influence in the Developing World and the Democratic Response"

Testimony before the U.S. China Economic and Security Review Commission hearing on "China's Global Influence and Interference Activities"

Caitlin Dearing Scott
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March 23, 2023

Introduction

Over the last decade, the People's Republic of China (PRC)/Chinese Communist Party (CCP) party-state has adopted a more aggressive approach to using its tools of influence to protect its expanding global interests and promote an authoritarian model of governance that is more amenable to its geopolitical interests.[1] Building on deepened economic ties, through the Belt and Road Initiative and beyond, China has expanded its influence in countries around the world, in both the political domain and in the information space.

This was particularly apparent in the PRC's efforts to shape narratives around the emergence of the coronavirus pandemic in China and mounting concerns about China's human rights abuses at home. In addition to continuing to leverage opaque economic deals, the PRC has demonstrated a willingness to more readily employ economic coercion and more aggressively manipulate the information space. These tactics are employed with vigor across the developing world.[2] The PRC has expanded its influence in vulnerable countries, weakening democratic institutions while supporting illiberal actors and ideals. Indeed, China's actions over the past several years demonstrate that Beijing views its rising influence in developing countries as central to its competition with the United States and its democratic allies. This competition is seen as nothing less than a battle for the future; the future of international institutions, global discourse (e.g., through votes at the UN General Assembly), spheres of influence, and the norms and technological standards that will determine the course of the next century.

The popularization of authoritarianism in developing countries helps the CCP realize its vision of a revised global order in which a plurality of governance models — democratic and authoritarian — exist. This scenario legitimizes the PRC's bid to establish a CCP-led China as the central node of globalization and global governance in the decades to come, while emphasizing the challenges currently besetting the democratic world in the wake of the 2008-2009 economic crisis, rising popularism and an illiberal backlash in many democracies, as well as the Covid-19 pandemic. China's new assertiveness, while rightly associated with President Xi Jinping's personality and ideological inclinations, coincides with a perceived moment of weakness within liberal democracies, a vulnerability the CCP has sought to seize upon.

The People's Republic of China's Influence in the Developing World: Strategies, Tactics, and Priorities

The CCP's overall objective in its pursuit of influence and interference in the world is its desire to create a world safe for the Party and the PRC's interests, one that is more amenable to alternatives to liberal democracy, and which allows China to return to its self-avowed rightful place at "the center for the world stage."[3] This quest for national rejuvenation has increasingly driven the Party to pressure other countries to, when convenient, abandon or ignore their democratic ideals and the rule of law. CCP General Secretary Xi Jinping has called this "sharing Chinese wisdom" with the rest of the world. The CCP seeks to elevate the PRC to the uppermost level in an imagined hierarchy of states and will use its influence to shape the external environment in its favor. Countries, governments, or individuals that refuse to bend to Beijing's dictates now face a higher risk of being targeted by the CCP and its proxies; this includes efforts to isolate or discredit them, intimidation, and potential uses of legal action to silence them. In the aggregate, these efforts undermine the principles of liberal democracy that buttress the liberal world order.

Through this patient cultivation of influential individuals and groups around the world in the economic, political, and informational domains, the PRC hopes to engineer a cohort of heads of state, ruling parties, local politicians and influential figures in the public and private sector who will support projects like China's Belt and Road Initiative (BRI) and follow Beijing's lead in multilateral institutions such as the UN General Assembly.

While the PRC is active in nearly every part of the world – for example, as many as 147 countries may be part of the BRI[4] – the PRC has deployed its influence tactics more heavily in some countries and regions. The PRC often aligns its economic interests with its political interests in areas where it seeks to increase its influence as part of its geopolitical contest with the prevailing liberal order. As such, Africa, the Pacific Islands, Latin America and the Caribbean (LAC), and China's near abroad in Asia are key areas for the PRC, as each can weaken the regional influence of its main competitors: the U.S. and Europe.[5] A number of countries in the Pacific Islands and LAC, moreover, have official diplomatic ties with the Republic of China (Taiwan), which the PRC regards as a breakaway province that needs to be "reunified" with the "motherland." Beijing often targets governments in those countries, opposition parties ahead of elections, and the business sector in order to increase its leverage with them and, using economic incentives, compel them to switch diplomatic recognition from Taipei to Beijing.

In the Pacific Islands in particular, the PRC has used financial inducements as well as retaliation to compel de-recognition of Taipei with hopes of gaining full sway over this extremely important part of the Pacific where contests between the U.S., Australia, France, and Japan on one side, and the PRC on the other, continue to increase. The CCP regards this area as key to its effort to expel the U.S. from what it regards as its backyard. The PRC's relationship with Solomon Islands over the last five years, for example, is emblematic of a growing shift toward the PRC and away from democratic partners, even when it comes to controversial security decisions or economic deals that do not directly benefit local communities.[6] The 2022 security pact between the PRC and the Solomon Islands demonstrates how the CCP is using the growing relationship between the two countries to increase its foothold in the Pacific region.

In Africa, the PRC uses its long history of engagement as an exhibit of its ability to provide an alternative to the Western-led development model and order. Touting its extraordinary economic rise, the CCP seeks to convince other countries in the developing world that its model – antidemocratic, mercantilist and less encumbered by "Western" ideals of transparency and accountability – can achieve rapid economic rise by mimicking the PRC model. This is often reinforced by a narrative which argues that overemphasis on human rights and democracy are impediments to developmental rights – in other words, the PRC has sought to rewrite, or reinterpret, what human rights mean and has enjoyed much success within the Global South. On the continent, the PRC has developed deep economic and political ties with authoritarian countries such as Ethiopia and Zimbabwe, and has also sought influence with regional powerhouses Kenya, Nigeria, and South Africa with differing degrees of success.

The LAC region is also of great importance to the PRC, given its proximity to its main challenger, the U.S. High levels of influence over countries such as Panama[7] have a direct impact on U.S. security and, over time, could force it to focus more on its immediate security environment than on other parts of the world, such as the Indo-Pacific. As detailed later in this testimony, Brazil is one of the PRC's most important economic allies and the two countries have created a uniquely interdependent relationship that looks set to endure regardless of who is in power in Brazil.

South, Southeast, and Central Asia are also regions of interest (and concern) to the CCP due to their proximity to the PRC and potential for instability. Consequently, the PRC uses its economic leverage there to ensure compliant regimes and, if possible, to undermine their relationships with security challengers such as the U.S. or other allies.

Countries with medium-to-high levels of corruption are more susceptible to PRC influence using BRI or other forms of economic inducements. Where this correlates with poor governance, the PRC has successfully increased its influence, and with that, the associated malign effects have undermined the targeted state's democratic practices.

Economic Influence

Economic ties are the entry point for broader PRC political influence and interference. Senior officials in Beijing recognize that economic influence, through trade, infrastructure investment, lending, and elite capture, underlies and translates into influence in many other spheres. Building other countries' economic interconnectedness with China has, therefore, been a foundational component of the PRC's efforts to cultivate influence – some of it legitimate, in other instances corrosive -- in other societies. Beijing wants robust trade relationships with other countries because it knows this can create powerful pro-PRC constituencies in those countries.[8] In countries around the world, big businesses and businesspeople exert important influence on politics and foreign policy. The PRC also exploits the economic dependence created through trade for political ends, often using a mix of incentivization ("carrots") and retaliation ("sticks") to condition foreign governments. It has used such measures to punish governments that defy it on territorial disputes (e.g., the Philippines), that ignore PRC threats and chose to engage with Taiwan (e.g., Lithuania, Czech Republic), that adopt measures to counter foreign influence (e.g., Australia), or are engaged in disputes with the PRC (e.g., Canada, Taiwan). Beijing has used sectorial trade sanctions against those countries to hurt local economies, often after carefully studying which sectors of the

economy are most vulnerable to sanctions and therefore likeliest to pressure the government to overturn its policies and appease Beijing. At the local level in targeted countries, the PRC has also used trade and tourism to reward municipalities that agree to cooperate with the PRC while bypassing those that refused to do so, including, in some cases, the central government. This practice creates or exacerbates internal divisions, resulting in less unity in efforts to counter PRC influence.

Trade in goods and services remains the most important and enduring conduit for PRC influence over other countries' politics. This mode of influence did not emerge by accident; rather, it is the result of a decision by CCP elites to firmly embed the PRC in economic globalization, drawing strength from the same source that has served the United States and other democracies so well. PRC investment and trade are critical for many developing economies, but Chinese entities' business and negotiating practices frequently produce negative consequences for recipient countries' finances and democracy. The terms of PRC investment deals often reduce broader benefits for local economies, as Chinese lenders often require that projects be awarded to Chinese enterprises with a preference to conceal contractual terms. China is also instrumentalizing the opacity and corruption that define many asymmetric deals between willing governments with lax transparency standards and Chinese banks and state-owned enterprises (SOEs), exacerbating debt burdens and creating dependencies.[9]

Trade and investment are, however, only one of many conduits for the PRC to deploy its growing economic clout in the pursuit of political influence. Almost as important are infrastructure financing and lending to countries across the developing world. Though figures vary given the loose definition of BRI projects, the Green Finance and Development Center at Fudan University has noted that since 2013, through the BRI, the PRC has lent or financed an estimated $962 billion in projects around the world.[10] Research by the International Republican Institute (IRI) and others has shown that this lending, owing to a perception that it is offered, at least at first glance, with no strings attached, is often seized upon by political elites in other countries to reward important political constituencies. The corruption and political cronyism associated with these projects can serve as an important means of binding those elites more tightly to the PRC.[11] Despite a significant slowdown in BRI-related lending as Beijing has pulled back from lending to support foreign infrastructure investment due to economic factors, adjustments to regulations for overseas investments, and foreign scrutiny,[12] developing countries continue to suffer the effects of signing up to poor terms for Chinese infrastructure deals.

This focus on infrastructure investment, though evolving, is one of the areas where CCP malign influence differs between developing and advanced economies and democracies. Logically, the CCP party-state apparatus uses infrastructure investment in developing economies as one of its main points of entry,[13] something that, with few exceptions, does not apply to its efforts to influence developed economies. Whether through BRI or other lending instruments, the CCP offers ostensibly better terms and fewer requirements in terms of transparency, accountability, respect for human rights and environment protection than similar bodies such as the IMF or the World Bank. This has proven appealing to a number of countries in the developing world.[14]

Another key area of PRC economic engagement that differs between developing and advanced economies is in the deployment or exploitation of corruption and elite capture. While advanced

economies are certainly not immune to such practices, in its economic engagement with countries in the developing world, the CCP relies heavily on elite capture and cooptation of officials, persons of influence, politicians (active or retired), and the leverage resulting from corruption or dependence on the PRC market to exert its influence. To facilitate a favorable environment for Chinese enterprises and encourage pro-China foreign policy decisions, the Chinese government has lavished foreign leaders and their coterie with personal "donations" and market access for their privately owned companies.[15] Elite capture has been used to great effect to help Chinese companies like Huawei enter new markets, benefiting few with financial kickbacks while potentially exposing key infrastructure and private data to a company that is ultimately accountable to the CCP's National Intelligence Law.[16] The CCP also exploits existing domestic corruption in the countries where large infrastructure projects are being considered, which can result in enrichment for politicians and businesspeople involved and thus create leverage over them.[17] Such relationships also give the politicians and businesspeople involved an incentive to protect that relationship, which often will give them an advantage over their competitors, whether they be politicians or other businesses.[18] This type of relationship, which exists in both the developed and developing world, also creates proxies that, without necessarily needing to be prompted by the CCP, will help it achieve its objectives because their interests now align with China's , rather than the public interest. [19]

Political Influence

In addition to utilizing economic influence to achieve political ends, the PRC also cultivates ties with political parties and policymakers at the national and subnational level across the political spectrum to influence political and economic outcomes favorable to China. The PRC wants politicians to have significant incentives to go along with Beijing, regardless of who wins each election. It deploys political influence principally through party-to-party ties and United Front Work.

Over the last several years, China has devoted greater energy to promoting authoritarian solutions to the mounting challenges facing developing democracies, building on decades of support to political parties around the world. The International Liaison Department (ILD) of the CCP has taken the lead in these efforts, organizing workshops and party-to-party trainings to impart its expertise on issues ranging from poverty alleviation to economic recovery strategies amid the global downturn.[20] Whereas once these party-to-party exchanges sought to build the legitimacy of the CCP, they are now focused on advertising the value of the PRC's system of governance more generally. The CCP has increasingly integrated elements of its own authoritarian model into such trainings, including topics such as party management, party loyalty, and communication.[21]

With a few exceptions, predominately in advanced democracies such as Taiwan,[22] Australia,[23] and Canada,[24] China has rarely sought to utilize such party ties to shape the outcome of elections. Instead, it tries to empower, and occasionally fund via proxies, candidates and parties that favor "cooperation" and trade with the PRC, and who will not try to push the envelope on Beijing's "core" issues like human rights, Taiwan, Tibet, or Xinjiang. PRC interference in other countries' politics tends to occur behind the scenes and is often shrouded in ambiguity and plausible deniability. The PRC's strategy relies on long-term cultivation – and sometimes co-optation and capture – of officials (e.g., through the promise of lucrative positions on the board of Chinese firms

after retirement, or access to the Chinese market for retired officials) and the patient engineering of the targeted environment that can be as useful between elections as during them. This occurs both in the developed and developing world.

United Front work is increasingly a key element of the CCP's expanded political influence campaigns, particularly in countries with sizable diaspora populations. The breadth and degree of coordination between the central government and United Front organizations abroad permits the CCP to reduce the space for independent and pluralistic voices in Chinese diaspora communities and to insert itself to speak on behalf of those communities. Though it receives guidance from the upper echelons of the CCP, the global United Front apparatus is a constellation of organizations and individuals which serve as "fronts" for political influence.[25] From think tanks to religious organizations to civic groups to chambers of commerce and media outlets, these bodies, many of which are not officially part of the United Front Work Department (UFWD), seek influence with government and academic institutions in support of the CCP's narrative and interests. There is little difference between how United Front entities operate in the developed and the developing world; in both, "front" organizations are opportunistic and exploit the environment in which they are located.

Discourse Power and Influence in the Information Space

The PRC is increasingly complementing its economic leverage with efforts to shape the information space to protect its strategic interests in individual countries and advance its preferred narratives globally. PRC tactics in the information space include efforts to shape the media environment, digital influence operations, and investments in telecommunications infrastructure.[26]

The CCP has expanded its tactics to shape the media environment. It relies on content-sharing arrangements that allow for official propaganda to be printed in local media as authoritative news on China, all-expenses-paid training tours for journalists, investment in local radio and television stations to cultivate a global media network of pro-China voices, and use of political and economic proxies to disseminate PRC narratives in local media outlets. These tactics are more pronounced in developing democracies and economies, where the PRC takes advantage of media organizations who are all too willing to accept PRC investment or to ensure continued access to advertising revenue. Media conglomerates owned by entrepreneurs whose economic success is highly reliant on access to the PRC market have also become conduits for CCP disinformation and censorship.

The CCP has capitalized on control over the Chinese-language news space in developing countries and the growing reach of PRC state media with nearly exclusive control of news on China routed to prominent newspapers, government agencies, and community networks. This is most pronounced in developing economies, where Chinese-government-linked enterprises have established dominant control over telecommunications infrastructure such as certain broadcast networks, effectively becoming information gatekeepers by providing preferential broadcasting access to state media and friendly news sources while obstructing Western portals and critical voices.[27]

These efforts are compounded as Chinese government representatives in countries take more proactive, "wolf warrior" postures in their local engagement, taking to social media and, in some

cases, threatening local media in retaliation against negative coverage of China. China's expanding digital influence operations, including on global social media, are a growing factor in enabling the CCP to shape perceptions of China and its policies in individual countries. The CCP has expanded its drive to shape the narrative on sensitive topics for China, utilizing propaganda and disinformation to manipulate information regarding its handling of COVID-19, repression in Hong Kong, claims over Taiwan and the South China Sea, and detention of more than one million Uyghurs and other Muslims in Xinjiang. On platforms like Facebook and Twitter, the PRC has used bots, zombie accounts, sock puppets, and human accounts to amplify pro-CCP rhetoric, attack supposedly "anti-China" politicians and parties, and distort the online information environment. It, or its proxies, have also created content farms which, while ostensibly legitimate news organizations, are in actuality involved in the generation and spread of disinformation.

The PRC has also sought to influence global digital norms. As detailed in a report from IRI and the Alliance for Security Democracy, China uses the governance layer of its "digital stack" to export its "repression and influence abroad by shaping global technology governance to be more hospitable to its authoritarian digital model."[28] Authoritarian leaders from Nigeria to Myanmar have been willing partners in these efforts, seeking inspiration from China's model of digital repression and censorship. PRC promotion of technology provided by its state-owned and affiliated entities, and associated support through training for public security personnel on surveillance, has furthered these efforts.[29] Beyond its efforts at the national level, the PRC has also sought to "reshape internet governance to encourage other countries to heed their example concerning cyberspace and internet sovereignty," through bodies such as the United Nations' International Telecommunication Union (ITU).[30] Collectively, these efforts have served to facilitate the dissemination of pro-China narratives and policies on a global scale.

The State of Democratic Resilience

Despite increased PRC influence across the political, economic, and information domains there are nevertheless continued, and growing, signs of democratic resilience. This is due in part to increased understanding of the challenge the PRC poses to democracy globally and increased efforts to bolster democratic unity and resilience in response. Many countries across the developing world are nevertheless ill-equipped to inoculate their countries from the impact of PRC influence. This is in large part due to the state of their democratic institutions. The roots of resilience to the malign aspects of PRC's influence on democracy are remarkably consistent across the range of countries studied by IRI. They are a vibrant free media, robust political opposition, an informed public, a modern and independent legal system, and inclusive political processes. It is not a coincidence that the elements of democracy that check authoritarian behavior by rulers at home are a bulwark against the worst parts of foreign authoritarian influence. Given the state of democracy in many countries in the developing world, the degree of resilience varies widely across contexts.

The first impediment is a lack of awareness within government and the public. Poor capacity at the state level and in civil society are hurdles to better understanding the potential pitfalls of engagement with the PRC, and to implementing appropriate responses to mitigate and counter the nefarious areas of CCP influence. Governments that already have a poor track record of adherence to democratic principles, or those where CCP co-optation is already prevalent, will act to prevent

awareness of and countermeasures about the extent of capture by the PRC because the *status quo* works to their advantage. Though much progress has been made in generating a greater understanding of the unique threat the PRC poses in any given country, thanks in part to a burgeoning community of media, civil society activists, and researchers dedicated to exposing such influence, in many countries in the developing world, there is still a lack of understanding and concern about PRC influence. For example, an IRI nationally representative survey and interviews with experts in Argentina, the Dominican Republic, Panama, and El Salvador on public opinion and perception of CCP influence throughout the region found that citizens in the four surveyed countries are largely unaware of CCP investment and influence.[31]

In backsliding countries, the journalists and academics who could play an important role in identifying and tracking malign authoritarian influence, as well as the CSOs that could pressure a government to adopt remedial measures to address this challenge, are in weak positions and highly vulnerable to retaliatory action (threats, layoffs, censorship) by the state, co-opted entities, or the PRC itself. This can often result in self-censorship and risk avoidance, as the repercussions of being targeted by the state, proxies, or CCP-linked entities can have a life-transforming impact on a critic's or reporter's life and livelihood and that of his/her family. Countries lacking a tradition of civil society and strong independent media as a line of defense against state/external abuse, or those where civil society and media are under increasing pressure from authoritarian governments, are at a disadvantage when it comes to their ability to push back against external authoritarian influence, especially when that influence is facilitated by proxies whose ability to continue to profit materially or politically is contingent on their relationship with the PRC.

Regions with uneven levels of development, or those with poor security environments where the central government is unable to impose law and order, are more exposed to potential CCP influence. Time and again, the CCP has used its growing influence at the local level, on the "peripheries," to increase pressure on and to "surround" a recalcitrant central government. Using financial inducements, it may also seek to demonstrate the benefits of good relations with the PRC to convince voters, or amenable figures at the center, to shift from a China-skeptic policy to one that is more open to engagement. This divide-and-conquer approach to influence is a strategy that the CCP has refined over the years.

Many countries in the developing world do not have the law enforcement, intelligence capacity, or legal framework needed to appropriately counter malignant exogenous influence in a manner that does not undermine what often are already weak democratic environments. High levels of corruption are further impediments. Even in countries where there is awareness and understanding of the nature of the challenge, elite capture and corruption in government – often tied to the PRC– limits opportunities for action from political opposition, media, or civil society to counter PRC interference.

There is nevertheless growing awareness of the impact of PRC influence on democracy and a growing network of civil society activists, media, researchers, and policymakers committed to working within and across borders to counter it. From Ghana to Quito, this network is exposing PRC influence through innovative means and devising locally responsive advocacy and policy solutions that have the potential to generate lasting change to hold domestic and authoritarian actors accountable.

Case Study: Brazil[1]

Brazil, with its superlative dimensions – the largest population, territory, and economy in Latin America and an agricultural powerhouse responsible for 10 percent of the world's food production[32] – is of high strategic importance to the PRC and its most important economic and political partner in South America.[33] Brazil is the PRC's principal supplier of agricultural commodities, and as such is fundamental to China's food security.[34] A strategic bilateral partner since 1993, Brazil is also a key partner for China in the BRICS (Brazil, Russia, India, China, and South Africa), a forum for addressing political, security, economic, and cultural issues of common interest, which has come to serve as a venue for these "emerging powers" to advance their own vision of global governance.[35] Over the last 20 years, the PRC has undertaken a strategy of influence in Brazil to advance its interests. China's initial strategy in Brazil was gradual, centered on cultivating relationships with Brazilian political and economic leaders and solidifying China as an important export destination for Brazilian natural resources. With few exceptions, Brazilian leaders have welcomed PRC engagement and have been active and willing participants in PRC influence efforts. There is a prevailing view among Brazilian politicians, business leaders, and military personnel that China is an opportunity to be explored and not a threat, and that the "PRC only wants to do business."[36]

Expansive economic ties and a narrative of Brazilian dependence on Chinese markets for exports provided an entry point for increased PRC influence in Brazil. By fostering ties with members of Congress, state governors, the commodities lobby, and elements of the press, the PRC has developed a cadre of vocal supporters among Brazil's political and economic elite, which it has aptly leveraged to support pro-China narratives and policies. In the last two years, the PRC has increasingly instrumentalized these allies, and Brazil's economic dependence on the PRC, to exert overt influence on issues related to the two countries' relationship and to put economic, political, and diplomatic pressure on Brazil.

Economic Influence

Trade and investment, largely focused on the agricultural and mining sectors, have been the key drivers of deeper economic ties between China and Brazil and the entry point for PRC influence activities in the country. Between 2003 and 2018, trade between the two countries increased rapidly, from $6.7 billion[37] to $100 billion.[38] In 2009, China became Brazil's leading trading partner.[39] Agribusiness, particularly the export of soy, is the foundation of this expanded trading relationship. From 2000 to 2016, Brazilian agribusiness exports increased by 318 percent and exports to China increased by almost 2,000 percent.[40] Growth in the soybean and beef trades – 40 percent of Brazilian agribusiness exports now go to China[41] – has spurred the proliferation of pro-PRC lobbying groups in business and political circles, led by the China-Brazil Business Council and the Brazilian Congress's Agribusiness Caucus.

[1] Research for this section comes from: Leonardo Coutinho's country case study on Brazil in IRI's compendium, Dearing Scott, Caitlin and Matt Schrader (eds.). "Coercion, Capture, and Censorship: Case Studies on the CCP's Quest for Global Influence." *International Republican Institute*, September 2022, https://www.iri.org/resources/coercion-capture-and-censorship-case-studies-on-the-ccps-quest-for-global-influence/.

The PRC has also become one of the main sources of foreign investment in Brazil, investing $110 billion in the country from 2007-2020, and coming to rival the U.S. as a source of foreign direct investment.[42] Chinese investments in Brazil, which accounted for nearly half of all PRC investments in South America in 2017, have been predominantly concentrated in oil, mining, commodities, and energy, strategic sectors for China and Brazil alike.[43] In addition, China has also sought to develop infrastructure that facilitates agricultural exports,[44] such as grain processing, transportation, and cultivable land acquisition. Marquee PRC investments include multi-billion dollar investments in energy generation and petroleum, as well as in the mining of niobium, an essential component in making steel stronger and lighter, and therefore a key resource for China's large steel industry.[45]

While increased trade and investment from China provided a lifeline for Brazil during times of economic crisis, China took strategic advantage of its role in facilitating growth in Brazil by promoting the perception that Brazil was dependent on the PRC market, and that its production growth was due exclusively to an increase in Chinese demand.[46] Key narratives focused on China's position as Brazil's main trading partner, its importance as the main export destination for Brazilian exports, notably in agribusiness and mining, and its role as a key provider of FDI. In most Brazilian political and economic circles, these increased economic and trade ties were strongly welcomed, with little thought about the dependencies developing in Brazil-China ties or about PRC control of strategic sectors.

The narrative that Brazilian agricultural exports are dependent on the PRC market, and therefore strong relations with China are essential to Brazil's trade balance and economic stability, remains a prevailing view perpetuated by Brazil and China alike.[47]According to reports by soy and cotton producers, the consensus is that "there is no alternative" for Brazil without the Chinese market.[48] In practice, producers have few incentives to diversify their buyers, as the PRC offers a considerable, and guaranteed, market for their products.[49] Brazil's powerful farm and mineral lobbies have been ardent and vocal advocates of protecting the political relationship with China in order to maintain strong commercial ties.[50]

They have been supported in these efforts by the China-Brazil Business Council (CEBC), which promotes multilateral commercial interests and has become an important tool for defending Chinese interests in Brazil.[51] Previously led by former Ambassador Sergio Amaral, who played a founding role in the opening of one of Brazil's Confucius Institutes,[52] the CEBC is now led by the former Brazilian ambassador to China (2004-2008) Luiz Augusto de Castro Neves.[53] Roberto Fendt, the deputy economy minister for foreign trade under President Jair Bolsonaro, also previously served as the executive secretary of the CEBC.[54] The leadership of the CEBC demonstrates the close connection between Brazilian business interests and politics – a revolving door between government service and PRC advocacy that has become an important entry point for pro-PRC activity and sentiment in the country.

Brazil's reliance on PRC markets for exports of both agricultural and mineral commodities has created a uniquely interdependent relationship between the two countries. China has strategically leveraged its economic influence to advance its priorities in the country, utilizing networks of political and economic elite, as well as efforts to influence the information space, toward this end.

Political Influence and Influence in the Information Space

The PRC has used its economic influence to advance its political interests in Brazil, deploying a range of tactics from cultivating close ties with the Brazilian Congress and the political opposition at the subnational level to implementing a campaign to promote positive narratives of China and the Brazil-China relationship in the Brazilian press.

The Brazilian Congress has been a vocal advocate of close relations between Brazil and China, and has been used by elements of the PRC party-state as a counterweight to the less friendly stance of the former Bolsonaro administration. The Brazilian Congress has been assertive in its executive oversight function and powerful in shaping Brazilian policy at the national level, through both pressure on the presidency and via legislative measures.[55] Under the Bolsonaro administration, it was a key platform for the opposition, which the PRC sought to exploit. Numerous caucuses regularly and vocally advocate for pro-China polices on issues ranging from foreign investment and land ownership to extradition and vaccines.[56] Under the 56th Legislature of Brazil (February 2019 – January 2023),[57] the National Congress of Brazil's China Parliamentary Group, a group created to advance Brazil-China relations, include over 50 percent of the members of the Senate and 44 percent of the Chamber of Deputies.[58] The group's president, Congressman Fausto Ruy Pinato, maintains close ties to the Chinese embassy and PRC businesspeople and has been highly responsive to Beijing's agenda.[59] The PRC also counts on the unequivocal support of the Agribusiness Caucus, which includes 178 members of the chamber (35 percent) and 24 senators (24 percent).[60] The caucus is a powerful political tool within the Congress, with the capacity to mobilize voices and finances in support of trade and investment policy.[61]

The PRC's work to build relationships with members of Congress,[62] including through PRC-funded delegations, has proven to be an effective strategy.[63] There are several examples of Brazilian members of Congress who participated in PRC-sponsored delegations and returned as vocal supporters of its interests in Brazil. Congressman Felício Laterça, for example, participated in a January 2019 delegation and publicly expressed his support for the import of facial recognition systems produced in China as a way to fight crime in Brazil.[64] In another example, Irajá Abreu, a member of the Agribusiness Caucus and the Brazil-China Parliamentary Group, and the son of the former chairman of the Senate Foreign Relations Committee and fellow caucus member Kátia Abreu, participated in a delegation and returned to praise the PRC's leadership and economic model.[65] Prior to his visit to China, Abreu was the author of a bill paving the way for increased foreign land acquisition.[66] The bill proposes to reform the current law restricting foreign ownership of large land parcels and open up 2.12[67] million square kilometers of land to foreign ownership – a reform the PRC has been advocating for.[68] The PRC has also sought to use this support to ask legislators not to maintain official contacts with Taiwanese leaders that would be harmful to the One China policy.[69]

Alongside its efforts to gain friends in Congress, the PRC cultivated relationships with Bolsonaro's political opposition, dealing directly with state governors and opposition political parties looking to China for help managing the COVID-19 pandemic.[70] The most portentous alliance between China and the insurgent governors was established with Brazil's wealthiest, most populous state, São Paulo, whose former governor, João Doria, is a strong ally of the PRC. Prior to joining politics, he led the lobby group Lide, which represented several Chinese companies and established a

branch in China to promote "better conditions for Chinese investment in Brazil."[71] Doria was also an early adopter of PRC surveillance technology. Both São Paulo and Bahia received PRC donations of surveillance cameras and facial recognition equipment.[72]

These political influence efforts have been complimented by efforts to influence the information space in Brazil and discourse on China and the Sino-Brazil partnership, using Brazilian political proxies and PRC officials to advance pro-China narratives and policies. Under former PRC ambassador to Brazil Yang Wanming, the PRC established content sharing and other arrangements with leading Brazilian media outlets, authored regular op-eds in the print media, and expanded its presence on social media.[73] In November 2019, the state-owned China Media Group signed an agreement with the Band network, which has Brazil's third highest viewership, for joint production and content sharing.[74] As part of the agreement, one program featured is "Mundo China," which has peddled propaganda about the genocide in Xinjiang.[75] That same month, the China Media Group signed a content exchange and production agreement with Grupo Globo, a Brazilian media conglomerate which owns Brazil's largest television network,[76] Globo TV,[77] and the *O Globo* newspaper.[78] The China Media Group also inked an agreement on content and technology sharing, joint production and training with the Empresa Brasil de Comunicação (Brazil Communication Company), a state-owned company that manages TV Brazil, eight radio stations, and the Agência Brasil news agency.[79] Beyond such agreements, the PRC has also invested in other media through paid advertising.[80]

These agreements have granted the PRC access to Brazil's information ecosystem, facilitating its attempts to influence coverage of China and Brazil-China relations. Since 2019, *O Globo*, one of Brazil's most widely read newspapers, has published 12 op-eds by either Ambassador Yang or by the PRC consul in Rio de Janeiro, Li Yang.[81] The diplomats have used their platforms to promote pro-PRC messages and deploy disinformation that went unchecked, as was the case in June 2020 when Li Yang stated that the U.S. created COVID-19.[82] Ambassador Yang and his fellow diplomats leveraged this combination of content sharing agreements and advertising, economic pressure, and cooptation of political and economic elites to shape Brazil's information environment in markedly pro-PRC directions, taking an increasingly confrontational tone in response to Bolsonaro's erratic behavior toward China.[83] In the environment of political polarization in Brazil, Yang found natural allies among opposition politicians, the parts of the population opposed to the president, and pro-China actors.

In at least one case, the PRC leveraged its relationship with prominent politicians, business elites, and the press to achieve real political influence, resulting in the sacking of a foreign minister and a momentary shift in China policy away from the presidency. In 2021, China placed a hold on the export of materials needed for production of both the CoronaVac and the Oxford/AstraZeneca vaccines (part of a previous agreement on SinoVac vaccine production in Brazil negotiated by Doria), allegedly over PRC complaints about rhetoric from the Bolsonaro administration[84] and former Foreign Minister Ernesto Araújo's stance on China.[85] According to CNN, high-ranking members of the Bolsonaro government acknowledged that the "the country's troubled relationship with China" was the reason for the freeze on importing vaccine components, which were scheduled to begin arriving in December 2020.[86] As revealed in the press and confirmed by investigations for IRI's Brazil country case study,[87] Ambassador Yang conditioned the release of both vaccine supplies and vaccine doses on a clear signal from the government in support of relations with

China, with Beijing specifically pressing for Araújo's resignation as such a signal.[88] Allegedly, toward this end, a group of ministers and advisors suggested to the president that he should encourage Araujo's resignation.[89] The Brazilian press, as well as former diplomats currently working in the knowledge economy, were supportive of a conciliatory approach.[90]

Demanding his resignation, the Senate blamed Araújo for the situation with China and also for the failure to get vaccines from the U.S..[91] Following a March 2021 session in the Senate Foreign Relations committee on the government's pandemic response, committee chair and pro-PRC Senator Kátia Abreu published an article in which she criticized what she said was Brazil's subservient relationship to the U.S.s and stated that going forward the Brazilian Congress would orient itself toward China, the country that has best helped Brazil confront COVID-19.[92] In response, Araújo accused Abreu of attempting to pressure him to support China. According to Araújo, Abreu had asked him to make "a gesture about 5G," which was understood as a *quid pro quo* for accepting Huawei's technology in Brazil in exchange for preserving his political future.[93] Araújo resigned on March 29, 2021.[94]

Brazil's Response and Democratic Resilience

Brazilian politics have a reputation for being corrupt[95] and are, moreover, subject to political and economic pressures stemming from pressure to maintain strong Sino-Brazilian economic relations. As such, the Brazilian political sphere's efforts to check malign PRC influence are limited, at least for the time being. The government of Jair Bolsonaro (2019-2022) tried to reduce Chinese influence in Brazil, though he ultimately failed under pressure from the agribusiness lobby, political opposition, and the Brazilian Congress. Parliament, the rural caucus, and the press united in criticizing what they called "Sinophobia," "paranoia," and "subservience to the interests of the United States," and at least some of those allegations rang partially true. The emergence of the COVID-19 pandemic just at the beginning of Bolsonaro's second year in office neutralized Brazil's ability to put in place any plan that would reduce PRC influence over the country's political, economic, and intellectual elites. The CCP used the strategy of "vaccine weaponization" to achieve political ends in the country, to great success.

The new government of President Luiz Inácio Lula da Silva is likely to only further strengthen relations with Beijing, as Lula was in power in 2004 when the Brazil-China relationship began to deepen.[96] Although Lula and his team officially speak of non-alignment and a multiplicity of partners, there is a half-truth in the statement. Brazil will work to maintain the tradition of good relations with as many countries as possible but is unlikely to slow the advance of China. On the contrary, the Lula government clearly prefers a closer relationship with China. In 2021, former president Dilma Rousseff – a Lula ally and alleged Lula candidate to be president of the New Development Bank – said, "China is admirable and represents a light against Western decadence."[97] President Lula is also planning to visit Beijing on March 28, 2023, highlighting the importance of the partnership, though the visit comes after a February 2023 visit to the U.S. to meet with President Biden.[98]

However, the country's civil society and media sectors are large and well-developed and could represent a possible source of public pressure on the government's China policy. Brazil has a vibrant free media, robust academic discourse, and is home to a large array of civil society

organizations (CSOs) that are involved in public debates.[99] In theory, this openness and inclusivity could provide a framework for public oversight of any influence efforts, allowing citizens to hold political leaders accountable and fostering critical debates over what Sino-Brazilian relations should look like.

There are, nevertheless, at least a few factors that could negatively impinge on this potential: first, Brazilian political discourse is currently very polarized and this may drown out meaningful conversations about China amidst acrimony and misinformation, or reduce the issue to simple binaries (e.g. pro- and anti-Bolsonaro or pro- and anti-Lula[100] positions) that do not reflect China's complex role in Brazil's ongoing development.[101] Secondly, Brazil's media offers robust reporting on national issues, but it is also subject to pressures that can compromise its integrity, such as the need to bring in advertising revenue, the rise of social media as a parallel news source, the concentration of media ownership in large conglomerates, and bias from private interests or fake news.[102] Large Brazilian media organizations have received both ad revenue and engaged in partnerships with PRC state sources, in addition to providing a platform for the PRC Embassy in Brazil to promote false or misleading narratives. This does not necessarily mean that the PRC has a significant say over the content produced by Brazilian news organizations, but these pressures may have given it an opening to do so. In the future, this potential ability to shape news coverage could be used as leverage for the PRC to engage in sharp power censorship or further promote advertorials in Brazil, should there be no pushback from the media or policy communities.

Recommendations

As detailed in this testimony, PRC interference and influence efforts present a serious challenge to good governance in the developing world. Ongoing investment in democracy, rights, and governance programming to strengthen democratic institutions, including legislatures, political parties, free media, and civil society is foundational to countering this threat. These efforts must nevertheless be coupled with a full suite of initiatives to holistically respond to this growing challenge.

Invest in Democracy, Rights, and Governance Globally

- While the Countering PRC Influence Fund (CPIF) administered by the State Department is a welcome step in countering Chinese influence globally, Congress should also greatly increase the budget of the National Endowment for Democracy (NED) with a specific view to meeting the challenge of China across the Global South. The NED and its core institutions are often better positioned to act in a more agile, responsive fashion to needs on the ground in developing countries. They should be directly empowered to expand their work, whether through amplifying existing initiatives to build democratic resilience or to explore new lines of programming to address the evolving threat of PRC influence, such as economic coercion.

- In addition to increasing funding for the NED, Congress should specifically allocate significant new funds to supporting independent journalism in countries outside the United States. Good journalism is one of the most effective prophylactics to PRC influence in countries in the Global South, and every dollar spent toward enabling free, independent,

and well-trained journalists in countries vulnerable to PRC influence" is a worthwhile investment of scare U.S. resources.

- Congress should push harder for allies to establish entities mirroring the NED, while also pushing the administration to push allies harder. Supporting democracies globally in an institutional, well-resourced fashion can't just be the job of the U.S. alone. The U.S. needs partners like the EU, Japan, and the Five Eyes countries to increase their investment in democratic development and resilience.

- Congress should greatly increase the amount of time and money it directs to parliamentary diplomacy. Often members of other democracies' legislatures are the most effective internal advocates for measures that will increase resilience to PRC influence, and much more receptive to engagement with partners like Taiwan. IRI has found that investing in engagement with other parliaments on the subject of China – both by the U.S. Congress and between other parliamentary bodies around the world -- is one of the most effective grassroots ways to create consensus on countering the adverse aspects of PRC influence.

- Many key democratic partners of the U.S., such as Canada, do not require foreign actors seeking to influence their political systems to register. Congress should direct the Justice Department, in conjunction with the State Department, to increase international cooperation on laws related to foreign political interference, such as the Foreign Agents Registration Act, and make it the policy of the U.S. government to encourage partner countries to take appropriate action to protect the integrity of their democracies from foreign authoritarian actors, while at the same time avoiding the misuse of such laws to crack down on civil society.

- Congress should allocate funding to greatly expand the number of educational and technical exchanges between the U.S. and the Global South, in conjunction with G7 partners. IRI consistently hears from its local partners that the huge number of people China sponsors for fellowships and exchange programs is one of its biggest soft power wins in the Global South. This is an area where the U.S. and partners would have an advantage, if we chose to wield it. Investing in this area would be the definition of a cost-effective win-win.

- Congress should greatly expand the pool of funding available for the study of China and the Chinese language, and direct that Taiwan be a key partner in the application of these funds. At present, the PRC government maintains too strong a hold on both language studies and the study of China globally. Congress should seek to break that hold, so that other countries can independently develop the capacity to understand and deal with the PRC party-state. Such foundational understanding is essential to address PRC influence globally. To date, none of the major legislation passed in the last Congress to strengthen U.S. ability to compete with China contained provisions allocating significant new funding for either Chinese language studies or the study of China's political system.

Providing Economic Alternatives to China and Counter PRC Economic Coercion

- Congress should direct the U.S. Trade Representative – in conjunction with the departments of Treasury and Commerce -- to devise and implement strategies to reduce other countries' economic dependence on China, and encourage such efforts already underway, such as those currently being conducted by Japan and Germany. Measures for this could include diverting or reducing trade in strategically important sectors. Reducing the concentration of trade with China in economically important sectors is a crucial step in avoiding the emergence of pro-PRC lobbying groups such as seen in Brazil, since these groups can hamper effective action related to China by countries in areas that go far beyond trade, including human rights, security, and military affairs.

- Congress should direct the administration to form an interagency task force led by the State Department to devise a proposal to be presented to Congress. This would center on an international organization led by the U.S. and its democratic allies that would build a collective economic defense against PRC economic coercion. NATO is currently proving its worth as a bulwark against Russian aggression, but there is no institution to provide collective economic security to countries being coerced by the PRC for simply standing up for democratic values. Bills such as the Countering China Economic Coercion Act are a good start, but the U.S. and our partners need to do more. The U.S. and its allies should immediately begin undertaking serious efforts to construct a credible deterrent to PRC economic aggression.

- Through efforts to promote trade and investment, and in coordination with companies and countries part of the global democratic alliance, the U.S. should support the development of a reliable pipeline for locally-responsive infrastructure projects as an alternative to BRI. Ensuring that projects are necessary and responsive and by working with local legislators and civil society, this development to-do list can help build a cross-party consensus on the need to divest from PRC investment.

- The U.S. and other advanced democracies should provide technical support to countries negotiating BRI deals. Some countries have signed bad deals with China because they lacked technical expertise to negotiate good ones. The U.S. and our allies can fill this gap, and we should find ways to do so — if only because infrastructure shortfalls around the world provide leaders with compelling rationales to continue to turn to the PRC for lending. If they do so, their publics and political opposition should know that technical support is available to make sure the deals are good ones, and that they can demand to know why leaders failed to take advantage of such a facility.

- Just as the deindustrialization of Brazil was a weakness exploited by the PRC, the reindustrialization of Brazil and the industrialization of other Latin American nations may be an effective way to reduce China's economic and political influence in the hemisphere. The U.S. Congress can lead a strategy to stimulate nearshoring and the transfer of value chains currently in China to strategic countries in Latin America. Transferring the value chain to Latin America would have a systemic impact that transcends the reduction of China's influence.

- First, the U.S. would recover its lost influence in Latin America by attacking China's main field of activity and providing important investment in the region;
- Second, the CCP would lose important monetary sources; and
- Third, changing the economic matrix in Latin America could result in beneficial impacts for improving the local quality of life, which would significantly reduce the economic pressures that help generate illegal immigration to the U.S.

Public Diplomacy

- The U.S. must continue to invest in its diplomatic corps and other public diplomacy efforts, including streamlining the process for approving ambassadors, in order to counter China's growing investment in the space and its growing presence globally.[103]

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PANEL I QUESTION AND ANSWER

COMMISSIONER BOROCHOFF: Thank you very, very much. We're now going to progress to allow each of my colleagues to ask questions, and we're going to do this alphabetically, starting at the top and my name is the first on the list.

I'm a little overwhelmed with the testimony I just heard because it already ratifies what I have come to believe over the past few years, and I can think of a hundred questions I would like to ask but I'm sure all of us feel that way.

I heard all of you talk a little bit about the fact that we don't study the Chinese language enough, and I've heard that for three years from a whole variety of our witnesses, and I'd like to hear each of you expound a little on that because it seems to me that's a common thread that we hear quite often.

I know our other colleagues will undoubtedly have specific questions about the other things you said, so if you would I'd like to start with you Dr. Chubb and then let's go to Dr. Shen and then Ms. Dearing Scott.

MR. CHUBB: Thank you, Commissioner. Yes, I completely agree. Chinese language training is absolutely of paramount importance, and there's nowhere near enough of it. Not to stray too far from the topic at hand, but this is why the Confucius Institute in the UK are presenting such a quandary. We have the current Prime Minister, who during the course of his election contest last year, promised to simply ban the Confucius Institutes. There are 29 of them in the UK.

The problem is there is no obvious plan for replacing them, in terms of their function of training Chinese language capable people within the UK. I think that's of paramount importance. I've spoken to some friends from Taiwan, and I will be very, very keen to hear what Professor Shen has to say about this because the hope has been that Taiwan can step in and at least fill some of the breach.

But so far, from my conversations with people from Taiwan, it would be a drop in the ocean, and so that remains a major problem to be resolved and essentially what it comes down to is it needs a serious allocation of resources.

COMMISSIONER BOROCHOFF: Thank you. Dr. Shen?

MR. SHEN: Thanks. I think Taiwan could definitely help all these Chinese languages, not just understanding of it but also having some programs or curriculum on that. I think Taiwan already have such programs that's all the world that could be the supplement. But I think the other idea here is that it's not just about the language itself. It's about the ideology, so sometimes I think the Communist Party actually have a different mindset as democracy ones.

So that's why when we try to -- even that we understand the language, we don't get the gist of it, the spirit of it. For example, I know that there was a saying that when the Chinese balloon went over to the U.S., there was a saying that hey, maybe it's just by accident. They're trying to use this way to let Xi Jinping to have an excuse saying that someone in the POH accidentally released that balloon.

But in Chinese ideology that kind of saying is humiliating. It's delivering the idea saying that Xi Jinping is not in control, and that's why this thing happened accidentally. So that's why even we understand what they're saying, even like we read their offshore documents, I think the gist of it is to understand the ideology behind and the spirit of Neo-Confucianism or legalism. How they have been incorporated into the saying there in China, I think, is so important right now for us to analyze.

I think fortunately the organizations like Doublethink Lab or any other organizations here working on disinformation study, we could analyze and even use a model to analyze what's the disinformation, what's the narratives behind and how to counter that. I think we all have that kind of experience.

COMMISSIONER BOROCHOFF: Thank you. Ms. Dearing Scott?

MS. SCOTT: Thanks very much. I just want to echo one point made by Dr. Shen, which is this question of the study of China's political system as well. Often what we're seeing in the developing world is a direct sort of outgrowth of PRC policies at home, and so we often have conversations about the scope and scale of what our partners in third countries need to know.

But having experts who speak the Chinese language and who understand the foundations of the Chinese political system is essential to assessing its ultimate impact on democracies and third countries.

The other point I'd just like to raise is in many of the countries where we work there are not independent journalists necessarily working at China desks or who have offices in China or access to information directly from China, and so continuing to invest in independent media, whether on this issue or more broadly is really essential.

Because China is investing in those outlets, and it often means that coverage of China in those third country contexts is dominated by coopted journalists, whether because China holds 40 percent of investment in the local news or they've gone on a sponsor trip. Thanks.

COMMISSIONER BOROCHOFF: Thank you so, so much. Commissioner Cleveland?

COMMISSIONER CLEVELAND: Thank you all. Mr. Chubb, I'm interested in something you said, and I'm going to start with a quote from the staff memo. It cites an article that you wrote in 2021 titled "China's Overseas Influence Operations: Disaggregating the Risks."

The quote from the staff memo notes in the context of suppressing dissent among members of the Chinese diaspora that a Chinese student studying in Australia was threatened by the Chinese police via video calls in 2020 for engaging in political activism in Australia.

I'd like a little more information on that particular instance, if you might, but I'd also like you to put it in the context of the dialectic you've posed for us, which is sweeping national security legislation may capture the very people that we are concerned about protecting. So if you could provide us with a framework on how to, as your article is titled, disaggregate the risks.

What legislation might be appropriate so that we can staunch or arrest the expansion of the threats posed by the CCP in terms of harassment and suppressing dissent? Can you provide a little more detail so we can understand how to address this issue?

MR. CHUBB: Sure, thank you very much, Commissioner Cleveland. That case from Australia is one of many well-documented cases. There are some that have actually played out publicly on Twitter, where people have taken screen grabs of police in China with their family members issuing basically threats that they need to cease and desist their political activities in Australia. So this is quite well-documented. I can send you some links afterwards.

We can see some first-hand evidence that this does occur. Of course, it's extra territorial, which is why it poses such a problem from a legislative point of view. In this case, we do have the Australian Espionage and Foreign Interference laws, whose proponents have on numerous occasions -- politicians from Australia have claimed that this Espionage and Foreign Interference law has effectively protected Australia's Chinese diaspora.

The Foreign Interference law does nothing to in fact do that, and it's hard to imagine how a domestic national security law could in fact address that issue. Now, this is why, to go to the second part of your question. The framework that I am advocating, aside from on the analytic

side, disaggregating various risks and paying attention to the differences between the nature of the impacts that are made, is on the rights protection.

Essentially, in this particular case, taking it back to the specific proposal that I mentioned before, the transnational rights protection office, that would involve three elements. A transnational rights protection office would help with that.

Firstly, directly enabling the people to exercise their rights within the democratic context, so providing essentially advice, experience, and support and where crimes have been committed then support for navigating the bureaucracies.

Secondly, researching the nature of the problem because these social media platforms, they are evolving very quickly. It might be over WeChat this year. It might be over another form of communication the following year, and it might take a different form. We need research and monitoring of the problem, but again, from a rights protection perspective. What are we doing to ensure the equal exercise of rights within the liberal democratic context by all members of the community?

Thirdly, as part of that research mission, the transnational rights protection office should be looking into ways in which this type of extra territorial coercion or transnational repression can in fact be penalized in the future. One idea that is mentioned in another of the pieces that I've cited in my testimony, the report published by RUSI in London, the overseas political activities is to develop essentially a diplomatic blacklist.

If the rights protection office can gather sufficient evidence to put someone on a list as having committed a cross border act of transnational repression, then that list can be maintained and basically, they can be denied entry into the country.

This is a little short and a little distinct from the idea of Magnitsky Sanctions, which is for major gross human rights abuses and there's international law intricacies involved with that, but this would be a lighter touch idea of essentially a diplomatic black list.

The rights protection office could essentially marshal the evidence to maintain that list. That's one possibility, but again, it's an evolving problem and so it's going to be something that needs to have a monitor and a specialized body to address it in a focused way.

COMMISSIONER BOROCHOFF: Commissioner Friedberg?

COMMISSIONER FRIEDBERG: Thank you very much and thanks for our witnesses. Dr. Chubb, it's good to see you. Let me start with a question to you, and I'm going to be the devil's advocate a little bit here.

You've distinguished between rights protection on one hand and national security broadly defined on the other. It seems to me, regardless of how we assess the importance of these two, that the rights protection part of this problem is actually the easier one to deal with because even if there are intricacies in the laws it's pretty clear when foreign actors are trying to coerce or silence people who are living in our country.

The problem arises, it seems to me, on the other side, on the national security side because the challenge there is quite broad. What we're talking about are attempts to influence the perceptions and the policies of open democratic societies in ways that preserve China's access to their resources of various kinds and also slow their responses to China and its aggressive behavior.

Many of those activities are not illegal. They take advantage of the openness of our societies, but they do pose a challenge to our security. How do we deal with those? You were critical of Australia's attempts to do that, but it seems to me that's really the problem that is preoccupying people in Washington. What do we do about it?

MR. CHUBB: Thank you, Commissioner Friedberg. It is great to see you. That is a very, very tricky question, and ultimately, I think it comes down to issue-by-issue proposition. In the case of a transnational rights violations and foreign interference more generally, I have found from my research that there have been significant avoidable downsides with the securitized approach, which I pointed out in the testimony and some of the published works that I've cited as well.

That doesn't necessarily mean that securitization writ large is simply something to be opposed at all times. I think defining the boundaries of national security is a very, very important task for any democratic society because when you label something as national security, you enable extraordinary government powers and that in turn poses challenges and dilemmas for general liberal principles.

The idea is not that simply nothing should be securitized, but rather that in this case the benefits have certainly not outweighed the downsides based on the evidence that I have seen.

COMMISSIONER FRIEDBERG: Okay, thank you very much. Ms. Dearing Scott, thank you very much for your excellent testimony. I think you've illuminated something which perhaps has not gotten the attention it deserves, which is China's activities in the developing world. I think we're starting to pay more attention to that.

I'll start, if I have time, with the question that some people have suggested, and this may be a straw man, that it's false to say that China is trying to spread its system in the developing world. How would you respond to that? Is that in fact not true? How would you characterize China's efforts in that regard?

MS. SCOTT: Thanks very much for the question. If you look at the sort of content of, for example, party to party trainings by the International Liaison Department. While we don't always have great access to information on what those look like in certain countries, we are starting to see more of a focus on ideology.

To take one example, recently in South Africa there have been party to party exchanges on party loyalty, on communications, on how to effectively control narratives in the media, and I think that's just one example of ones that we're increasingly seeing about how ideology is increasingly being infused in PRC engagement abroad.

COMMISSIONER FRIEDBERG: Do you have a timeline for that? When did that start? How has it evolved?

MS. SCOTT: I don't have a specific timeline. I think in the South Africa case it has been since 2018 and, by the by, what we've been able to document. Obviously, it looks different in different contexts, right? China engages in party-to-party exchanges with parties from across the political spectrum.

It tends to not sort of -- in most instances -- there are obviously some exceptions, not to pick winners, but instead try to engage parties across the political spectrum, which means that its engagement with those parties looks different, right? On how much ideological commonalities there are, moving from engaging with some Communist parties for example to engagement with parties, sort of more on the democracy side of the equation.

COMMISSIONER FRIEDBERG: Thank you very much.

COMMISSIONER BOROCHOFF: Commissioner Glas?

COMMISSIONER GLAS: Thank you all for your testimony and for being here today. I've learned a lot through this conversation. I want to focus on Ms. Dearing Scott, your testimony related to the Western Hemisphere and Latin America.

As we've all noted, there's been recent news reports that show several of our allied countries in the Western Hemisphere are starting to deepen their diplomatic relations with China and formally doing so, stepping back from the recognition of Taiwan, which has severe strategic and geopolitical risks.

As your testimony and others have noted, the Chinese are using a variety of tactics. Everything from economic to political to media, coercion, and threats to dissidents in order to wield their power. As many case studies have noted, the economic solutions that China is offering to these countries fills a void but comes at a great cost for countries and local communities, often leaving them with a further destabilized economic conditions.

In your testimony, you outlined for the Congress to consider incentives or ways to promote further investment in Latin America, and this is something that I know many members of Congress on both sides of the aisle are trying to develop policy proposals and solutions related to developing these economic relationships.

But I think the key question I have for you is -- cost to domestic manufacturing and industries. Interested to hear your thoughts and anyone else who wants to respond to that question.

MS. SCOTT: Okay. Thank you so much. Yes, this is something that we consistently hear. We just got back from --

COMMISSIONER GLAS: What would you suggest?

(Simultaneous speaking.)

MS. SCOTT: -- with regard to some preferential access for Ecuador as a means of countering PRC engagement are very welcome. I think there's another opportunity in nearshoring with U.S. efforts and other efforts to move global supply chains away from China and to decouple from China.

We do have an opportunity, and certainly our allies across Latin America are advocating for the shift to some of those global supply chains to Mexico, to Central America. And I think that does present one possible economic pathway. I'm fully aware of the challenges of free trade agreements at the moment given the domestic politic context but finding other ways to incentivize investment is essential.

The other thing is having a diplomatic presence on the ground in any of these countries really does provide an opportunity for some of the hard conversations away from Chinese investment. So to take one example, some of you may have seen this dossier in Politico around Panama and around PRC investment in Panama.

And there was limited U.S. presence on the ground at the time as a result of not having an ambassador there, and when there was an ambassador there, he was having a really, really hard time incentivizing U.S. companies to invest. I think to the extent that we can encourage U.S. businesses that they are a vital part of this effort to counter PRC influence globally that that will have significant dividends. Thanks.

COMMISSIONER GLAS: Anyone else? All right, thank you.

COMMISSIONER BOROCHOFF: Commissioner Goodwin?

COMMISSIONER GOODWIN: Thank you, Mr. Chair. My appreciation to the witnesses for their time today. Dr. Chubb, I appreciate the main analytical point that you advanced in your testimony about looking at these issues solely or exclusively through a national security lens is incomplete and not comprehensive enough. I thought maybe we could explore that a little bit through the foreign influence transparency scheme in Australia.

Obviously, there's been some legal challenges and some commentary about whether it's incomplete. It's overreaching. It doesn't go far enough. My question is, has it worked? Is there a sense in Australia -- what are the volume of registrations? What's the nature of the disclosures? Is there a sense that it's truly fostering transparency?

MR. CHUBB: Thank you, Commissioner Goodwin. It's a very good question. The former Prime Minister, Malcolm Turnbull, has recently been in the media pointing out that the scheme hasn't worked as he'd intended it. The volume of registrations has actually been unexpectedly high because of the very broad framing of the terms that were used in the original legislation.

However, what Malcolm Turnbull has been pointing out is that very few, if any, of the United Front-affiliated organizations, Confucius Institutes, et cetera have actually been unambiguously captured. So I think this stands as a lesson in some of the drawbacks of using very broad terms and vague terms in such legislation.

I'm not a lawyer. I'm not a legal expert, but that seems to be a common thread among a lot of the criticisms that has emerged of Australia's foreign influence transparency scheme. To some extent, it's a matter that the UK in setting up its foreign influence registration scheme, which is currently on the table in the Parliament has to some degree attempted to address. However, there are ongoing problems and debates over that legislation as well.

COMMISSIONER GOODWIN: I saw some commentary in Australia that suggested one of the challenges might be that the act is framed in a country agnostic manner and questioning whether the efforts should be more focused on countries that pose a qualitatively different threat in their efforts to exercise malign influence on political activities in Australia. I'd invite your thoughts on that.

MR. CHUBB: Yes, thank you. I think the really important word in your question there is qualitatively different because the big question for a democratic society is who will decide what is qualitatively different because there's a spectrum of various different actors, including political regimes around the world and the problem is when it becomes an arbitrary matter for a minister or even a bureaucrat to be deciding who needs to register as a foreign agent or not.

While I know that is one of the features of the UK legislation actually is the Secretary of State in the current draft bill form, the Secretary of State will be deciding who is a designated person, over and above the standard definition of a foreign power. That is the challenge, is how to make a qualitative differentiation in some sense objective.

COMMISSIONER GOODWIN: Thank you.

COMMISSIONER BOROCHOFF: Commissioner Helberg?

COMMISSIONER HELBERG: Thank you to all our panelists for joining us today. A recent Pew research study revealed that a third of TikTok users say TikTok is their primary source of news. There was also recent interesting piece in Foreign Policy in how the PRC exploits WeChat to influence Chinese-speaking communities around the world.

Other reports have studied how TikTok consistently downranks information about leaders and topics censored in China, while promoting PRC-friendly narratives. Can you describe the role of social media in the PRC strategy and efforts to influence the Chinese diaspora and foreign audiences around the world? This question is addressed to all of our panelists.

MR. SHEN: Okay, sure. I think I'll start on that, I guess. TikTok is the platform that they use to spread disinformation, but their strategy has been changing. Previously, I would say like three to four years ago, China is really good at spreading disinformation, especially on Facebook but only good in Mandarin but not so good in English language.

Then when Facebook tried to block some of the websites over there in China and also block users from posting all these Chinese things, they gradually moved the battlefield from Facebook to YouTube.

And right now, for example, there was an outbreak of COVID-19 cases here in Taiwan like two years ago, so China tried to establish eight different YouTube videos. And then operated only for three months and removed by Google, and it's all full of conspiracy theories. And within three months, eight channels, they actually attract 30 million viewers here in Taiwan, and actually last year Google actually removed this kind of channels or more than 10,000 of them.

But because of that, in news right now is more difficult for China to post or to upload this kind of media on YouTube, and that's why they gradually shift their battlefield right now from YouTube to TikTok. Even on TikTok, what we spot here in Taiwan is not just about the algorithm with the content of the TikTok. Because it is like very understand about that, they might change the algorithm and make sure that some of the messages haven't show yet on TikTok.

But for a more aggressive way for China to have a real influence, especially on the younger generation, they really need someone to actually deliver the messages on TikTok, not just like diminishing or deleting the message on them. Right now, according to some of the studies here, since last year China is so good at donating or paying the online influencers, especially on TikTok and make sure that they talk about anti-U.S. messages or pro-China messages.

And it seems like they would spread this disinformation organically because they automatically got some donations when they tried to deliver these kinds of messages. And it makes the market more profitable and let some of the influencers think that is huge market over there. I should talk that something that is anti-U.S. or pro-China and it looks so organic, so I really agree with what Andrew just said.

We really need some sort of legal framework to define that because it falls into the core of free speech. There's really nothing we could do about it when someone tried to receive this kind of donation through TikTok and right now, we also spot another case is that they receive the donation not on TikTok, but on WeChat or on Weibo. It means that China asked them or lure them to say something good about China on TikTok, but they are not paying them on TikTok, they're paying them on the other platforms. The collaboration with all these platforms to investigate all these cases would be very crucial, especially for the future study.

COMMISSIONER BOROCHOFF: Commissioner Mann? My apologies.

(Simultaneous speaking.)

MR. CHUBB: Professor Shen is clearly the expert on disinformation. I can just speak briefly to the censorship piece. That's certainly where it intersects with my concerns about encroachments on civil liberties. One thing to observe is that there have been -- these things as always can change, but there have been some differences between the international version of WeChat and the domestic Weixinin terms of the degree of tightness of the censorship, the degree of the intensity of the censorship.

Nonetheless, the international version of WeChat is still subject to censorship. One of the ideas that I've put forward in one of the reports that I alluded to before, the RUSI one, is a regulatory measure to require organizations using such platforms as news delivery vehicles to post notices when something is censored. So that they at least attempt to provide a full picture of whatever topic it is that they're covering.

And if something falls on the other side of the censorship line, then they post a notice and basically tell their users that this has been screened out of the picture that you're getting. This at least will probe the limits, and perhaps reveal some of those as yet not well understood differences between WeChat and Huezhin.

On the question of TikTok, there's obviously a current debate over TikTok. We actually have some real experts in the room on this. I just note that it seems there is a debate at the moment between possible regulatory measures to try to counteract the kinds of problems that you're describing over limited information supply or sanitized information supply versus the simple divestment of the elimination of risk by forcing TikTok's Chinese owners to divest and therefore, the company would no longer be subject to Beijing's leverage.

I don't have a position in that debate particularly, but I do note that some of the experts that are in the room have pointed out that the regulatory piece is very, very complex and very, very challenging to really do anything with at the moment. It might take a more wholesale reform of the regulatory regimes before that could be used effectively.

COMMISSIONER BOROCHOFF: Ms. Dearing Scott, I didn't mean to jump the gun. Okay. Commissioner Mann?

COMMISSIONER MANN: Thank you and thank you to all three of the witnesses for your thoughtful testimony. Dr. Chubb, I would ask you to help us out further. We too have to struggle with drawing these distinctions in making any recommendations on legislation or policy between national security and civil liberties interests.

To start out, is there not a national security interest of some kind and whether China, through its administrative state security or United Front Work Department works with it, is there not a national security interest in keeping an eye on, limiting, in some cases prohibiting those operations?

MR. CHUBB: Thank you, Commissioner. Yes, the answer is yes. There is certainly a national security angle on the problem of foreign interference. I mentioned one before. The problem is when the national security angle comes to define the issue as a whole because that results in issues that aren't normally understood within the scope of national security being rolled up together. We have the sense that okay, we've -- to take Australia as an example, we've introduced legislation to counter foreign interference and therefore, we've dealt with those various rights protection aspects of it. That isn't actually what's happened in practice, and so that's an example.

COMMISSIONER MANN: You spoke of the downside risks, and it's clear to me the downside risks when you have a president, now former president using racist rhetoric, and it gets felt by Asian-Americans in this country, or Asian-Australians. But beyond that, what are the downside risks that you refer to, just specific examples would really help?

MR. CHUBB: Sure. I mentioned three in relation to Australia. One is the drafting of overreaching national security laws, at least according to legal experts in Australia. That's a downside.

COMMISSIONER MANN: Overreaching, how? That's what we're trying to figure out, the impact.

MR. CHUBB: Very broadly defined in terms and new offenses in particular, just to take one example. Researchers under Australia's legal framework. If national security-related information is part of a conversation that I have with an Australian government official, if that information is deemed harmful to Australia's security interests, then simply by hearing it I've

fallen foul of the law and technically on the wrong side of the law. This is an offense of dealing with inherently harmful information is jailable for two years.

This is an example. You would certainly hope that would never be enforced in that way. Nonetheless, laws are on the books. That's national security overreach. So that would be one example is overreaching legislation with overly broadly defined terms. Another is as I mentioned before, the securitized framing of the whole set of issues creates an overall impression of a very vast PRC influence operation.

The 10,000 grains of sand or however many it is, nontraditional collectors. These types of framings, they put a target on the backs of the Chinese community. No matter how much we say this is about the CCP, and it's not about the Chinese community, if we talk about it in those types of terms then the effect is to fan broad-based suspicion of ethnic Chinese communities.

We've, again, seen that play out in the Parliament in Australia, particularly shameful day in Australia's parliamentary history. We've also seen it play out on the campaign trail with, you know, with people of Asian appearance on the campaign trail being called Chinese spies, you don't have to go very far on Australian Twitter to see the ways in which this kind of securitized framing has touched off some pretty dark sentiments. As Commissioner Borochoff mentioned, it's very important to prevent those types of sentiments from being fanned up as we debate these issues.

And I think clearly defining the scope of national security and framing the PRC's most impactful activities, in particular in relation to the PRC diaspora as rights protection and enabling of everyone to exercise their political rights is a much better way of preventing that type of unintended consequence from occurring.

I think those are a couple of concrete examples. There are a few more in some of the references that I've included in the submission.

COMMISSIONER MANN: Thanks. I have other questions but I'll save them for the next round. Thanks.

COMMISSIONER BOROCHOFF: Commissioner Price?

COMMISSIONER PRICE: Thank you and thank you all. I just want to reiterate what my fellow commissioners have said. The testimony is extremely helpful. Dr. Shen, can you talk a little bit about how aware the general population is in Taiwan of the PRC's disinformation efforts?

MR. SHEN: It's quite divided. I would say like 50 or 60 percent of the Taiwanese citizen are very aware of information operation, and actually this term, the cognitive warfare or information operation has been a buzzword since 2019 because there are so many activities conducted by United Front Work Department in 2018 and 2019 has been exposed to the public.

That is why I said legal framework is so important. If we focus on transparency and we try to disclose this kind of information, that will certainly raise certain kind of public awareness here in Taiwan. However, China is not passive. They will try another way to persuade the public here in Taiwan saying that the U.S. also has the cyber army, also have influence operation. Taiwan's government, the DPP, also has its own influence operation.

So they try to persuade, especially people in the media, people who stated they are apolitical. Confuse them, saying that every country has the same issue. China is just one of them trying to neutralize the public awareness, and that is truly happening right now here in Taiwan. So that's why I said if we ask the general public, for example, I used to ask my students who are spreading disinformation here in Taiwan. Thirty-four percent of them said China.

Well, there's another 20 percent of them said it's the U.S. government that is spreading disinformation here. Even that they're aware of the term cognitive warfare, psychological warfare, information warfare, it doesn't mean that they have connection to this term to Chinese behavior.

Another thing is that when we try to do the transparency work, and I do believe that transparency is the key here, especially in democratic country. However, when we try to show to the public saying that this is the disinformation actually coming from the PLA or it is actually from the United Front Work Department, sometimes the response we got from younger generation is that if I could watch Hollywood movie and I can watch anime there in Japan, why can't I read the message from China.

It means that they're treating China as one of the foreign countries here. Because we are the country that are facing national security issue, and China still has the law saying that we are a part of China. We are facing this kind of danger, and it's so hard sometimes, especially for people who do not really care about politics to know that there's a real danger over there and there might be some utilization coming from China trying to persuade the public in an opposite way.

I would think it's quite polarized right now here in Taiwan. Slightly people who know the dangers, who have the public awareness is slightly higher than the people in the opposite, but it really depends on the people in the middle. Just like I said in my written testimony, sometimes the result of election really depends on the people in the middle.

COMMISSIONER PRICE: Thank you. I have another question for you. You suggested the U.S. should support Taiwan's efforts to build resilience against this disinformation campaign. Can you flesh that out a bit? How would you suggest that happen?

MR. SHEN: Yes, there are several ways to do that. First, is that because we understand the ideology and what all these Chinese language terms, how they spread disinformation, so it should have some sort of center of excellence just like the one in NATO that are capable of analyzing the situation there in China and what kind of information has been spread, not just disinformation but including conspiracy theories, propaganda -- the data should be stored and analyzed.

Also, collaborating with each other what's the methodology right now here in Taiwan because when we're looking at the warfare there in Ukraine. Four months before the Ukraine warfare, actually Russia started to spread disinformation in 42 countries, not just in Ukraine, not just in Russia, but in all other countries.

There are so many countries that the media has been infiltrated by the CCP, and it is so essential, not just here in Taiwan, we could help but we should provide the language tools also to other countries through nonprofit organizations or any other civil societies to analyze all this strategy as a whole.

The importance of it is that because the one who are responsible for information warfare -- they've got multiple departments over there. They're all capable of spreading same kind of disinformation in different timeline in different countries. If all the countries share all this knowledge and intelligence and also the same tool, we could monitor what would happen in the future and it would have an alert system for that.

The other thing is that because, just like I said, there are so many people who don't really understand the danger because they do not know, if we surrender, what would happen -- the consequence if we sign peace agreement. In that kind of situation, it is so important to have this

civil defense education stuff here in Taiwan, and all this knowledge -- there in the U.S., and I believe it's the timing for us to collaborate with each other on that.

COMMISSIONER PRICE: Thank you so much.

COMMISSIONER BOROCHOFF: Commissioner Schriver?

COMMISSIONER SCHRIVER: Thank you and thank you to all our witnesses for these excellent statements and the discussion has been absolutely fascinating. Dr. Shen, how prepared would you say Taiwan is for the 2024 election to deal with potential disinformation to impact the election results and is there a specific role for the United States related to the election?

I understand the general point about helping with resilience and combating disinformation, but is there something specific to the election? Not to put a thumb on the scales in the direction of one party or another, but to help ensure the integrity of the election?

MR. SHEN: I think because we're trying to compete with disinformation coming from China, for example, when there's any action actually from the U.S. sometimes when the civil society or the government here wants to debunk the message. We're debunking the message for the U.S. and they would say that we're a part of the U.S. propaganda.

So I think in that way the U.S. could have a leading role in confronting the disinformation, but not English but actually the one in Mandarin. So in that way, we won't fall into the skepticism or saying that we're collaborating with the U.S., trying to bully China.

That is something that could some sort of stop the speed of this kind of disinformation. When we have all this kind of curriculum or the media literacy training, the local workshop here in Taiwan, try to tell the people the results of the warfare and what we should prepare for the warfare.

And then we could have a slightly advantage to compete with that. However, because we're approaching the end of the pandemic, which means that they're also capable of spreading disinformation again, not just online but offline through the United Front Work network. From the last election we had in 2022, it has been four months past.

There have been so many United Front Work activities that we have spotted here in Taiwan. And they're so capable of using the rumors, the whispers, the local chat, the religious groups here, spreading that kind of disinformation saying that the U.S. got some problem over there and we should lean in to China. That is something that we really need to fix right now.

COMMISSIONER SCHRIVER: Thank you. Second question, maybe Dr. Chubb. Not to sound too parochial, we're certainly interested in China's influence in the politics and the opinions of our friends and allies, but we're also interested for self-interested reasons on the content that may relate to negative information about the U.S., about our alliances, about our partnerships.

Certainly, our perception is that China is consistently trying to drive wedges, discredit us, call us unreliable, whatever it may be in the context of our alliances and partnerships. In terms of content, do you see that in the Five Eyes operations in addition to trying to influence opinions of China directly?

MR. CHUBB: Thank you, Commissioner. There is, of course, in both of the countries that I'm most familiar with, Australia and the UK, there are of course, alliance sceptics and anti-U.S. sentiments. I haven't come across particularly good evidence that the PRC has been driving that.

I think there, for example, you could look at the example of the former Prime Minister Paul Keating, and his recent interventions and actually not so recent series of interventions once every couple of years.

Major interventions on Australia's foreign policy and strategic posture, generally very critical of the U.S. alliance. However, I don't believe that Paul Keating is particularly coming from a place of a United Front ally.

It's quite difficult to link Keating's comments to anything other than his view of Australia's particular circumstances and national interests. So the short answer to your question is that I haven't seen examples of the PRC's interference and disinformation operations, particularly spreading alliance skepticism.

But I would be very interested to know whether Professor Shen or Director Scott have come across this type of practice in their studies.

MS. SCOTT: Yes, thanks very much for the question. This is certainly something we see across the developing world. In my written testimony I even have an example from the PRC ambassador to Brazil at the time published 12 Op-eds over the course of a year. Several of them were anti-U.S. in sentiment, so it's something we see across -- particularly around the COVID pandemic. Of course, how often this is happening depends on how active the ambassador is, but it's certainly pervasive.

The other thing is that we have recently undertaken some work on PRC and Kremlin narrative collusion, assessing what that looks like in the information space in 12 countries across the Western Balkans, Latin America and Sub-Saharan Africa, and anti-U.S. sentiment has been the primary -- to date, again, most of this work was conducted before the war in Ukraine.

Anti-U.S. and anti-Western sentiment had been the primary point of narrative collusion between the PRC and the Kremlin in third country context that we analyze. Narrative collusion had been the primary sort of entry point, whether it was on something like the U.S. military base in Diego Garcia or something more directly related to Serbia's foreign policy is something that we see across the range of countries that we work in. Thanks.

COMMISSIONER SCHRIVER: Thank you.

COMMISSIONER BOROCHOFF: Co-chair Wessel?

COMMISSIONER WESSEL: Thank you all very much for being here today, and as my colleagues have said, this is a fascinating discussion and one that we have over many years examined. Staff today a great paper a number of years ago in the United Front Work Department to try and help policymakers understand some of the vectors for influence campaigns.

I was reminded earlier this week with my free copy of China Daily that arrived at my office, not that this hearing hadn't focused my attention, that Chinese influence -- the CCP's influence campaigns and activities are broad, deep, and are targeted all over the place.

But how effective have they been? Here we are today, we talked before the panel started that I believe there are probably four hearings on Capitol Hill today regarding various quote, unquote China issues.

We have the creation of the select committee recently. This commission has over the last decade, I think, had unanimous reports in the vast majority of years that Democrats and Republicans are united. It seems attention on some of the challenges posed by the CCP policies are -- and the focus here in Washington is at an all-time high.

How would you rate China's influence campaign here in the U.S.? It seems to me many of the officials in charge probably get a failing grade based on just today's set of hearings. Ms.

Dearing Scott, do you want to start? Thank you also for all that IRI does on so many fronts. Do you want to start?

MS. SCOTT: I will start by saying IRI does not work in the domestic space, and so this is not something that we have necessarily studied. I can --

COMMISSIONER WESSEL: But from what you know, and again, as you've been asked by others, I do want to try and divide it that how effective are China's activities, the CCP activities here in some major Western democracies, should we be doing more as you and others have suggested to really focus our attention on the South and elsewhere where the penetration seems to have some effectiveness?

MS. SCOTT: Great. Thank you so much. There is certainly some uptake of pro-PRC narratives that we're seeing, particularly in Latin American. We just, in our consultations with our partners over the last sort of year plus, they have noted anecdotally that despite sort of changes in popular perceptions of China as analyzed by the Latin American barometer, the African barometer or things of that nature. That narratives are gaining a foothold in part because they are resonating with local concerns.

So you're talking about economic developments in a country context, the democracy narrative isn't working. One of the things that we've been trying to do to combat that is to really change our narratives around different entry points and different points for engagement, whether it be talking about PRC negative impact on the environment or contributing to corruption and things of that nature. But on the broader point, to some degree it's not irrelevant, but when you are operating in a county context, even if there is domestic popular pressure against PRC engagement in some way, if there is elite capture and if there are strong elite voices, whether in politics or in business and there isn't a sense from an authoritarian leading or authoritarian government to respond to such popular pressure the PRC is able to exert its influence regardless of those popular perceptions.

I think that's a case we can draw across the context that we can work in. That said, and to your point with regard to the debate in the United States and in our allied democracies, it certainly is changing. I think there is much, much greater awareness of the challenges and the implications of PRC political and economic engagement in every single country in which we work, thanks to increased exposure, the work of investigative journalists exposing the failed promises of PRC infrastructure projects or the environmental implications of, for example, a mining project in Ghana.

I do think the dialogue is changing and I think we do have a real opportunity for fostering democratic unity and solidarity to work together to confront this challenge.

COMMISSIONER WESSEL: Let me pull on that thread for just a moment. Where the U.S. in engaged in negotiations for the Indo-Pacific economic framework, and there's been a discussion here about other economic engagement and a discussion of FTAs, et cetera. As part of that, and there's also the APEP, the Americas Partnership for Economic Progress, in Latin America.

Should we be having a transparency component of that or to address how to ensure that there is influence activities are properly exposed, whether it's disclosure, whether it's Australia's type of system, circumscribed in ways? Would you advocate some kind of transparency component of those negotiations?

MS. SCOTT: As you all know, one of the greatest appeals for PRC lending and infrastructure and financing in much of the developing world is this perceived notion that it's not conditional and that U.S. investment is always conditional.

I think in order to directly respond to local needs and local concerns, I think anti-corruption transparency absolutely has to be a part of any equation, but we do have to be really intentional about the way in which we go about it. I think anti-corruption activists have been at the forefront of this.

In many of the places we work, we're not working with people who know China or who know the party state, but with people who are really committed to democracy and good governance in their communities. So we work with them to identify potential entry points on how to connect us to the broader China issue.

So yes, I think it absolutely has to be a part of everything, but we have to go in clear-eyed about what China is providing vis-à-vis what the U.S. can provide.

COMMISSIONER WESSEL: Okay, thank you.

MR. CHUBB: May I quickly address the question of effectiveness?

COMMISSIONER WESSEL: Please.

MR. CHUBB: Thank you. I think here again the story is different across different areas if you break down security versus economic policy versus human rights. In the security, just tacking on to the answer that I gave before, if PRC operatives have been seeking to bolster anti-alliance or alliance skepticism, for example, in Australia.

Again, they have been very unsuccessful in doing so. Take the example of Sam Dastyari is probably the closest the United Front got to really infiltrating the political system. Sam Dastyari took donations from United Front-linked business figures for a number of years, and they closest they got from him was a statement to the Chinese media that the South China Sea is China's internal affair. That was intended for Chinese media consumption only. As soon as it was reported in English, he rapidly backed away from it. Another example of someone who's been targeted through United Front Work, Shaoquett Moselmane is a New South Wales state level politician who became heavily involved with United Front-linked figures and he has advocated alliance-sceptic views, but he's been completely spurned by his own party. So there's no inroads made as far as security policy was concerned.

On economic engagement however, that's a different story. Economic engagement you can look at, for example, in the United Kingdom where UK signed up, was all in Huawei. Most of the 4G equipment in the UK's networks is Huawei. They signed deals with Chinese state-owned nuclear power companies to construct nuclear power stations.

From that perspective, economic engagement, that line of work has been quite successful. The United Front operatives according to MI5 were donating to all sides of politics, got that support for those types of projects, that policy of economic engagement.

But as soon as the issue was defined in national security terms, Huawei becomes recognized as a security threat, the nuclear power issue becomes seen as a security threat. The influence goes away. It dissipated very quickly, and the UK has reversed its policies and is reversing its policies on those.

A different story again when it comes to rights. As I've mentioned before, the impact has been very significant. There's various other things that I haven't mentioned so far, such as the effect on social trust within diaspora communities, the idea that they have been infiltrated is something that is very prominent among a lot of the weaker contacts that I've spoken to. People don't trust each other because one might be reporting back to Beijing.

Equally, it's the same story in the overseas democracy movement, right back to the 1990s. Infiltration to sow division within the movement. Very, very successful, major impact. The story is different across different areas.

COMMISSIONER WESSEL: Thank you.

COMMISSIONER BOROCHOFF: We actually have a few minutes. We have probably got time if people give brief answers for as many as three, and I know that Commissioners Friedberg and Mann asked. Commissioner Friedberg, go ahead.

COMMISSIONER FRIEDBERG: Thank you very much. It seems to me overall what we've heard described in your testimony and some that we're going to hear later is a story in which the PRC has intensified its influence operations over the last decade or so, first.

Secondly, Western countries, the United States, and other advanced industrial democracies to varying degrees have become increasingly aware of this and have begun to respond, albeit in a patchwork way. Then third, in the developing world, that seems to be less the case. There seems to be lag.

It strikes me that the problems for industrial democratic countries in responding to this intensified influence operation effort by China had mostly to do with our own principles and our own laws and not wanting to overstep and distort our societies.

The problem or the challenge that we face in helping developing countries to harden themselves against this are it seems to be more complicated. They have partly to do with the limits on the availability of resources and partly to do with problems in countering the anti-Western narratives that China and also Russia have advanced.

Just briefly on the question of resources, and I guess I would direct this to Ms. Dearing Scott. Many of the things that you mentioned as possible responses made perfect sense, but they almost all seem to confront real constraints.

So China has invested all this money. It's not so easy for democratic societies to turn on a dime and push a whole lot of money, if that's what they should do in these societies. China imports tremendous amounts from developing countries. Western countries don't as much, and the United States at least now there are limits on our ability to open markets.

China offers thousands of educational fellowships, so the United States may be able to offer hundreds but it's difficult to see how we could compete on scale. The things that China does to penetrate into the information space of these countries are things that we are constrained from doing by our own laws.

How do we respond? Is it possible to have a kind of symmetric response or do we have to pick our spots and what are the most important areas, do you think, to concentrate on for advanced democratic societies helping developing societies respond to this intense campaign on the part of the CCP?

MS. SCOTT: Thank you very much. This is why it's so important for us to work closely with our allies. Actually, collectively, if you look at the data in many of the countries where we're working, even if China is providing significant trade and investment, if you put the U.S. and Australia and Japan and South Korea together, we are actually providing much, much more both from a monetary figure and from an engagement figure.

So we need to get better at telling that story. I know that there are in certain country contexts there are reasons that we don't tell that story because of our history and our legacy.

We need to think creatively about how to do that, or how to use allies to do that. For example, we're thinking through how in the Indo-Pacific if the U.S. voice or the Australia voice or the New Zealand voice is not the best interlocutor, how can we utilize Taiwan? How can we utilize Japan?

And so those efforts are really essential because no, symmetrically it's not going be the same as you noted. We don't have the -- we're not a dictatorship. We can't direct companies to do what we want them to do, and so we really need to utilize our alliances.

I think there is a real opportunity, as I've noted, to take advantage of the raised awareness to work together. But it is going to require putting some of our own individual country interests aside in order to do that.

COMMISSIONER FRIEDBERG: One last very quick question. You mentioned in passing evidence of Russian-Chinese cooperation, collaboration. Could you say just a little bit more about what that consists of? How has it increased? Is it effective?

MS. SCOTT: So we have undertaken, as I noted, country case studies in 12 countries looking at the nexus of authoritarian actors, largely focused on China and Russia and some instances Iran also.

We've also conducted a study on PRC and Kremlin media cooperation -- again, noting that this data largely predates the invasion of Ukraine, and I think we're seeing an evolving situation, we by and large found that it was a lot of talk and not a lot of action and that is was opportunistic rather than strategic.

But that narrative collusion particularly around anti-U.S. sentiment was an area of joint interest, but obviously in other contexts the PRC and the Kremlin may be competing over energy, infrastructure projects, and things of that nature.

So it's something that we're following closely, but so far, the evidence of what we found has been largely limited with the extent of again, their anti-Western narrative collusion that was opportunistic.

COMMISSIONER FRIEDBERG: Thank you very much.

COMMISSIONER BOROCHOFF: Commissioner Mann?

COMMISSIONER MANN: Yes, I'm going to need a little bit of help interpreting social media vocab and lingo as someone who has spent their entire life in the print media. Ms. Dearing Scott, you referred to China uses the government layer of its digital stack. What's that?

MS. SCOTT: I'm also not a super expert on this, so please forgive me. Experts on this topic determined that there are five elements of a digital stack. Infrastructure, the governance layer is essentially what it seeks to do in the information space, so its discourse power. Messages, narratives, trying to promote norms, things of that nature.

COMMISSIONER MANN: Okay. Mr. Shen, you referred to spreading reports through organic channels. Is that broccoli or what?

MR. SHEN: It means that because they're especially for United Front Work Department, they're really good at approaching people who are already pro-China and trying to lure them saying that maybe this is some sort of disinformation that you could spread but in a very covert way.

For example, they might have the chat groups that establish within the private chat apps such as WhatsApp and then gradually invite them into the group and spread disinformation for them. People who are already pro-China locally here in Taiwan would definitely pick that up and spread that kind of disinformation.

That also happened here just a few days ago when one of the Russian reporters there in D.C. actually spread disinformation against Taiwan and some of the politicians just automatically pick that up because they're pro-China.

However, back to the previous argument, I guess, especially for the effectiveness of United Front Work in Parliament, it really depends on whether the rumors spread has spoken to

the online disinformation, which means that if the online efforts, the disinformation online actually work with the rumors that were heard locally here in Taiwan. That would be the great effectiveness.

In terms of how to learn from all this experience, we actually categorize all these Chinese influence operation into several different categories. For example, the U.S. has been deeply influenced in the field of academia, but there are so many countries not really influenced by China in the field of academia.

So in this type of index different countries could learn from each other to see whether a different structure has been established within that country and maybe this country should adopt that. I think that would solve the issue.

COMMISSIONER MANN: Thank you very much. Just a last question for Dr. Chubb. Again, in your report -- and I just wanted you to spell it out. You said that human rights watch and amnesty felt that it risked, I wasn't sure what it was. That it risked criminalizing the revelation of human rights violations. Can you just explain?

MR. CHUBB: Sure. That was related to the secrecy provisions, which actually constitute about 60 percent of the legislation. The espionage and foreign interference legislation. So although the headline is that this is about cracking down on PRC interference, a large percentage of that piece of legislation rolled up, basically tightening up -- I would describe it as a crackdown on whistleblowers.

The context was that Australia had seen some revelations of misuse of intelligence agencies in overseas operations to bug the Timor-Leste Cabinet Room during commercial negotiations, and this was very damaging.

The agencies obviously didn't want a repeat of that, and this is part of what got rolled up together into this big ball of national security that was called countering foreign interference. But that's one of the examples, criminalizing that type of whistleblowing.

COMMISSIONER MANN: Thanks. Thank you very much.

COMMISSIONER BOROCHOFF: We're right up against our schedule, but Commissioner Cleveland I had the impression that you might have a follow-up? No? We're going to stop and take a break and we will reconvene at 10:50. Thank you -- and what a great panel you all were. Thanks so much.

(Whereupon, the above-entitled matter went off the record at 10:41 a.m. and resumed at 10:51 a.m.)

PANEL II INTRODUCTION BY COMMISSIONER MICHAEL WESSEL

COMMISSIONER WESSEL: Begin our next panel. This section of this second, I'm reading this from the Staff so thank them. This second action-packed panel will address the diverse and varying effects of Chinese state-backed influence and interference activities by sector.

First, we'll hear from Mr. Peter Mattis. Good morning, Peter. Director for Intelligence at the Special Competitive Studies Project who will address China's interference in foreign political systems.

Prior to joining the Special Competitive Studies Project, Mr. Mattis held a variety of research related roles as the Deputy Director at our sister Commission, the Congressional Executive Commission on China.

Second, we will hear from Ms. Emily De La Bruyere, Co-Founder of Horizon Advisory and a Senior Fellow at the Foundation for the Defense of Democracies.

We will examine China's efforts to influence and interfere with the economies and businesses of foreign countries. She has written frequently on Beijing's competitive approaches to Geopolitics including through its influence activities of the subnational level and its military civil fusion strategy in a report last week that alluded the Wall Street Journal and others highlighted.

So congratulations on that. Third, we will hear from Ms. Sarah Cook, Senior Advisor for China, Hong Kong and Taiwan at Freedom House who will address China's influence and interference activities targeting Foreign media organizations.

She has authored numerous reports related to China in Media Freedom and twice served as delegate to the United Nations Human Rights Commission meeting in Geneva for an NGO working on religious freedom in China.

Finally, we will hear from Dr. Glenn Tiffert, research fellow at the Hoover Institution who will provide an overview of how China seeks to interfere in foreign academia and other elements of the knowledge base.

He Co-Chairs the Hoover project on China's global sharp power and works closely with government and civil society partners to document and build resilience against authoritarian interference with Democratic institutions.

I'd also like to draw your attention to four statements for the record we received for this panel. Dr. Daniel Currell, fellow at George Mason University's National Security Institute has written a statement exploring China origin gifts and grants to universities.

Dr. Ian Oxnevad, Program Research Associate at the National Association of Scholars has written a statement addressing Confucius institutes and classrooms.

Dr. Erin Baggott Carter, Assistant Professor of International Relations at the University of Southern California and Hoover Fellow at the Stanford University's Hoover Institution has written a statement assessing China's lobbying and propaganda activities

And last but certainly not least, John Metz, President of the Athenai Institute and Rory O'Connor, Chairman of the Athenai Institute have written a statement addressing China's efforts to interfere with student life and academic freedom on campus.

We had a long and distinguished list of potential witnesses for today's hearing and the statements I just identified were witnesses who we asked to supply those statements. Thank you all very much for your testimony.

I'd like to remind you to keep your remarks to seven minutes and, Peter, we'll begin with you.

OPENING STATEMENT OF PETER MATTIS, DIRECTOR FOR INTELLIGENCE, SPECIAL COMPETITIVE STUDIES PROJECT

MR. MATTIS: Well, Co-Chairs Borochoff and Wessel, thank you very much for holding this hearing today. It's also a pleasure to be back in the front of the Commission and to see so many familiar faces and friends up there.

Of course critical thought and research and consideration that we're not always, we don't always have the time to provide that kind of thoughtful approach that is often the hallmark of some of these hearings.

I think the importance of this issue is that any sustainable long-term strategy for addressing the U.S./China relations, what the future of the PRC looks like involves us being able to ensure that our political processes and decision making in the United States and that of our allies and partners maintain their integrity.

And the party has made its efforts very clear that it needs to shape and encourage us to support its rise and to keep the doors and access open.

And if we fail to address this problem, we simply don't have the right way of thinking or the, sort of the confidence that we should have in Democratic processes to deliver us the best and supported solutions that we need to have.

My segments here today will focus primarily on the party's intentions, its policies, its activities in part because this is what we, this is where all of these conversations need to start.

It's still not commonly enough known that all of these issues are in play or what the party is after. And therefore, we have to be sort of merciful and forgiving for the kinds of mistakes that sometimes occur when you're dealing with a political system that is sort of in a sense alien to us in the way that Leninist systems operate.

So at the core of this, is what the party calls United Front Work. This is both a sort of political concept, a way of practicing politics. It's a policy system as I think Alex Joske is going to testify in the next panel.

It's also an organization embodied by the United Front Work Department. But it's worth remembering that there's a central United Front Work Department, provincial ones, and everywhere that you can find party committees, you're likely to find a United Front Work Department.

So this is just part of a big system and you can't pin it on any particular organization. Every party leader from now to Xi Jinping has endorsed the United Front Work as a means of the party achieving its objectives, both domestically and internationally.

And the party views United Front Work is fundamental to achieving what Xi Jinping has called the Great Rejuvenation of the Chinese Nation.

For the party to finish the PRC's modernization, national unification and to reshape global governance, the CCP must rally many people inside and outside the PRC to support the party's objectives.

Some specific manifestations of the United Front Work include facilitating technology transfer, creating opportunities for espionage, gaining control of civil society organizations, building party committees within private companies, achieving narrative dominance and normalizing party propaganda, co-opting foreign and international organizations and co-opting or influencing foreign allegiance to support CCP objectives.

This work is carried out across the globe. It might be comforting to say well maybe it's focused on democracies or maybe its focused on authoritarian states but I think when you, when

you look at the organizational activities, it's pretty clear that this is on a global scale and no particular country safe.

The question is more of where does a, where does the party try to inject itself? And in a democratic system, we have a lot more points in our system where people or foreign countries can inject themselves and engage with our system than might be the case in a purely authoritarian system where you can focus on the elite and that will drive the decision making.

Right? In our system we have a federal system, we have a state system, we have local governments and all of them have, you know, particular jurisdiction and particular choices that they're allowed to make.

I think only Australia has passed new legislation to deal specifically with this challenge. The first was the foreign influence transparency scheme that required individuals and organizations to register if they were engaged in political activity on behalf of a foreign government or other political entity.

And they also created the Australian Foreign Relations Act in 2020 that allowed the Central Government or the federal government to essentially veto activity by the states and territories that ran counter to national policy.

So it was a way to ensure that, you know, yes, the individual states could still continue to engage internationally, but where they were doing something that undermined national policy, the -- Canberra could step in to shape it.

The UK is considering new legislation on this front and I believe they just had a third reading in the House of Lords on the National Security Bill.

It bears a number of hallmarks that are similar to our FARA legislation or the Section 951 under U.S. Code 18 that is sort of the espionage related version of being an agent to a foreign power.

But to date, no one has really made a, I think a clear, set a clear template for how this work should be done and what's the legal basis for handling these issues.

So we're still at a point where we have to discuss the problem and to identify the problem and have some sense of where the government tools should be used and where civil society is going to have to set its own norms and standards and kind of provide a peer review if you will on our individual activities.

And to this front, the idea of how do you push a public conversation that is so rigorous that is fact based and does so without atomizing or dividing us along any particular line.

You know, we're in the business of judging actions not in trying to safeguard our country not naming and chaining people for things that we cannot really hold them accountable for because there isn't information, there isn't ways to judge.

So I think there are three sort of steps that need to be considered. The first is creating a new open source or information and intelligence organization to leverage the information that's available.

Most of the reasons why we're discussing this issue today have come from open-source researchers, a number who have been testifying today.

And ultimately because of the way the PRC is cracking down on information, they are making it harder and harder for individuals to do this and we need a government organization to do so.

The second is to push the adoption of digital tools that allow us to process this information at scale and we can find new insights that are impossible to do with kind of pen and paper research.

And the final is trying to figure out how to build China expertise inside the government as we've sort of lost access to the PRC or find it difficult to hire people who have spent time inside the PRC.

It's been 50 years since someone in Carter's administration complained about the quality of U.S. government expertise, the late Michael Oxenberg. And we still haven't done anything about it. So thank you.

COMMISSIONER WESSEL: Thank you. Emily?

PREPARED STATEMENT OF PETER MATTIS, DIRECTOR FOR INTELLIGENCE, SPECIAL COMPETITIVE STUDIES PROJECT

SPECIAL
COMPETITIVE
STUDIES
PROJECT

Written Testimony of Peter Mattis

U.S.-China Economic and Security Review Commission

"China's Global Influence and Interference Activities"

Thursday, March 23, 2023

Co-chairs Borochoff and Wessel and members of Commission, thank you for inviting me back to testify before you today on this important topic. It is wonderful to see so many thoughtful leaders, friends, and former colleagues committed to understanding and to responding to the challenges posed to the United States by the People's Republic of China (PRC)'s ruling Chinese Communist Party (CCP).

Any sustainable, long-term strategy for addressing China's challenge requires protecting the integrity of U.S. political and policymaking processes. This requires grappling with the challenges posed by the party's efforts to shape U.S. decision making by interfering in our politics and domestic affairs as well as those of our allies and partners.

The United States, its political and business elite, its thinkers, and its various communities have long been targets for the Chinese Communist Party. The party employs tools that go well beyond traditional public diplomacy efforts. Often these tools lead to activities that are, in the words of former Australian prime minister Malcolm Turnbull, "covert, coercive, or corrupt."[1] Nevertheless, many activities are not covered by Turnbull's three "Cs" but are still concerning and undermine the ability of the United States to comprehend and address Beijing's challenge.

Most of my statement will focus on the CCP's policies and activities. It is the party's intent and activities that should concern us first. The problem of the CCP's interference in the United States is a problem for all Americans and cannot be dealt with by measures that divide or atomize us, especially on ethnic grounds.

[1] Malcolm Turnbull, Speech introducing the National Security Legislation Amendment (Espionage and Foreign Interference) Bill (2017).

A Means to Achieve National Rejuvenation

United front work is one of the CCP's three key tools for wielding political power.[2] Mao Zedong described united front work as mobilizing one's friends to strike at one's enemies. More broadly, the purpose of united front work is to control, mobilize, and otherwise make use of individuals outside the party to achieve its objectives. The CCP attempts to co-opt those in business, science, and political groups as well as ethnic minorities and religious movements. The party then claims the right to speak on those groups' behalf and uses them to claim legitimacy.

Every CCP leader from Mao to Xi Jinping has endorsed united front work as a means for the party to achieve its objectives, domestically and internationally. In his speech marking the Party's centenary in July 2021, Xi Jinping said "In the course of our struggles over the past century, the Party has always placed the united front in a position of importance. We have constantly consolidated and developed the broadest possible united front, united all the forces that can be united, mobilized all positive factors that can be mobilized, and pooled as much strength as possible for collective endeavors. The patriotic united front is an important means for the Party to unite all the sons and daughters of the Chinese nation, both at home and abroad, behind the goal of national rejuvenation."[3]

United front activities are carried out by a united front policy system, which encompasses a network of party and state agencies that runs from the highest levels of the party to local levels of government. At the top sit the CCP General Secretary and Chinese People's Political Consultative Conference Chairman, both of whom sit on the party's highest decision-making body, the Politburo Standing Committee. The leading party agency is the United Front Work Department, and its leader often sits on the Politburo and the Central Secretariat, which makes day-to-day governance decisions for the party center.

United front work is repeatedly referred to as the "work of the entire party," meaning that every party cadre should have some sense of responsibility for united front work.[4] United front work departments can be found as part of party committees wherever they may be, including PRC

[2] In a 1939 essay, Mao Zedong wrote "Our eighteen years of experience have taught us that the united front, armed struggle and Party building are the Chinese Communist Party's three 'magic weapons,' its three principal magic weapons for defeating the enemy in the Chinese revolution. This is a great achievement of the Chinese Communist Party and of the Chinese revolution… Our eighteen years of experience show that the united front and armed struggle are the two basic weapons for defeating the enemy. The united front is a united front for carrying on armed struggle. And the Party is the heroic warrior wielding the two weapons, the united front and the armed struggle, to storm and shatter the enemy's positions. That is how the three are related to each other." Mao Zedong, Introducing *The Communist*, The Communist (1939).
[3] Xi Jinping, Full Text of Xi Jinping's Speech on the CCP's 100th Anniversary, Nikkei Asia Review (2021).
[4] The Charter of the Chinese Communist Party (Amended 2022).

provinces, scientific institutions like the Chinese Academy of Sciences, and state-owned, private, and even foreign enterprises. Every ministry has some element that focuses on united front work, ranging from those with explicit national security purposes like the PRC's civilian intelligence service, the Ministry of State Security, to the seemingly benign, like the Ministry of Education and the Ministry of Civil Affairs.[5]

The CCP views united front work as fundamental to achieving what Xi Jinping calls the "Great Rejuvenation of the Chinese Nation."[6] For the party to finish the PRC's modernization, national unification, and reshape global governance, the CCP must rally many people inside and outside the PRC to support its cause. At the 20th Party Congress last fall, Xi stated "The people's support is of the utmost political importance, and the united front is an effective instrument for rallying the people's support and pooling their strength. We will build a broad united front to forge great unity and solidarity, and we will encourage all the sons and daughters of the Chinese nation to dedicate themselves to realizing the Chinese Dream of national rejuvenation."[7]

Specific manifestations of united front work include the following activities:

- Facilitating technology transfer;[8]
- Creating opportunities for espionage;[9]
- Gaining control of civil society organizations;[10]
- Building party committees within private companies;[11]
- Achieving narrative dominance and normalizing party propaganda;[12]
- Coopting foreign and international organizations;[13] and
- Coopting or influencing foreign elites to support CCP objectives ("elite capture").[14]

[5] Alex Joske, The Party Speaks for You, Australian Strategic Policy Institute (2020).
[6] Guo Lunde, '习近平引领统战工作进入新时代' [Xi Jinping leads united front work into the new era], Tibet.cn (2017).
[7] Xi Jinping, Report to the 20th National Party Congress (2022).
[8] William Hannas & Didi Kirsten Tatlow, eds., China's Quest for Technology: Beyond Espionage, Routledge (2020).
[9] Alex Joske, The Party Speaks for You, Australian Strategic Policy Institute at 15 (2020).
[10] Anne-Marie Brady, Magic Weapons: China's Influence Activities under Xi Jinping, Woodrow Wilson International Center for Scholars (2017).
[11] Scott Livingston, The Chinese Communist Party Targets the Private Sector, Center for Strategic and International Studies (2020).
[12] Matt Schrader, Friends and Enemies: A Framework for Understanding Chinese Political Interference in Democratic Countries, German Marshall Fund (2020); Livia Codarin, Laura Harth, and Jichang Lulu, Hijacking the Mainstream: CCP Influence Agencies and Their Operations in Italian Parliamentary and Local Politics, Sinopsis (2021).
[13] Yaroslav Trofimov, Drew Hinshaw, and Kate O'Keeffe, How China Is Taking Over International Organizations, One Vote at a Time, Wall Street Journal (2020); Jichang Lulu, United Nations with Chinese Characteristics: Elite Capture and Discourse Management on a Global Scale, Sinopsis (2018).
[14] Alex Joske, The Party Speaks for You, Australian Strategic Policy Institute (2020).

A Means to Protect Ideological Security

United front work, especially its surveillance and monitoring aspects, also serves to protect the party's power by extending it abroad to neutralize perceived threats to it. The desire to control the political landscape and protect the party's position found clear definition in China's National Security Law from 2015. The law describes security in broad terms that go well beyond physical threats to the territory of the PRC. Security comes from the inside out. Articles Two and Three of the law state: "National security refers to the relative absence of international or domestic threats to the state's power to govern, sovereignty, unity and territorial integrity, the welfare of the people, sustainable economic and social development, and other major national interests, and the ability to ensure a continued state of security. National security efforts shall adhere to the comprehensive national security concept, making the security of the People their goal, political security their basis and economic security their foundation; make military, cultural and social security their safeguard…"[15]

This definition has two notable features. First, security is defined by the absence of threats, not by the ability to manage them. This unlimited view pushes the Chinese Communist Party toward preempting threats and preventing their emergence. Second, security issues extend to the domain of ideas—what people think is potentially dangerous. The combination of these themes — preemption in the world of ideas — creates an imperative for the party to alter the world in which it operates—to shape how China and its current party-state are understood in the minds of foreign elites.

One way of making this more concrete is to look at party documents about security threats. In April 2013, "Document No. 9" — "Communiqué on the Current State of the Ideological Sphere" — identified ideas that undermine the party-state's security. Among them were the promotion of constitutional democracy, civil society, and Western concepts of journalism. In the circular's final paragraph, it stated the party should "allow absolutely no opportunity or outlets for incorrect thinking or viewpoints to spread."[16] Although it would be easy to dismiss this document as a one-off or unenforced, in 2015 Beijing abducted and held five Hong Kong booksellers, including foreign passport holders, who sold books ostensibly banned in China.[17] Moreover, over the last few years, PRC nationals living abroad have protested Xi's continuing centralization of power, Beijing's suppression of Hong Kong, and the Uyghur genocide. Some of these individuals have faced pressure directly or had their families intimidated inside the

[15] National Security Law of the People's Republic of China, Xinhua (2015).
[16] Document 9: A ChinaFile Translation, ChinaFile (2013).
[17] Alex Palmer, The Case of Hong Kong's Missing Booksellers, New York Times Magazine (2018).

PRC.[18] Influencing the outside world, therefore, is not just a historical activity of the party, but an ongoing requirement for national security as defined by the party-state.

The Global Reach of United Front

The CCP carries out united front and propaganda work across the globe, regardless of the political system in a given country. The opportunities for CCP-controlled or -guided entities to engage their targets varies country-by-country, and is probably shaped by whether that country has a more open democratic system or a more closed authoritarian one. It is not clear that any country is off limits, based on organizational indicators like the presence of the United Front Work Department's China Council for the Promotion of Peaceful National Reunification that has chapters in at least 91 countries. Those countries include the United States, United Kingdom, Canada, France, and Chile as well as Russia, Zimbabwe, and Egypt.[19] Overseas delegates to the Chinese People's Political Consultative Conference and international advisors to other united front organizations also show similar political range over the years.

These operations also take place at the sub-national level. Beijing has found value in cultivating rising politicians, because today's local council member is tomorrow's governor or senator. Local governments also do not have the same level of national security awareness as national-level government organizations, especially when it comes to local imperatives for economic growth and job creation.[20]

The Chinese Communist Party's political influence operations come through five primary vectors: weaponizing China's economy, community organizations, wealthy proxies, exchanges, and consulting agreements.[21]

1. Weaponizing China's Economy: As China analyst Matt Schrader put it, Beijing takes advantage of its "economic heft to incentivize—and coerce—political, diplomatic, business, cultural, scientific, academic, athletic, and other elites to support the party's

[18] For example, Shih-Wei Chou and Xiao Yu, China Tries to Muffle Those Living Abroad by Intimidating their Families, Voice of America (2020); Sebastian Rotella, Even on U.S. Campuses, China Cracks Down on Students Who Speak Out, ProPublica (2021); Ben Quinn, Hong Kong Protesters in UK Say They Face Pro-Beijing Intimidation, The Guardian (2019).
[19] Alex Joske, The Party Speaks for You, Australian Strategic Policy Institute at 7 (2020).
[20] Emily de la Bruyere & Nathan Picarsic, All Over the Map: The Chinese Communist Party's Subnational Interests in the United States, Foundation for Defense of Democracies at 6 (2021).
[21] Sources consulted for this section include, Matt Schrader, Friends and Enemies: A Framework for Understanding Chinese Political Interference in Democratic Countries, German Marshall Fund (2020); Anne-Marie Brady, Magic Weapons: China's Influence Activities under Xi Jinping, Woodrow Wilson International Center for Scholars (2017); Alex Joske, The Party Speaks for You, Australian Strategic Policy Institute (2020); Hsu Szu-Chien and J. Michael Cole, eds., Insidious Power: How China Undermines Global Democracy, Eastbridge Books (2020); and David Shullman, ed., Chinese Malign Influence and the Corrosion of Democracy: An Assessment of Chinese Interference in 13 Countries, International Republican Institute (2019).

interests."[22] Those working on behalf of the united front system often are aggressive in communicating the expectations and benefits of correct behavior, i.e. those actions that Beijing wants, and the costs of crossing the party. This pressure is used to encourage individuals and companies that benefit from compliance with Beijing to lobby their governments on behalf of the CCP's interests, regardless of whether there is specific direction. Numerous examples have become public in recent years, such as the PRC Embassy's efforts to rally U.S. companies against pending legislation[23] and the use of a global telecommunications company[24] and a financial services company to pressure European governments.[25]

2. Overseas Chinese Community Organizations: The Chinese communities outside the PRC contain an alphabet soup of ethnic community organizations, including chambers of commerce, hometown associations, friendship societies, and cultural promotion centers. These organizations exist for all the same reasons that ethnic community organizations come together. They provide useful community resources and services, even as ones tainted by the united front system bring the party's influence along with them. In most of the problematic organizations, the membership probably is unaware of the connections. The leadership sitting atop co-opted organizations become the community leaders through which politicians engage their local Chinese communities. They also can be quoted in the media as being community leaders, even in cases where the organization exists in little more than name.

3. Wealthy Proxies: Wealthy business people working on the party's behalf are one of the most important vectors for the party's influence abroad. Although many of these individuals are PRC citizens or emigres, some businesspeople from other states are influenced, coopted, or fully recruited to the party's cause. Their primary value is the ability to move money quickly outside of China and, in democratic societies, the ability to spend that money legitimately without generating the alarm that comes with more direct state activity. Where the united front system is active, two or more businesspeople will provide a significant chunk of the financial support for large united front-linked community organizations as well as other relevant political or social causes. For example, in Australia, two wealthy businessmen and political donors, Chau Chak Wing and Huang Xiangmo, appear to have been the most active financial supporters of Beijing's efforts to interfere in Australian politics. Their money bought access to the

[22] Matt Schrader, Friends and Enemies: A Framework for Understanding Chinese Political Interference in Democratic Countries, German Marshall Fund at 4 (2020).
[23] Michael Martina, Chinese Embassy Lobbies U.S. Business to Oppose China Bills - Sources, Reuters (2021).
[24] Richard Milne, Why Ericsson Took on Its Own Government to Defend Rival Huawei, Financial Times (2021).
[25] Robert Tait, China Accused of Buying Influence after Czech Billionaire Funds PR Push, The Guardian (2020).

major political parties, platforms for pro-China voices, and supported community groups like the Australian Council for the Promotion of Peaceful Reunification.[26]

The easiest group of these proxies to identify come from Hong Kong. Their wealth has been built with the party's assistance. Although their families may have built successful businesses in one or two industries, a hallmark of these businesses is sprawl across numerous, unrelated industries. These businesspeople often can be identified because they are members of the Chinese People's Political Consultative Conference and the National People's Congress system. Their Hong Kong residency gives them legitimacy and credibility that their counterparts in China do not have. For example, former Hong Kong chief executive Tung Chee-hwa has been able to reinvent himself as a philanthropist to donate money to U.S. think tanks, academic programs, and sponsor trips for journalists, students, and politicians to China. Tung, however, became Beijing's man in Hong Kong after the party bailed his company out of bankruptcy in the mid 1980s, and he began representing the party's interests to the British. Until recently, Tung served as a vice chairman of the CPPCC, which gives him standing within the party at roughly the level of a provincial party secretary.[27]

4. People-to-People Exchanges/Diplomacy: Prior to COVID pandemic, the united front policy system sponsored and arranged hundreds of trips to China each year. These trips are used in a myriad different ways to earn good will and to influence analysts and politicians. They offer opportunities for the party to persuade them of China's rectitude or to refute critical arguments. Even if the latter does not persuade the critic, their fellow participants may be persuaded or inclined to see the critic as needlessly provocative. The trips also give party officials evaluate potential targets personally. Not only is there personal interaction, but there often is substantive discussion of ideas and policy positions.[28]

5. Consulting Agreements: Hiring foreign senior officials after they retire has become common practice. Beijing may have pioneered the process decades ago, pressing companies that wanted to do business in China to hire their favored former officials to close business agreements. Perhaps one of the most noteworthy examples is former

[26] Gerry Groot, The CCP's Grand United Front, Sinopsis (2019); John Dotson, The United Front Work Department Abroad: A Profile of the Council for the Promotion of the Peaceful Reunification of China, Jamestown Foundation China Brief (2018); Nick McKenzie & Chris Uhlmann, Big Political Donor Named in Parliament over FBI Bribery Case and Beijing Links, Sydney Morning Herald (2021); Alex Joske, Spies and Lies: How China's Greatest Covert Operations Fooled the World, Hardie Grant at 164-166 (2022).
[27] Bethany Allen-Ebrahimian, This Beijing-Linked Billionaire Is Funding Policy Research at Washington's Most Influential Institutions, Foreign Policy (2017); Hsu Szu-Chien and J. Michael Cole, eds., Insidious Power: How China Undermines Global Democracy, Eastbridge Books at 29-37 (2020).
[28] For descriptions of how these exchanges are used, see, J. Michael Cole, Taiwan and CCP Political Warfare, Sinopsis (2019); Martin Hala and Jichang Lulu, A New Comintern for the New Era: The CCP International Department from Bucharest to Reykjavík, Sinopsis (2018).

Australian trade minister Andrew Robb's $880,000 (AUS) salary for minimal work on behalf of the Chinese firm Landbridge.[29] Robb resigned from this position ahead of the deadline to register under Australia's new transparency scheme for former officials.[30]

Legislative Responses to Foreign Interference

From the Cold War to the present, Congress has considered dozens of amendments to the Foreign Agent Registration Act (FARA) for the purposes of strengthening or closing loopholes that might be exploited by foreign actors. None of these amendments, however, have become law.

Australia remains the only democracy to enact substantial legislation to counter foreign political interference. In December 2017, then-Prime Minister Malcolm Turnbull introduced a set of national security laws to update Australia's espionage laws and create the Foreign Influence Transparency Scheme (FITS). FITS went into effect in December 2018. The law requires an individual or organization to register if they undertake lobbying, communications, or other political activity in Australia on behalf of a foreign government, a foreign political organization, a foreign government-related entity, or a foreign government-related individual.[31]

FITS also criminalizes non-compliance. Failing to register could be punished with up to six months in prison and/or a fine. Providing false or misleading information could be punished with up to three years imprisonment, and destroying records by up to two years imprisonment.[32]

Australia's Foreign Relations Act of 2020 created the Foreign Arrangements Scheme to ensure that state and territory governments' activities with foreign governments are consistent with Australia's foreign policy. The scheme requires state and territory governments to notify the foreign minister when entering agreements with foreign government entities, such as sister city agreements. In some cases, where the arrangements involve "core" state and territory entities or a "core foreign entity," the foreign minister has the opportunity to review and approve the arrangement.[33]

The United Kingdom is currently considering legislation as part of its National Security Bill to modernize its espionage laws, criminalize political interference, and create a Foreign Influence

[29] Nick McKenzie, Richard Baker and Chris Uhlmann, Liberal Andrew Robb Took $880k China Job as Soon as He Left Parliament, Sydney Morning Herald (2017).
[30] Nick McKenzie & Richard Baker, Andrew Robb Quits China-linked Firm Before Foreign Interference Law Kicks In, Sydney Morning Herald (2019).
[31] Foreign Influence Transparency Scheme, Attorney-General's Department (last accessed 2023).
[32] Foreign Influence Transparency Scheme. Fact Sheet No. 17, Attorney-General's Department (2019).
[33] Revised Explanatory Memorandum: Australia's Foreign Relations (State and Territory Arrangements) Bill 2020, The Parliament of the Commonwealth of Australia and Senate (2020).

Registration Scheme – similar to Australia's FITS. The UK system would involve two tiers. The first tier is a general registration of activity taken on behalf of a foreign principal. Violations would be punished by up to two years in prison, a fine, or both. An enhanced tier would allow the home secretary to designate foreign powers with parliamentary approval for heightened penalties for violations of the law, including up to five years imprisonment.[34] The draft law also creates a new category for "obtaining benefits from a foreign intelligence service," which is roughly analogous to U.S. espionage-related laws on being an unregistered agent of a foreign power.[35] The law would criminalize receiving benefits from a foreign intelligence service irrespective of the content and classification of information provided to that intelligence service.[36]

Taiwan also has been debating new legislation to address the CCP's interference in Taiwan's information and political landscape. The draft Anti-Infiltration Law would criminalize receiving support from hostile countries in the form of donations, in elections, in lobbying, or disrupting Taiwan's politics.[37] Taiwan also amended its National Security Act and the Act Governing Relations Between the People of Taiwan Area and the Mainland Area to better protect Taiwan's technologies and keep better track of companies doing business inside Taiwan.[38]

To the best of my knowledge, subnational U.S. actors have largely left transparency measures to the federal government. Companies, universities, and other research organizations have increased their due diligence efforts to understand foreign partners and the risk of entering any arrangement with them. The Association of Public and Land-grant Universities and the Association of American Universities, for example, have convened meetings and promulgated best practices for protecting research security.[39] In 2020, Florida passed legislation to address financial conflicts of interest and outside activities of state employees, including universities.[40] In 2021, Florida also passed legislation with stricter scrutiny of research grants, foreign applicants for research positions, and foreign activities of researchers. The law also requires the disclosure of foreign donations to state educational institutions above $50,000 and prohibits agreements between Florida state entities and seven countries of concern, including the PRC.[41]

Recommendations

[34] Foreign Influence Registration Scheme to Make Clandestine Political Activity Illegal, UK Home Office (2022).
[35] 18 U.S.C § 951.
[36] HL Bill 115, National Security Bill at 15-18 (2023).
[37] Aaron Huang, Combating and Defeating Chinese Propaganda and Disinformation: A Case Study of Taiwan's 2020 Elections, Harvard University - Belfer Center for Science and International Affairs at 33 (2020).
[38] Chung Li-hua & Liu Tzu-hsuan, Law to Combat Espionage Takes Effect, Taipei Times (2022).
[39] Peter McPherson & Mary Sue Coleman, We Must Have Both, Inside Higher Ed (2019).
[40] CS/HB 7017, Foreign Influence (2021). For a short explainer in a university context, see, Foreign Influence and Research Security Guidance, Florida International University (2021).
[41] Governor Ron DeSantis Signs Groundbreaking Legislation to Combat Theft of Florida Intellectual Property by Foreign Countries, Governor of Florida (2021).

One of the fundamental features of being able to push back against political interference is the ability to have a serious, fact-based discussion on which there is broad agreement about the facts and features of the issue. Below are a set of recommendations that would improve the U.S. ability to monitor and discuss what Beijing is doing both domestically and internationally. Government resources should focus mostly on violations of the law rather than what is merely unethical or improper. Individual citizens, civil society organizations, and the private sector more broadly will need their own norms and codes of conduct. To do so effectively, focus needs to be put on the problems posed by the CCP – rather than naming and shaming those we think have done wrong – because the United States has not yet reached a point where there is a common version of the challenge the party poses. Without this foundation, it is all too easy to fall into the trap of suspecting people on the basis of who they are.

1. **Create a new open source information and intelligence organization to leverage publicly and commercially available information more effectively.**

   The nature of the PRC and CCP systems require the sprawling and overlapping central, provincial, and local structures to communicate many objectives and guidance out in the open. This includes the united front system and sometimes broader parts of the national security apparatus. Open source research has been the foundation for much of the global conversation about how to respond to the CCP's political interference. Yet, the myriad books, articles, and pieces of investigative journalism that have been published are essentially the products of loosely coordinated researchers acting alone or in small groups. Although the value of an open source agency would go well beyond countering CCP united front operations, such an organization would provide a steady capability within the U.S. Government functioning on a day-to-day basis rather than project-by-project as often is the case with contracted open source work. As the Special Competitive Studies Project (SCSP) recommended last fall, the lack of an open source agency is a critical organizational shortfall in the IC that needs to be remedied in part because of the need to bridge the Intelligence Community, the rest of the U.S. Government, and outside partners in business, academia, and civil society.[42]

2. **Drive the adoption of digital tools and AI throughout the Intelligence Community to manage the volume, velocity, and variety of data.**

   AI-enabled tools offer the capability to collect, process, and organize data at scale far beyond what human analysts can do on their own. Advances in natural language processing also will make more data available to analysts and decision makers that lack foreign language skills. In SCSP's research last year, we found that the U.S.

[42] Intelligence in an Age of Data-Driven Competition, Special Competitive Studies Project (2022).

Government – and especially the Intelligence Community – needs to invest in these capabilities, so that they can be leveraged across departments. Although U.S. intelligence agencies were among the first U.S. government organizations to recognize the promise of new digital tools, they are yet to leverage their full potential. Pilot projects have had trouble scaling. Digital infrastructure lacks the coherence necessary to take full advantage of new tools, even within the same agencies.[43]

The combination of better open source collection and faster processing with AI-enabled tools would make it much easier for the U.S. Government to track the CCP's global operations in terms of the organizations, individuals, and narratives that are involved in political interference. Having a global picture would make it much easier to release or share information, because decision makers would better know what is sensitive or not. Moreover, the combination would help focus more sensitive intelligence collection on the most dangerous CCP activities as they arise and improve the comprehensiveness of all-source intelligence analysis.

3. Invest in expertise building inside and outside the U.S. government.

Countering the CCP's interference and malign influence requires country-specific expertise, even if the laws and regulations are country agnostic. U.S. access to the PRC, however, is becoming more constrained for both the public and private sectors as Xi Jinping has tightened security measures and the U.S.-PRC relationship has become more fraught. Fewer Americans are studying China and Chinese language – the latter of which began declining in 2016.[44]

In the 116th Congress, none of the various U.S.-PRC competition bills included investments in developing expertise and language skills. This stands in stark contrast to the early Cold War, when the White House and Congress realized the need to invest in expertise. The National Defense Education Act of 1958 created substantial investments in area studies, particularly related to the Soviet Union, and the United States continued such programs through Title VI of the Higher Education Act. [45]

Congress should create and fund educational programs to support mid-career expertise building and language skill maintenance. Existing programs focus almost exclusively on undergraduate and graduate students at the beginning of their careers. Creating space and time for experienced professionals to brush up on language skills or pursue useful

[43] Intelligence in an Age of Data-Driven Competition, Special Competitive Studies Project (2022).
[44] Dennis Looney & Natalia Lusin, Enrollments in Languages Other Than English in United States Institutions of Higher Education, Summer 2016 and Fall 2016: Final Report, Modern Language Association (2019).
[45] Jeffrey Kuenzi, Foreign Language and International Studies: Federal Aid Under Title VI of the Higher Education Act, Congressional Research Service (2008).

personal projects would help ensure continued learning. Government employees have some access to similar programs, but there needs to be greater recognition of the value of education and being away from the desk. Private sector employees need new programs and sources of support to be able to take the time to study and return to work.

OPENING STATEMENT OF EMILY DE LA BRUYERE, CO-FOUNDER, HORIZON ADVISORY AND SENIOR FELLOW, FOUNDATION FOR DEFENSE OF DEMOCRACIES

MS. DE LA BRUYERE: Thank you and thank you for this opportunity. It's an honor to be testifying here today. My focus for today is on China's international industrial influence campaign.

The Chinese Communist Party builds and takes advantage of ties to key international economic and financial actors in order to shape Government decision making.

This part of Beijing's larger industrial offensive, one that weaponizes the interdependencies of a globalized environment in order to secure asymmetric dependence and with it coercive power.

The Chinese Communist Party pursues its industrial influence campaign by taking advantage of reliances that stem from China's market, China's productive capacity and Chinese capital.

This effort threatens the integrity of international political systems. It also attacks the foundation of the global market-based trading system.

In the U.S., China's industrial influence campaign is well established. It's also brazen. In 2018, for example, the Chinese Minister of Commerce publicly called on U.S. companies to "lobby the U.S. government not to put tariffs on Chinese goods."

Five years later, in perhaps a perverse twist, current U.S. government and private sector efforts to compete with China and to compete with China via industry risk, in fact, fueling and making more aggressive China's industrial influence campaign.

On the first front, these are a competitive threat to China and so China turns to industrial influence in order the neuter that threat.

At the same time, many of these efforts involve support for productive capacity. That opens the door for China to position to co-op that support as well as to co-opt the domestic American players that are positioned to benefit from it.

For example, Ford recently announced that it would partner with CATL, a Chinese state-backed company in developing a $3.5 billion electric vehicle battery facility in Michigan.

This raises the question of whether a facility that depends on Chinese inputs can benefit from IRA support. By extension, whether China can benefit from that support.

And whether China can secure a place for its commercial champions in the very industries and industry chains that the U.S. government is working to support.

Ford depends on CATL inputs. Ford is investing in this facility with CATL. Therefore, it's in Ford's interest to use all of the political clout that it has to ensure that the answer to those questions to whether a China-dependent facility can benefit in this way that the answer is yes.

This case risks being just one of many. That risk is particularly acute considering Chinese industrial dominance in the various sectors that are being prioritized by U.S. government efforts.

Just last week, LONGi Solar, another Chinese company, and one that's the world's largest manufacturer of solar modules announced that it would partner with a U.S. company in building a solar modular assembly facility in Ohio.

That facility is likely to import products from China. It's also likely to receive IRA support. Those are U.S. examples. China's industrial influence campaign is global.

And it plays out among other ways in an effort to drive a wedge between the U.S. and its strongest allies and partners. Here they're European Union, Germany, and Volkswagen offer a clear example.

Volkswagen depends on China as a market and as a production hub. Volkswagen also has major political influence in Germany. These realities have translated into Volkswagen working to influence Berlin's China policy in a way that's favorable for China at exactly the same time as Washington is trying to bring Berlin and the EU more broadly into a coordinated robust response to China.

When German Chancellor Schultz visited Beijing in 2022, he did so at the head of a business delegation that included the CEO of Volkswagen.

This de facto ensured that Volkswagen's business interests which include maintaining and expanding ties to China feature in the state level dialogues.

A similar dynamic has also played out with Airbus, another European industrial crown jewel. During Schultz's visit in 2022, he signed a procurement agreement in which China committed to buy 140 Airbus jets.

This follows long-standing precedent for European state leaders. And in both cases, both the Airbus and the Volkswagen case, the promise to a key European industrial applier of access to the Chinese market appears to be used as bait to ensure a positive diplomatic outcome for Beijing.

These are just a few examples. They reflect a much larger, much more pervasive reality. That reality, China's industrial influence campaign threatens political integrity, human rights, the foundation of the economic system globally.

It also threatens the ability of the U.S. and the international system to respond to China's global industrial offensive and to present a proactive alternative.

China's influence campaign risks driving a wedge between public and private sector in a competition that hinges on the private sector. Then, of course, what to do?

This is an area where U.S. leadership and congressional leadership in particular is really crucial. That leadership should start with shoring up American defenses.

First, the U.S. should bolster its foreign investment screening processes including by expanding the definition of a covered transaction under CFIUS to include limited partnership stakes.

The U.S. should also leverage government procurement regulations to protect against outsized dependencies on China in terms of suppliers, in terms of production and in terms of information sharing with Beijing.

And as the U.S. builds out as defensive architecture, it also needs to work with allies and partners to ensure that they're developing a coordinated system.

Part of doing so means offering incentives including support and capacity building in everything from foreign investment screening to supply chain diversification to trade policy.

But where necessary, the U.S. should also turn to sticks. The U.S. should make the ability to benefit from preferential, a preferential role in foreign investment screening processes as well as industrial policy incentives, government procurement and free-trade relationships.

That positioning should be contingent on having a robust trade and investment policy inside of Beijing. Those are all defensive actions.

The U.S. also needs to be proactive. First, it should take steps to expand its network of bilateral free trade agreements with allies and partners shoring up a market system based on shared international norms.

More strategically, while Beijing subverts existing international trade rules, those and China's ability to benefit from them also stymy an affective and strategic response from the rest of the international system.

The U.S. should revoke China's permanent normal trade relation status. This would signal both to Beijing and to the rest of the international system a real willingness to hold China accountable for its subversion of the international system.

It would also signal a willingness to support it and its norms even if doing so comes at a cost. Thank you for your time.

COMMISSIONER WESSEL: Thank you, Ms. Sarah?

PREPARED STATEMENT OF EMILY DE LA BRUYERE, CO-FOUNDER, HORIZON ADVISORY AND SENIOR FELLOW, FOUNDATION FOR DEFENSE OF DEMOCRACIES

U.S.-China Economic and Security Review Commission

China's Global Influence and Interference Activities

Panel: Chinese Influence and Interference by Sector

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Washington, DC
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Introduction

Hearing Co-Chairs Wessel and Borochoff, distinguished commissioners and staff of the U.S.-China Economic and Security Review Commission, and fellow panelists, it is an honor to participate in today's hearing.

I aim to emphasize four fundamental points in my remarks:

- China's global influence campaign includes an industrial influence campaign. This campaign develops and exerts leverage over key international financial and economic players in the international system in order to shape government policies.
- Beijing's industrial influence campaign exists within the Chinese Communist Party's (CCP's) broader international industrial offensive, which seeks to weaponize the interdependencies of a globalized environment to secure asymmetric dependence and, with it, coercive power.
- The Chinese Communist Party pursues its industrial influence campaign by leveraging market, capital, and supply chain and technological reliance, thereby threatening the integrity of international political and economic systems as well as the market-based global trading system.
- Congress is uniquely situated to respond. While no established tools or fora exist for countering Beijing's industrial influence campaign, it is an area that demands American leadership — specifically in the trade and investment policies that fall within Congress' mandate.

Just weeks ago, in a press conference on the sidelines of the Two Sessions, Chinese Foreign Minister Qin Gang issued a not-so-subtle warning to the United States about confrontation with China — and its consequences for American industry:

> The American people, like the Chinese people, are friendly and simple, and all pursue a happy life and a better world. When I was working in the United States, the dock workers at the Port of Long Beach in Los Angeles told me that the livelihoods of their whole families depended on the freight trade with China and that the United States and China should prosper together. Farmers in Iowa told me that there are still many hungry people in the world, and they want to grow more food to meet that demand.[1]

Qin was addressing escalating U.S.-China tensions and, in particular, Washington's decision to shoot down Beijing's spy balloon transiting over the continental United States in February 2023. The message was simple: For Washington, confront Beijing and domestic economic interests will suffer; for American industry, resist a U.S. China policy that could degrade U.S.-China economic ties.

[1] "外长记者会｜秦刚：遏制打压不会让美国变得伟大，更阻挡不了中国迈向复兴的步伐 [Qin Gang: Containment and suppression will not make the United States great, nor will it stop China from moving towards rejuvenation]," *Chinese Ministry of Foreign Affairs*, March 7, 2023. (https://www.mfa.gov.cn/wjbzhd/202303/t20230307_11036890.shtml)

Such messaging is by no means anomalous for Beijing vis-à-vis the United States or the international system more broadly. The Chinese Communist Party routinely leverages its industrial might, and the world's dependence on it, to shape market behavior and government decision-making globally.

Among other lines of effort, this approach involves an industrial influence campaign. Beijing builds and exerts influence over key international financial and commercial actors in order to shape the political ecosystems in which they have clout. Beijing does so by leveraging investment, market access, and supply chain and technological dependencies. Few clearcut tools or fora exist in the United States, let alone internationally or multilaterally, to respond. The Chinese Communist Party's industrial influence campaign weaponizes the interdependencies of a globalized world. Those interdependencies are perpetuated by government and private sector incentives and codified in international rules — including trade law. And while Beijing subverts those rules, they also stymie efforts on the part of rule-followers to respond to China's industrial offensive.

In the following, I will first outline what China's industrial influence campaign entails: How it operates, targeting whom, and to what ends. I will then point to some concrete cases to illustrate the campaign at work in the United States and internationally. I conclude with a roadmap for action: Key lines of effort for the United States as it works with allies and partners to counter China's industrial influence campaign — and to shore up the integrity of the global market.

Defining China's Industrial Influence Campaign

The Chinese Communist Party's industrial strategy hinges on taking advantage of an era of global interdependence to secure asymmetric dependence. The goal, very simply, is to ensure that the world depends more on China than China does on the world. Such positioning promises Beijing relative insulation from reprisal as it expands its international footprint. Such positioning also promises the ability to compel and to coerce — whether at the commercial level, in terms of securing access to strategic and critical technology and information, or at the geostrategic level.

This strategy manifests, among other ways, in Beijing's international industrial influence campaign: The CCP positions to leverage industrial dependencies in order to shape the actions of international financial and commercial players — and in doing so to affect national and subnational government policy.

What Industrial Influence Isn't

Beijing's industrial influence campaign is just one element of China's larger subnational, national, and international influence effort.[2] It is also just one discrete manifestation of China's broader economic and industrial offensive.

[2] Emily de La Bruyere and Nathan Picarsic, "All over the Map: The Chinese Communist Party's Subnational Interests in the United States," *Foundation for Defense of Democracies*, November 15, 2021.

Industrial influence here does not refer to the CCP's weaponization of dependence on the part of non-financial and non-commercial players, as with institutions of higher education or media outlets. I leave those activities to my esteemed colleagues on this panel and renowned experts testifying on other panels in this hearing.

Nor does industrial influence cover operations in the commercial and financial space that serve purely industrial ends, such as forced technology transfer and data localization. And it does not cover actions that leverage economic dependencies directly to influence national government behavior, as with Beijing's 2010 decision to restrict exports of rare earths to Japan over a geopolitical dispute or its 2022 decision to sever trade with Lithuania in retaliation for Vilnius' Taiwan policy.[3]

Such cases of economic coercion are absolutely important in China's overall positioning and in understanding and shoring up corresponding international vulnerabilities. For the purposes of this testimony, I have narrowed in on Beijing's less obvious — and more nefarious and impactful — industrial influence campaigns. Blunt actions, as directed at Japan and Lithuania, tend to be explicit. They receive newspaper headlines and spark action. China's industrial influence campaign is more obfuscated, less documented and less straightforward to document, and, in many cases, designed precisely to prevent action.

What Industrial Influence Is

The Chinese Communist Party's industrial influence campaign involves first, building ties with industrial actors positioned to deliver influence over their government ecosystems and second, exerting pressure on them to affect policy at the national and subnational levels. The Chinese Communist Party accomplishes this through overlapping levers that include market access, supply chain, and technological and investment dependencies.

In some cases, this activity takes place behind the scenes: Reporting in the United States in 2021 found that the Chinese embassy was pressing, via letters and other means, companies and business groups to urge members of Congress to reject or temper anti-China legislation.[4] In some cases, Beijing is brazen: In 2018, China's Ministry of Commerce publicly called on American companies to "lobby the U.S. government" against tariffs on Chinese goods.[5]

(https://www.fdd.org/wp-content/uploads/2021/11/fdd-monograph-all-over-the-map-the-chinese-communist-partys-subnational-interests-in-the-united-states.pdf)

[3] "EU Takes China to WTO over Lithuania Trade Dispute," *Associated Press*, December 7, 2022. (https://apnews.com/article/taiwan-technology-china-beijing-business-21547a18bcf4222b040a1180c0655e95)

[4] Michael Martina, "EXCLUSIVE Chinese embassy lobbies U.S. business to oppose China bills - sources," *Reuters*, November 15, 2021. (https://www.reuters.com/business/exclusive-chinese-embassy-lobbies-us-business-oppose-china-bills-sources-2021-11-12)

[5] Joe McDonald and Youkyung Lee, "China says U.S. companies should lobby Washington over trade," *Associated Press*, July 12, 2018. (https://www.dispatch.com/story/news/politics/2018/07/12/china-says-us-companies-should/11540431007)

China's Industrial Influence Campaign at Work

Beijing's industrial influence campaign takes place globally. It targets and has implications for everything from trade and industrial policy to tech and data policy, human rights to higher-level diplomatic positioning. Some concrete cases are useful for illustrating as much, as well as the pervasiveness of this strand of Beijing's influence apparatus across the United States and the international system.

Cases of Chinese industrial influence run the gamut, including advanced technology, agriculture, and the aerospace and automotive industries. Their broad scope tracks with Beijing's industrial priorities, as reflected in the Strategic Emerging Industries (SEI) initiative and reinforced in the highest-level of Beijing's industrial policy, including its five-year plans.

Importantly, clear-cut causal links between China's industrial influence efforts and government policy can be difficult to tease out. That is a reality of Beijing's approach, which takes place behind the scenes and in many cases seeks to create a favorable policy environment rather than directly generate a policy outcome. Still, some casual links are obvious. So are intentions and correlations.

Trade and Industrial Policy

The implications of China's industrial influence campaign are playing out in real time in the United States. Contemporary Amperex Technology Co., Ltd (CATL) — a Chinese state-backed electric vehicle supplier — and Ford Motor Company recently announced that they would collaborate in establishing a $3.5 billion battery plant in Michigan for electric vehicles. Ford will license technology for the facility from CATL.[6] This project raises the question of whether a facility dependent on Chinese technology can receive Inflation Reduction Act (IRA) credits and, by extension, whether China can benefit from those credits and secure a place for its commercial champions in the emergent U.S. new energy industry being fueled by American government support. And considering its dependence on CATL technology, it is now in Ford's interest to use its political clout to ensure that the answer to that question is yes.[7]

The Ford-CATL case risks being one of many. The IRA — and, generally, intensified government support for domestic production — risks opening the door to a wave of Chinese efforts to coopt that support and the domestic players benefiting from it.[8] Those efforts are particularly potent considering China's existing industrial dominance in the sectors being prioritized by government action. For example, just last week, China's LONGi Solar announced that it would partner with U.S. solar developer Invenergy to build a solar module facility in Ohio, which is poised to benefit from the IRA's extensive incentives for the production of solar

[6] Emily de La Bruyere and Nathan Picarsic, "All Hat No CATL: Are State Leaders Wising up to China's Industrial Threat," *Force Distance Times*, March 2, 2023. (https://forcedistancetimes.com/ford-catl-ira-china-industrial-threat)
[7] Brett Foote, "Ford EV battery supplier CATL may get portion of IRA credits," *Ford Authority*, March 11, 2023. (https://fordauthority.com/2023/03/ford-ev-battery-supplier-catl-may-get-portion-of-ira-credits)
[8] Nathan Picarsic and Emily de La Bruyere, "When the Iron Is Hot: CCP Subversion of US Recovery Investment," *Horizon Advisory*, June 2020. (https://www.horizonadvisory.org/ccpsubversionreport)

hardware. China is the world's leader in the solar energy sector; LONGi is the world's largest manufacturer of solar modules.[9]

The potential that, due to dependence on a Chinese partner, non-Chinese companies might be incentivized to encourage lower restrictions on Chinese business activity is by no means new. In July 2012, China's State-owned CNOOC entered into a definitive agreement to acquire Canada's Alberta-headquartered Nexen for $15.1 billion, well over the market rate.[10] At the time, this was China's largest ever foreign takeover. It granted CNOOC, among other things, controlling interest in Nexen's Long Lake oil sands project in Alberta as well as assets in the Gulf of Mexico.[11] The deal also sparked furious debate in Canada: The sale surrendered control of one of Canada's most valuable resources to a Chinese state-owned enterprise. But, as a Chinese government statement at the time of approval put it, "both CNOOC and Nexen have been aggressive in securing the deal."[12] The transaction closed in February 2013, setting a precedent for Canadian foreign investment review.[13] The deal may also have paved the way for additional energy cooperation at the government level between China and the province of Alberta: Just months after CNOOC's acquisition went through, in October 2013, the Alberta provincial government and the Chinese National Energy Administration signed a framework agreement on energy development.[14]

Human Rights

Increasingly, China-focused trade and industrial policy also has implications for human rights — whether stemming from the presence of Chinese forced labor in international supply chains or concerns over data privacy and surveillance. Here, too, the CCP's industrial influence campaign risks stymieing international efforts to respond to Beijing's human rights abuses, both at home and abroad.

When the Trump administration launched an inquiry into potential security, surveillance, and data privacy concerns associated with TikTok — and its Chinese parent company Bytedance — Sequoia Capital, a well-known and influential venture capital firm, was reported to have actively

[9] John Fitzgerald Weaver, "The world's largest solar panel manufacturer is coming to Ohio," *PV Magazine*, March 14, 2023. (https://pv-magazine-usa.com/2023/03/14/the-worlds-largest-solar-panel-manufacturer-is-coming-to-ohio)
[10] "CNOOC Limited Enters into Definitive Agreement to Acquire Nexen Inc.," *Nexen Inc.*, July 23, 2012. (https://www.prnewswire.com/news-releases/cnooc-limited-enters-into-definitive-agreement-to-acquire-nexen-inc-163386306.html)
[11] Donna Kennedy-Glans, "Opinion: CNOOC-Nexen deal seems like it's about to unravel," *Financial Post* (Canada), April 20, 2022. (https://financialpost.com/opinion/opinion-cnooc-nexen-deal-seems-like-its-about-to-unravel)
[12] Li Shi and Dacheng Zhang, "中海油收购尼克森公司获批　中加共赢迈重要一步 [CNOOC's acquisition of Nexen was approved, an important step towards win-win cooperation between China and Canada]," *Xinhua* (China), December 8, 2012. (http://www.gov.cn/jrzg/2012-12/08/content_2285975.htm)
[13] Euan Rocha, "CNOOC closes $15.1 billion acquisition of Canada's Nexen," *Reuters*, February 25, 2013. (https://www.reuters.com/article/us-nexen-cnooc/cnooc-closes-15-1-billion-acquisition-of-canadas-nexen-idUSBRE91O1A420130225)
[14] Framework Agreement on Sustainable Energy Development Between Her Majesty the Queen in Right of Alberta (Alberta) and the China National Energy Administration (NEA), October 18, 2013. (https://open.alberta.ca/dataset/59b2c004-7f32-4f11-bc26-056210203867/resource/b566b851-8fcb-4be4-b6b0-c1dab86e242f/download/energy-travel-2013-alberta-china-framework-agreement.pdf)

lobbied the administration in TikTok's favor.[15] Press coverage on the subject pointed to Sequoia's ties to ByteDance: Sequoia, along with KKR & Co, led ByteDance's $2 billion funding round in 2020.[16] More broadly, Sequoia has extensive ties to the Chinese market and to Chinese investors that risk making it vulnerable to China's industrial influence campaign.[17]

The Uyghur Forced Labor Prevention Act (UFLPA) offers another example. Nike, Apple, and other major companies with ties to Xinjiang-based supply chains reportedly lobbied the U.S. government to weaken what would become the UFLPA, a ban on imported goods made with forced labor in China's Xinjiang region.[18] This came after Beijing had retaliated against fashion companies that sought to take a stance on the Xinjiang forced labor question, showing that it would not let the issue go easily — and that their positioning on the subject would affect their bottom lines. For example, after posting corporate statements voicing concern about reports of forced labor in Xinjiang, both Nike and H&M faced a storm of criticism in China, contract terminations, and boycotts that threatened their business models.[19]

Diplomatic Relations

Because of the close ties between industrial champions and governments, Beijing's industrial influence campaign can also shape diplomatic relations at the highest, national level. Germany and Volkswagen offer a prime example. China is Volkswagen's largest market. It accounted for about 50 percent of the company's global sales in 2021.[20] Volkswagen also operates at least 33 plants to manufacture vehicles and components in China, including one in Xinjiang.[21] And the company has major political clout. Volkswagen is a crown jewel in Germany's industrial landscape, employing some 200,000 people in the country.[22]

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[15] Rolfe Winkler, Miriam Gottfried, and Cara Lombardo, "General Atlantic, Sequoia Capital Are Key Drivers in Oracle Bid for TikTok," *The Wall Street Journal*, August 24, 2020. (https://www.wsj.com/articles/general-atlantic-sequoia-capital-are-key-drivers-in-oracle-bid-for-tiktok-11598310734)

[16] "Sequoia and KKR lead ByteDance funding round that values it at $180 billion: sources," *Reuters*, December 11, 2020. (https://www.reuters.com/article/china-bytedance-fundraising/sequoia-and-kkr-lead-bytedance-funding-round-that-values-it-at-180-billion-sources-idUSKBN28L1AL)

[17] Nathan Picarsic and Emily de La Bruyere, "The Weaponization of Capital," *Foundation for Defense of Democracies*, September 15, 2022. (https://www.fdd.org/analysis/2022/09/15/the-weaponization-of-capital-chinas-private-equity-venture-capital)

[18] Ana Swanson, "Nike and Coca-Cola Lobby Against Xinjiang Forced Labor Bill," *The New York Times*, November 29, 2020. (https://www.nytimes.com/2020/11/29/business/economy/nike-coca-cola-xinjiang-forced-labor-bill.html)

[19] "Nike faces social media storm in China over Xinjiang statement," *Reuters*, March 25, 2021. (https://www.reuters.com/world/china/nike-sees-social-media-storm-china-over-xinjiang-statement-2021-03-25)

[20] "2021 (Full Year) Global: Volkswagen Brand Worldwide Car Sales by Model and Country," *Best-Selling Cars*, January 12, 2022. (https://www.best-selling-cars.com/brands/2021-full-year-global-volkswagen-brand-worldwide-car-sales-by-model-and-country/#:~:text=China%20remained%20by%20far%20the,all%20Volkswagens%20sold%20in%202021)

[21] "Volkswagen Group China," *Volkswagen Newsroom*, accessed March 20, 2023. (https://www.volkswagen-newsroom.com/en/volkswagen-group-china-5897)

[22] "VW's deep political ties in Germany seen as a key asset," *Automotive News Europe*, October 3, 2015. (https://europe.autonews.com/article/20151003/ANE/151009949/vw-s-deep-political-ties-in-germany-seen-as-a-key-asset)

These realities have translated into Volkswagen working, with apparent success, to influence Berlin's China policy. When German Chancellor Olaf Scholz visited Beijing in November 2022, he did so at the head of a business delegation that included the Volkswagen CEO — as well as executives from other leading German companies — *de facto* ensuring that Volkswagen's interests, including maintaining ties to China, be included in the state-level conversations.[23] Volkswagen's leadership explicitly underscored this intention. In a LinkedIn message celebrating Scholz's visit, the company's China chief called on Germany to reinforce relations with Beijing: "I think it's very important that we stay in touch at all levels. This is especially true in politically and economically challenging times like these. Part of our prosperity in Europe depends on China."[24] And as *Wall Street Journal* reporting put it after the visit, "German Chancellor Olaf Scholz let a focus on business ties take precedence over calls to keep a distance from China, make human rights concerns a priority and squeeze Beijing on its unwillingness to condemn Russia's war in Ukraine."[25]

Volkswagen's is not an isolated or unique case. Scholz's visit to China saw the chancellor sign a framework agreement in which China committed to buy some 140 Airbus jets.[26] That built on a long-standing precedent: China signed agreements to buy 50 and 130 Airbus planes during Chancellor Angela Merkel's 2012 and 2015 visits, respectively;[27] in 2019, during Xi Jinping's state visit to France, Airbus won a Chinese order for 300 jets.[28]

Direct consequences of cases like these for national-level policy are difficult to tease out. But again, that is a reality of China's industrial influence campaign. And in every instance, the promise of Chinese market access to a key industrial player appears to be used as bait to ensure a positive diplomatic outcome for Beijing.

The Role of Industry Organizations

[23] Sha Hua, "Germany's Olaf Scholz Puts Business First in China Visit," *The Wall Street Journal,* November 4, 2022. (https://www.wsj.com/articles/germanys-scholz-meets-xi-in-test-of-europes-posture-toward-china-11667552196)
[24] Ralf Brandstatter, *LinkedIn*, November 4, 2022. (https://www.linkedin.com/feed/update/urn:li:activity:6994197470415122432)
[25] Sha Hua, "Germany's Olaf Scholz Puts Business First in China Visit," *The Wall Street Journal,* November 4, 2022. (https://www.wsj.com/articles/germanys-scholz-meets-xi-in-test-of-europes-posture-toward-china-11667552196)
[26] Albee Zhang, Tim Hepher, and Eduardo Baptista, "China 'reheats' $17 bln Airbus deals during Scholz visit," Reuters, November 4, 2022. (https://www.reuters.com/business/aerospace-defense/china-aviation-supplies-buy-140-airbus-jets-worth-about-17-bln-2022-11-04)
[27] Michael Martina and Andreas Rinke, "China buys 50 Airbus jets during Merkel visit," *Reuters*, August 30, 2012. https://www.reuters.com/article/us-china-germany/china-buys-50-airbus-jets-during-merkel-visit-idUKBRE87T0LR20120830; "China signs deal to buy 130 Airbus aircraft during Merkel visit," *BBC* (UK), October 29, 2015. (https://www.bbc.com/news/world-europe-34665546)
[28] Marine Pennetier, "Airbus wins China order for 300 jets as Xi visits France," *Reuters*, March 25, 2019. (https://www.reuters.com/article/us-france-china-airbus/airbus-wins-china-order-for-300-jets-as-xi-visits-france-idUSKCN1R61Y0)

In the examples cited thus far, Beijing engages relatively directly and bilaterally with companies in pursuing its industrial influence campaign. But China also operationalizes the effort more indirectly, through industry organizations. The U.S. agricultural industry offers an obvious case.

China is the world's largest soybean importer, accounting for approximately half of U.S. soybean export value — and approximately half of U.S. agricultural exports to China in 2022.[29] The American Soybean Association's (ASA's) key policy issues include, most prominently, "continued efforts to stabilize the U.S.-China trade relationship."[30] The ASA works with the U.S. Soybean Export Council (USSEC), whose 15-member board includes four ASA board members.[31] USSEC's corporate membership includes Syngenta, owned by Chem China, and Hong Kong-based Hang Tung Resources.[32] In September 2022, USSEC hosted the Chinese Ambassador to the United States, the U.S. Department of Agriculture acting deputy under secretary, a Chinese delegation from the Ministry of Agriculture and Rural Development, the Chinese Academy of Agricultural Sciences, and leaders from the U.S. and Chinese food and agricultural industries in a round table focused on bilateral agricultural cooperation.[33]

The U.S. Heartland China Association (USHCA) offers another case in the agricultural sector — and one more explicitly defined by China's industrial influence campaign. That organization, originally established as the Midwest U.S.-China Foundation, takes as its mandate "trust-building efforts to connect educational and community interests, business leaders, and local governmental officials with like-minded institutions between the American Heartland Region and China."[34]

In 2021, the USHCA convened a China-U.S. Agriculture Roundtable in partnership with the Chinese People's Association for Friendship with Foreign Countries (CPAFFC). The event brought together representatives from major agricultural firms (e.g., Wanxiang America Corp, Deere & Co), relevant academic institutions (e.g., Texas A&M), and Chinese and U.S. local governments. Governor Kim Reynolds of Iowa delivered remarks, as did Illinois Congressman Darin LaHood.[35] The USHCA's sponsors for the event included not only CPAFFC and the

[29] U.S. Department of Agriculture, "Record U.S. FY 2022 Agricultural Exports to China," January 6, 2023. (https://www.fas.usda.gov/data/record-us-fy-2022-agricultural-exports-china#:~:text=Soybeans%20accounted%20for%20nearly%20one,of%20U.S.%20soybean%20export%20value)
[30] "Key Issues," *American Soybean Association*, accessed March 20, 2023. https://soygrowers.com/key-issues-initiatives/key-issues/trade
[31] "About Us," *U.S. Soybean Export Council*, accessed March 20, 2023. (https://ussec.org/about-ussec)
[32] "Member Directory," *U.S. Soybean Export Council*, accessed March 21, 2023. (https://ussec.org/directory/member-directory)
[33] "China Ambassador and U.S. food and ag industry reaffirm shared responsibility and importance of innovation and collaboration at Climate Smart Agriculture Roundtable and U.S. Soy Farm Visit," *U.S. Soybean Export Council*, September 19, 2022. (https://ussec.org/china-ambassador-and-u-s-food-and-ag-industry-reaffirm-shared-responsibility-and-importance-of-innovation-and-collaboration-at-climate-smart-agriculture-roundtable-and-u-s-soy-farm-visit)
[34] "United States Heartland China Association," *United States Heartland China Association*, accessed March 20, 2023. (https://usheartlandchina.org)
[35] "China, US explore agricultural trade at online roundtable," *Global Times* (China), March 25, 2021. (https://www.globaltimes.cn/page/202103/1219478.shtml); "Inaugural U.S.-China Agriculture Roundtable Advances Critical Global Issues," *U.S. Heartland China Association*, April 28, 2021. (https://www.prnewswire.com/news-releases/inaugural-us-china-agriculture-roundtable-advances-critical-global-issues-301279125.html)

Chinese Academy of Social Sciences but also the China General Chamber of Commerce-Chicago, the Carter Center, JobsOhio, and the Ford Foundation. At the event, Chicago Consul General Zhao Jian, remarked: "In the past two years, I had the opportunity of visiting some farmers' associations and farms in the Midwest where I got to know firsthand how the U.S. farmers had been affected by the trade war. I could feel their desire to see a return of normalcy in U.S.-China trade relations."[36]

Broader Influence Campaign Alignment

As that USHCA event makes clear, China's industrial influence campaign overlaps with its broader subnational influence campaign, including in the United States — and including as operated by the United Front Work Department (UFWD). Much of Beijing's United Front work at the subnational level internationally takes place through the CPAFFC, China's lead organization for relations with foreign local governments.[37] Its role is to advance China's international ambitions through non-state channels, focusing on subnational foreign governments, political figures, and non-governmental organizations (NGOs).[38] The CPAFFC is overseen and managed by China's Ministry of Foreign Affairs and staffed by foreign-affairs cadres.[39] In a 2019 Hoover Institution book, Larry Diamond of the Hoover Institution and Orville Schell of the Asia Society called the CPAFFC the "public face of the UFWD."[40] As Australian academic Clive Hamilton testified before the Australian Parliament in 2018, the CPAFFC is "an official organization masquerading as an NGO. The CPAFFC forms an integral part of the CCP's United Front network of covert overseas influence agencies. Its task is to win friends under the banner of people-to-people diplomacy, as the CCP calls it."[41]

And the CPAFFC engages with industrial players in the United States, underscoring the overlap between the various layers and channels of China's international influence campaign. Programming with industry organizations like the USHCA offers one example. The CPAFFC also organizes trade delegations — between U.S. and global players and their Chinese counterparts — that serve further to develop channels of influence.

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[36] Zhao Jian, *Speech by Consul General Zhao Jian at the China-U.S. Agriculture Roundtable*, March 21, 2021. (http://chicago.china-consulate.gov.cn/eng/lgxx/zlsjh/202104/t20210410_9021013.htm)
[37] Emily de La Bruyere and Nathan Picarsic, "All over the Map: The Chinese Communist Party's Subnational Interests in the United States, November 15, 2021. (https://www.fdd.org/wp-content/uploads/2021/11/fdd-monograph-all-over-the-map-the-chinese-communist-partys-subnational-interests-in-the-united-states.pdf)
[38] Jichang Lulu, "Repurposing Democracy: The European Parliament China Friendship Cluster," *Sinopsis*, November 26, 2019. (https://sinopsis.cz/en/ep)
[39] Ibid.
[40] *China's Influence & American Interests*, Eds. Larry Diamond and Orville Schell (Stanford, CA: Hoover Institution Press, 2019. (https://asiasociety.org/sites/default/files/2020-01/00_diamond-schell-chinas-influence-and-american-interests_REVISED.pdf)
[41] Clive Hamilton, *Testimony before Parliament of Australia Foreign Affairs, Defence and Trade Legislation Committee*, Parliament of Australia, October 12, 2022. (https://www.aph.gov.au/Parliamentary_Business/Hansard/Hansard_Display?bid=committees/commsen/8d638ff5-2861-4257-bf92-469caf9a203c/&sid=0002)

Strategic Implications and a Path Forward

China's economic coercion vis-à-vis Lithuania in 2022 became a front-page story, and prompted the European Union to take new, confrontational action. China's industrial influence campaign, less so. Its subordinate lines of effort are not transparent, causal effect can be difficult to tease out, and in many cases the consequence is simply that something *does not* happen. At the same time, China's industrial influence campaign has serious implications for free markets, political integrity, human rights, and the ability of the United States and the international system to defend against China's security and economic threat — as well as to present a proactive alternative to Beijing's industrial offensive. The CCP's influence campaign risks neutering competitive responses to Beijing. It also risks driving a wedge between the public and private sector in a competition that hinges on the private sector.

What, then, to do? China's industrial influence campaign is an international problem. But it is also a problem where U.S. leadership is critical. And that leadership must orient around trade, investment, and industrial policies — all areas that fall squarely within Congress' mandate.

U.S. leadership action should begin with shoring up defenses:

- The United States should bolster its foreign investment screening processes to limit the degree to which China can secure influence through investment. The definition of covered transactions for CFIUS reviews should be amended to include limited partnership stakes that provide indirect access to critical and emerging technology.[42]
- The United States should also leverage government procurement regulations to protect against outsized dependencies on China: Government contracting, especially defense contracting, should include requirements for diversification away from Chinese suppliers as well as restrictions on facilities in China and information sharing with Beijing.

The United States must also work with allies and partners to coordinate those defensive measures.

- This includes carrots: The United States should offer capacity building and support for allies and partners working to institute more robust investment screening, export control, and supply chain diversification efforts.
- But this line of effort also should include sticks: The United States should make preferential treatment in its own foreign investment review processes, the ability to benefit from industrial policy incentives, government procurement, and free trade relationships contingent on adopting rigorous trade and investment policies vis-à-vis China to ensure both the integrity of allied and partner industrial bases and that they do not become conduits for access to the United States' industrial base.

[42] Nathan Picarsic and Emily de La Bruyere, "The Weaponization of Capital," *Foundation for Defense of Democracies*, September 15, 2022. (https://www.fdd.org/analysis/2022/09/15/the-weaponization-of-capital-chinas-private-equity-venture-capital)

The deliberate and effective nature of China's industrial influence campaign should make clear that the United States cannot rely solely on reactive, defensive measures. U.S. policy also needs to be proactive. It needs to seize the initiative to disrupt and stay ahead of China's tack. The United States must lead in providing a positive alternative to China's market in order to shore up vulnerabilities. This does not mean tactical, reactive efforts like backfilling imports or exports when China cuts those off from partner countries.[43] It means a more forward-looking effort to define and bolster a model in which market economies can trade, invest, and co-exist freely without fear of distortion or economic coercion from the non-market bully in Beijing.

- The United States should take steps to expand its network of bilateral free trade agreements with allies and partners. But again, such free trade agreements should be contingent on allies and partners adopting robust trade and investment policies vis-à-vis China and the Chinese government's non-market international behaviors.

More strategically: While Beijing subverts existing international trade rules, those same rules — and China's ability to benefit from them — stymie an effective and strategic response from the rest of the international system. Accordingly, the United States needs to lead, and to signal to allies and partners that it is willing to lead, in taking action to shore up that systemic asymmetry, even if doing so incurs immediate costs.

- The United States should revoke China's Permanent Normal Trade Relations (PNTR) status.[44] Doing so would signal real willingness to hold China accountable for its subversion of the international trade system. The U.S.-China Economic and Security Review Commission should be commended for leading on this issue;[45] this area remains a key priority area where congressional authority and incentives align and should spur action.

China's industrial influence campaign threatens U.S. and international economic and political integrity, human rights, and the international market system more broadly. But there is no direct, tit-for-tat or defensive way to respond to China's industrial influence campaign. Rather, the United States — and U.S. Congress — need to lead in advancing a concrete vision for free market interdependence that protects against distortions of non-market players who seek to weaponize interdependence. Doing so will demand incentives to allies and partners. In some cases, it will also require a stick-based approach. Across the board, there will be costs to swallow. But this effort will also create opportunity for trusted players, across U.S. and global industrial, commercial, and financial players. And this effort can, and should, activate U.S. and international publics and consumers. In an influence fight, informed and educated publics may be one of the best defenses — and offenses.

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[43] Milda Seputyte and Philip Glamann, "US, Lithuania agree to address China's 'economic coercion,'" *Bloomberg*, January 6, 2022. (https://www.stripes.com/theaters/europe/2022-01-06/us-lithuania-china-economic-coercion-4201968.html)
[44] "The American Public Thinks It's Time to End China's Permanent Normal Trade Relations Status," *Force Distance Times*, September 29, 2022. (https://forcedistancetimes.com/public-opinion-on-chinas-pntr-status)
[45] Yuka Hayashi, "U.S. Panel Calls for Review of China Trade Relations," *The Wall Street Journal*, November 16, 2022. (https://www.wsj.com/articles/u-s-panel-calls-for-review-of-china-trade-relations-11668523656)

OPENING STATEMENT OF SARAH COOK, SENIOR ADVISOR FOR CHINA, HONG KONG, AND TAIWAN AT FREEDOM HOUSE

MS. COOK: Thank you for the opportunity to testify today. I would like to focus on several elements from my written testimony regarding Beijing's global media influence, its impact on free expression and recommendations for the U.S. government.

My comments draw on the comprehensive Beijing's Global Media Influence Report published by Freedom House in September. The 30 country case studies it included and conversations with local researchers in these countries over the past three years.

But first, what do we mean by Beijing's global media influence? This goes far beyond simple propaganda. What might appear on the Twitter account of a Chinese diplomat or the YouTube channel of China global television news.

It is a massive multi-layered effort that cuts across dozens of languages, platforms and traditional news outlets. And while some of the activity is overt public diplomacy or news reporting, an increasing proportion is covert or coercive.

In Freedom House's study, we looked at five dimensions of how the Chinese Communist party and its proxies tried to influence foreign media.

Propaganda, disinformation, censorship, control over content dissemination infrastructure and trainings to export the CCP model of news control.

We examined these dimensions as well as the strength of local responses and resilience in 30 countries across six geographic regions. What did we find?

The CCP is accelerating, it's multi-billion dollar global campaign to shape public opinion and secure both its hold on power in China and its policy priorities abroad.

In 18 of the 30 countries we studied, we found concrete examples of increased media influence efforts from Beijing since 2019. This phenomenon is truly global.

It's not limited to key targets like Taiwan or rivals like the United States which were found to face the highest and broadest influence efforts from Beijing.

In 16 out of the 30 countries, we found high or very high influence efforts in places as diverse as Nigeria, Spain, the Philippines and Argentina.

Only four of the 30 ranked low in terms of influence efforts. And even those countries like Ghana and Israel exhibited core dimensions of the media influence toolbox.

Beijing's media influence efforts are also becoming more sophisticated, covert and coercive. Three trends in this regard are worth noting.

And each is the focus of an essay that's part of the report. One, Beijing backed content is increasingly present in mainstream media. And this caught me by surprise and I've been following this for like over a decade.

Varying degrees of transparency in terms of its actual origins and this is definitely the most significant avenue through which Chinese state-produced content reaches larger audience.

It's through these partnerships with local mainstream media. We found this in country after country. In just these 30 countries, we counted over 130 news outlets that have carried or published some kind of Chinese state-produced or co-produced content.

And in 16 of the countries, we found at least one new or upgraded cooperation agreement just since 2019. Two, pierced ceiling actors are engaging in covert tactics or disinformation campaigns in global social media platforms.

Chinese diplomats or state media outlets were found to have openly promoted falsehoods or misleading content to news consumers in all 30 of the countries that we studied.

But manipulation of social media posts using fake accounts or undisclosed links to the CCP were also found and found to be growing.

In nine countries, including the United States, at least one targeted disinformation campaign was documented that had used fake accounts to spread falsehoods, sow confusion or mettle in domestic politics.

And three, we are seeing a rise in coercive tactics. In 24 of the 30 countries assessed, we found at least one incident of censorship or intimidation aimed at suppressing reporting or viewpoints critical of the Chinese government or Chinese companies.

In about half of the countries, that pressure emanated from a Chinese diplomat or a Chinese statement entity. But in 17 of the countries, it was actually local officials or media executives from outside China who attempted to suppress the critical reporting because of their own interest related to the Chinese government.

Other coercive tactics such as cyber bullying, cyber-attacks or frivolous defamation suits were found to target Beijing critics or journalists simply doing their jobs.

But there's good news too. These activities are not happening in a vacuum. Local journalists, civil society activists, governments and news consumers are pushing back against Beijing's influence efforts especially those that violate journalistic ethics or seek to export censorship.

Underlying media regulations that protect press freedom also help to fend off negative impacts. And the means of these dynamics can be found around the globe in newsrooms in Kenya, Peru, and the Philippines, and parliaments, in Italy and Kuwait and the journalistic training programs in Tunisia, South Africa and Nigeria.

This is one reason why Beijing's, the impact of Beijing's efforts has been mixed. In 23 of the 30 countries, public opinion towards China, the Chinese government has actually declined since 2018.

That's not just something we're seeing here in the U.S. or in the West. But measurements of public opinion do not tell the full story.

Other dimensions of Beijing's media influence campaign have borne fruit including one, periodic successes at quashing critical stories, silencing commentators, inducing self-censorship and reducing the information available globally about events in China.

Two, establishing dominance over Chinese language media and the information available to Chinese speakers globally including the Tencent's WeChat platform which censors criticism and imposes limitations on who can open accounts that reach large audiences.

Three, deploying broader political influence and cooptation of elites such that those local actors themselves amplify CCP propaganda and suppress unwanted coverage.

And four, laying a foundation for future manipulation as Chinese technology firms with close CCP ties build or acquire content distribution platforms used by tens of millions of foreign news consumers.

This mixed record was reflected in another finding from our study, that resilience is uneven. Exactly half of the countries were found to be resilient and half of the countries were found to be vulnerable.

And both categories cut across the global north as well as the global south. This is why additional action is needed. To safeguard fact-based reporting an expression of viewpoints critical of the CCP as well as to protect from content manipulation that touches on other countries' domestic politics.

The United States as both a global leader and a country itself facing increasingly aggressive information influence efforts from Beijing has a special role to play.

To conclude, I would like to highlight three recommendations from my written testimony for Congress and the wider government.

One, continue funding and support in this space. It is having an impact and there is much appreciation by journalists, researchers, and civil society around the world.

Two, continue to improve FARA enforcement and other transparency mechanisms that shed light on the financial dimensions of Beijing's media influence targeting the United States.

And three, increase scrutiny of WeChat censorship and surveillance in the United States including via Congressional hearings or former letters to Tencent.

The economic cultural and technological contributions of China, its company and its people can make offer real benefits to people around the world.

But we need to be open eyed about the regime that rules China and put in place safeguards in ways that themselves uphold democratic norms is essential to doing so. Thank you.

COMMISSIONER WESSEL: Thank you. Glenn?

PREPARED STATEMENT OF SARAH COOK, SENIOR ADVISOR FOR CHINA, HONG KONG, AND TAIWAN AT FREEDOM HOUSE

Chinese Government Influence over Foreign and Chinese Diaspora Media

Written testimony by Sarah Cook
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Testimony before the U.S.-China Economics and Security Review Commission
Hearing on China's Global Influence and Interference Activities
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Thank you for the opportunity to testify today. This testimony focuses on how the Chinese Communist Party (CCP) and related actors influence media, news, and information flows around the world, as well as the state of local response and resilience, addressing topics including:

- Key trends since 2019
- Tactics of media influence used by CCP-linked actors and who those actors are
- Influence efforts specifically targeting the Chinese diaspora and the role of the WeChat social media application
- Important sources of resilience and examples of global pushback
- Ongoing vulnerabilities and the impact of Beijing's media influence efforts
- Recommendations to the Commission, Congress, and broader US government

This testimony draws on and expands upon a recent report published by Freedom House in September 2022, titled *Beijing's Global Media Influence: Authoritarian Expansion and Power of Democratic Resilience*.[1] I ask that this testimony be admitted into the record.

I. Introduction

The starting point for any discussion of Beijing's global influence **begins within China,** where the Chinese Communist Party exerts tight political and social control. Over the past decade, repression has intensified against a widening set of targets from an already high level.[2] This change has also been reflected in the regime's more aggressive activities abroad, including a global campaign of transnational repression.[3] Today, the world is facing the unprecedented situation of the second largest economy being ruled by one of the world's most authoritarian regimes.

It is in this context that Freedom House embarked on the Beijing's Global Media Influence (BGMI) project, the most comprehensive assessment to date examining actions taken by Chinese officials to influence news and information flows abroad, as well as the democratic response in 30 countries around the world. I will be drawing on that report, focused on the period of 2019 to 2021, as well as more recent developments in my testimony.

Research methodology

The BGMI project was global in scope, focused on 30 countries across six regions, where at least 25 languages are spoken in total.[4] To gain a better understanding not only of Beijing's actions but also of responses in relatively democratic societies, all 30 countries assessed are designated as Free or Partly Free in *Freedom in the World,* Freedom House's annual assessment of political rights and civil liberties. The project was a collaborative effort between Freedom House staff and over 40 analysts, advisers, and reviewers, including at least one local researcher from each country examined.

Each country assessment includes both a scoring component, as well as an in-depth country narrative report that addresses more qualitative and analytical dimensions. These include whether Beijing's influence efforts have increased or decreased since 2019, key avenues for content dissemination, sources of resilience, vulnerabilities, impact and public opinion, and future trajectory. The country reports are available on Freedom House's website. [5] These country assessments informed our global findings.

In consultation with external experts, Freedom House created a new index methodology that includes a numerical score and status for each of the countries, appraising the scale and scope of CCP media influence efforts and a separate score assessing the strength of the local response and underlying media resilience. Based on the intersection between these dimensions, countries were classified as either Resilient or Vulnerable.[6]

Four key findings

Freedom House's research yielded several key findings—all notably global—some of which are explored in more detail below:

1. **The Chinese Communist Party (CCP) is accelerating a multibillion dollar global campaign to shape public opinion** and secure both its hold on power in China and its policy priorities abroad.
2. **Beijing's media influence efforts are becoming more sophisticated, covert, and coercive**.
3. **Local journalists, civil society activists, governments, and news consumers are pushing back** against these efforts. In addition to China- or incident-specific responses, underlying media regulations are also helping to fend off negative impacts.
4. **Resilience is uneven.** Only half of the 30 countries assessed were found to be Resilient and the other half Vulnerable, with countries from both the Global North and South falling into both categories. Even in countries with strong responses, however, vulnerabilities remain.

II. Increasing influence efforts, globally

From analysis of events that occurred from 2019 to 2021, compared to prior years, Freedom House found that **18 of the 30 countries faced increased media influence efforts** from Beijing during the coverage period. Several of the countries where influence efforts stabilized followed a period of already intensified Chinese government efforts from 2015 to 2018.

Among the factors driving this expansion is the fact that Chinese diplomats and state media are seeking to offset damage to the CCP's international reputation created by its own policies in regions like Xinjiang, Hong Kong, and the South China Sea, as well as the initial cover up related to COVID-19 in Wuhan. These dynamics build upon longer standing goals of CCP leaders to promote preferred narratives about China, its regime, or its foreign policy priorities—and to marginalize or suppress news, political commentary, or investigative journalism that presents the Chinese government and its leaders in a negative light.

A relatively recent development has been the adoption by Chinese state-affiliated actors of more strident anti-American or anti-Western messaging, including to rebuff local concerns about Chinese state-linked activities, as well as increased amplification of Kremlin messaging regarding the war in Ukraine. In a small number of countries—such as Taiwan and the United States, disinformation campaigns or other social media manipulation efforts point to an attempt to undermine faith in the local government or to amplify divisive hashtags, misinformation, or conspiracy theories that have nothing to do with China.

Setting aside a comparison to earlier years, using the new BGMI methodology, Freedom House assessed that in **16 of the 30 countries studied,** the intensity of CCP media influence efforts was High or Very High; the efforts were Notable in 10 countries, and only 4 countries faced a Low level of influence efforts. ***[See Figure 1 in Appendix for all 30 countries' scores and status]***

- **Taiwan**, the **United States,** and the **United Kingdom** experienced the most intense influence efforts.
- But strong campaigns were also documented in **Nigeria**, **Spain**, **Kenya**, the **Philippines**, and **Argentina**, highlighting the global scope of Beijing's ambitions.
- Even in countries with relatively low scores, like **Ghana** and **Israel**, core dimensions of the media influence toolbox were present: state media content inserts and co-productions, censorship pressures from Chinese diplomats, and an infrastructural presence for China-based companies with close CCP ties.

III. What is Beijing's media influence toolbox and how is it evolving?

The ways in which the CCP and its proxies influence media and information flows in other countries are complex and multi-faceted. They extend **far beyond simple propaganda**. Freedom House identified five categories of tactics that were used to assess each country: propaganda, disinformation, censorship and intimidation, control over content-distribution infrastructure, and trainings for media workers and officials that attempt to export the CCP's model of information control.

The graphic in ***Figure 2 in the Appendix*** outlines some of the activities and tactics that fall under each category. While activities related to propaganda, disinformation, and censorship are already affecting the media space in many countries, tactics like trainings for officials and infrastructure investment are building up potential avenues for control and influence in the future**.**

Freedom House's research found that Beijing's media influence efforts extend far beyond what is typical of overt public diplomacy. They involve elements that are covert, coercive, or corrupting, and they are becoming more sophisticated.

The following are three notable ways in which Beijing's media influence efforts are evolving. Each has a dedicated and detailed essay, which includes additional country specific examples, on the Freedom House website.

1. **Increased Beijing-backed content in mainstream media**[7]

Although Chinese state media outlets have channels for reaching foreign audiences directly, the most significant avenue through which Chinese state-produced content reaches large local audiences around the world is via content-sharing agreements and other partnerships with local mainstream media, a tactic that Chinese officials have referred to in the past as "borrowing the boat to reach the sea."

This tactic was evident in country after country. In just the 30 countries assessed, Freedom House counted **at least 130 news outlets that had published Chinese state-produced content**, not only in print, but also on television and radio. In **16 countries, at least one new or upgraded agreement was found** during the period of 2019-2021, hence the assessment that this is an expanding area of activity. The Chinese state-linked origins of the content are **often not clearly labeled** and, in some cases, are deliberately obscured. Some content is offered for free, but there are also many cases where payment or other monetary benefit is provided.

2. **Covert tactics or disinformation campaigns on social media**[8]

Another area of expansion for Chinese diplomats and state outlets has been on social media. Our research found social media accounts in dozens of languages, not only Arabic, French, or Spanish, but also ones spoken in narrower geographic areas like Romanian, Sinhala, or Hebrew. And while much of the content shared on these accounts is light fare on Chinese culture or cuisine or propaganda promoting the Chinese government, in all 30 of the countries studied, Chinese diplomats or state media outlets were found to have also **openly promoted falsehoods** or misleading content to news consumers. Common falsehoods included conspiracy theories about the origins of COVID-19, demonization of prodemocracy protests in Hong Kong, and whitewashing or denial of human rights atrocities in Xinjiang.

Manipulation of social media posts using fake accounts or undisclosed links to the CCP was also found in a growing number of countries. In half of the countries, armies of fake accounts were found to be artificially amplifying posts from Chinese diplomats, including in the United States, United Kingdom, India, and South Africa. Elsewhere, such as Kenya, seemingly unaffiliated accounts were found publishing pro-Beijing content and narratives.

In nine countries, these two tactics were combined and at least one targeted **disinformation campaign** was documented that had used fake social media accounts to spread falsehoods or sow confusion, not only regarding China-related news. Campaigns in the United States, Taiwan, and the Philippines reflected not just attempts to manipulate news and information about in China, but also to meddle in the domestic politics of the target country.

3. Rise in coercive tactics[9]

Chinese officials, other CCP-linked entities, and local actors sympathetic to Beijing engage in various forms of intimidation and censorship to suppress reporting or viewpoints critical of the Chinese government or corporations. In **24 out of the 30 countries assessed, at least one such incident of intimidation or censorship occurred.**

In about half of the countries, **Chinese diplomats** or other government representatives took actions to intimidate, harass, or pressure journalists or commentators in response to their coverage. A newer phenomenon evident during the coverage period was how the Hong Kong authorities and companies with close CCP ties like Huawei also joined the fray, issuing legal threats related to Hong Kong's National Security Law in Israel and the United Kingdom or filing defamation suits against a critical scholar and local television station in France.

In even more countries—17 in total—**local officials or media executives** outside China attempted to suppress critical reporting, either because they received a call from the Chinese embassy or pre-emptively encouraged self-censorship to protect other business interests from potential reprisals. Such actions can be more impactful than Chinese government threats because of the greater power and authority that a local official or media owner holds over local journalists or news outlets.

Intimidation tactics like **cyberbullying** by pro-CCP trolls have also increased since 2019 and several examples of **cyber attacks** targeting critical outlets or journalists occurred during the coverage period.

See ***Figure 3 in the Appendix*** for a graphic of countries where incidents of censorship or intimidation occurred and what form it entailed.

Several potentially important avenues of influence—such as the purchase of stakes in foreign news outlets and the export of censorship technologies for use by foreign governments—have not yet been widely exploited by Beijing. Nevertheless, both of those activities did occur in the study's sample—in South Africa and Nigeria, respectively, for example—and they could become more common in the future.

IV. Who are the actors and entities engaging in Beijing's foreign media influence activities?

There is a diverse range of entities and individuals engaging in propaganda, censorship, disinformation, or other activities that influence media and news environments on behalf of the CCP or in ways that serve its purposes. There does not necessarily exist a single unified plan or bureaucratic apparatus, although most relevant actors are responding to guidance from top officials or the CCP's incentive structure, and some propaganda efforts or information operations are clearly coordinated campaigns. Those engaged in the media influence tactics outlined earlier in this testimony include:

- **Chinese state media outlets**—including Xinhua news agency, China Global Television Network, China Radio International, and *China Daily*, among others. These operate under the

supervision of the CCP's Propaganda Department, but are massive entities that display their own variations from country to country and language to language in terms of reach, user engagement, and effectiveness. A wider range of Chinese state entities, such as provincial governments, have also placed paid or exchanged content in foreign news outlets.

- **The Ministry of Foreign Affairs** holds responsibility for PRC diplomatic representatives and their activities abroad as well as for accreditation of foreign media outlets operating within China, including providing or rejecting visas for foreign correspondents and overseeing the hiring of local Chinese nationals in various roles.
- **The Ministries of Public Security and State Security** operate under the party's Political and Legal Affairs Commission and play a role in monitoring and harassing foreign correspondents in China, their sources, and exile or diaspora media, as well as harassing or detaining their family or sources in China.
- The sources of targeted **disinformation campaigns** or **cyberbullying** are harder to detect. Some efforts—such as those targeting Taiwan—are full-fledged operations with likely ties to the People's Liberation Army. In other instances, a PRC state link is evident from posting patterns or other data analytics, but which part of the party-state bureaucracy the campaign originates from is less clear. In the case of cyberbullying, some campaigns may be by unaffiliated netizens responding independently to CCP propaganda and state media calls to action.
- The **Hong Kong government**, as noted above, is an emerging source of extralegal censorship requests and pressures on foreign news outlets and exile journalists and activists.
- **Private companies** and proxy entities with ties to the CCP or state media are also playing a role in propaganda and content manipulation. State outlets have hired private firms, which then run networks of fake accounts or pay social media influencers to promote Chinese state-produced content. Some firms are based in China, while others are public relations firms operating abroad, including the United States. Companies like Huawei and Tencent, whose executives have close CCP ties or that host party branches and have a record of collaborating on surveillance and censorship inside China, and at times abroad, are an increasingly important avenue of influence.
- **Local media owners and political elites:** As noted above, media owners and local government officials in many countries have taken action—either at the direct behest of Chinese officials or for their own pre-emptive business interests—to suppress critical reporting or amplify pro-Beijing propaganda and falsehoods.

V. Variation across regions and countries

In conducting detailed assessments of 30 countries, it was evident that the dynamics of Beijing's media influence efforts and local resilient are unique in each country. Even if the overall toolbox deployed by CCP-linked actors is a common menu, the way these are deployed vary from country to country. That being said, a number of factors shape what efforts are made and how in different countries, such:

- **The nature, stage, and extent of bilateral relations**, including whether relations are generally hostile or friendly, the extent of economic interdependence or dependency, and whether

diplomatic relations are maintained with the PRC or Taiwan. Any anniversary centering on a country establishing diplomatic relations with the PRC—such as 30, 40, 50 years—often garners dedicated propaganda and media partnership initiatives.

- The role and approach of the **local Chinese ambassador** to engaging local media and audiences varies from country to country. In some places, aggressive "Wolf Warrior" type ambassadors correlated to censorship pressures, but also to public backlash. Elsewhere, ambassadors fluent in the local language that communicated diplomatically on social media gained genuine, positive engagement from local users.
- The **attitude of the local government** and its officials, in terms of desire to curry favor with Beijing or have a more cautious attitude. In several countries, a change in government following an election correlated with a shift in attitude towards China and either increased vulnerability or resilience to CCP influence.
- Presence or absence of **exile communities** is also an important factor, given how often Chinese or Hong Kong dissidents, Uyghurs, Tibetans, or Falun Gong practitioners are targets of deliberate smear campaigns or transnational repression incidents. In countries with larger diaspora and exile populations, the impact of CCP influence efforts targeting these communities is more notable.

Alongside interactions and strategies unique to each country, there were some regional or other commonalities that cut across multiple countries. For example, in Latin America, a region where Chinese involvement in the economy and media ecosystem is relatively newer, regional gatherings of media owners and new initiatives cutting across the Spanish speaking world may be an important emerging avenue of influence. In Sub-Saharan Africa, the presence of the China-based company Star Times in the digital television sector created a potential avenue of influence absent in most other countries. In Muslim majority countries, like Indonesia, Chinese state media and other entities engaged in particularly aggressive efforts to muddy public debate about abuses in Xinjiang, including via efforts to influence local Muslim associations or students.

VI. Chinese diaspora

Beijing retains heavy influence over content consumed by Chinese speakers in much of the world, as the CCP considers potential political dissent among the global diaspora to be a key threat to regime security. In 24 of the 30 countries assessed, state-owned or pro-Beijing media played a dominant role shaping news content available to Chinese speakers.

This influence is exercised in various ways and at different stages of the news production and dissemination process. Many outlets have been purchased over the past three decades by tycoons friendly to Beijing, including ones from Hong Kong, Malaysia, or Taiwan. The regime also uses global fora—like an October 2019 World Chinese Media Forum gathering of over 420 media representatives held in Hebei—to bring Chinese-language outlets from around the world into the CCP's orbit.[10] Xinhua news agency and other sources provide free, discounted, or paid content to news outlets, while individual journalists, media owners, and editors who depart from the Party line risk reprisals from both media bosses or Chinese state security agents. It is also worth noting that the Chinese and Hong Kong government's crackdown on media in the territory since adoption of the National Security Law in 2020—prompting the closure of prominent outlets liked *Apple*

Daily and *Stand News* and reduced editorial independence of the public broadcaster Radio Television Hong Kong—has diminished the quality and quantity of investigative or other reporting related to Hong Kong that is available to Chinese speakers, and others, globally.

Tencent's popular WeChat application is a crucial vector of control and influence. Chinese diaspora news outlets or politicians who wish to broadcast posts to Chinese speakers outside China via the platform's "official account" feature are subject to the same politicized censorship that is applied to accounts inside China, forcing administrators to screen the shared content.[11] News outlets and civil society groups critical of the CCP—such as Radio Free Asia, Citizen Power Initiatives for China, or Freedom House for that matter—are excluded from opening such accounts or reaching large audiences on the platform.[12] This bias was evident in content analysis that Freedom House researchers conducted, where in many countries, major sources of news for the Chinese diaspora via WeChat were often dominated by information from state sources or avoided any topics that could be potentially politically sensitive.[13]

Beijing's influence is not complete, however. **Alternative sources of information** have gained ground among Chinese-language audiences in countries like the United States, the United Kingdom, Australia, Brazil, Indonesia, and Malaysia, while supplying Chinese speakers around the world with online access to independent news and analysis. These include Chinese-language versions of mainstream international outlets, editorially independent public broadcasters, news aggregators, independent outlets founded by members of the Chinese, Tibetan, or Uyghur diaspora, and political commentary by YouTube influencers. Several new media initiatives have also been launched over the past year by Hong Kong journalists who previously worked at *Apple Daily*, *Stand News*, RTHK and others to fill gaps left by the NSL clampdown.[14]

VII. Global pushback

Democracies are far from helpless in the face of Beijing's efforts. Even as the Chinese government's media influence campaign is ramping up, its impact is being blunted in democracies worldwide. **All 30 of the countries studied demonstrated at least one form of active pushback** that reduced the effects of Beijing's activities.

Journalists, professional associations, and civil society are at the forefront. Investigative reporting on CCP political or media influence or exposure of disinformation campaigns based on social media forensic analysis has been particularly effective at raising public awareness and galvanizing policy responses. An instance of at least one such exposé was found in 28 of the 30 countries, demonstrating both the spread of CCP influence efforts and the growing prevalence of reporting on it.

Journalists, editors, and media owners are also taking actions daily to ensure diversity of coverage, especially on topics like human rights violations in China. In 27 countries, even outlets that had published Chinese state-produced content were found to have also published information critical of Beijing and its leaders, often using international news wires or other global sources to inform such reporting. Moreover, **in 10 countries, at least one news outlet discontinued a content-sharing agreements** with Chinese state news agencies, a phenomenon that was almost non-

existent five years ago. In countries with sizable exile or dissident communities of Chinese activists, Uyghurs, Tibetans, or Falun Gong practitioners, these individuals have played a role raising public awareness of rights abuses against their counterparts in China and exposing problematic CCP influence locally, including incidents of transnational repression or WeChat censorship.

Evidence of active responses and resilience vis-à-vis Beijing's media influence efforts can be found around the globe—in newsrooms in Kenya, Peru, and the Philippines, in parliaments in Italy, and Kuwait, and in journalistic training programs in Tunisia, South Africa, and Nigeria.

See ***Figure 4 in the Appendix*** for a graphic of types of pushback and where they were found to have occurred.

The importance of underlying media resilience

Beyond active pushback, broader protections of press freedom and free expression form a vital cornerstone in democratic resilience to foreign influence efforts from Beijing or other authoritarian actors. Freedom House's research found that certain types of laws present in many democracies—such as freedom of information laws, media ownership transparency rules, or investment screening mechanisms—were also activated to enhance transparency or scrutiny surrounding influence activities from CCP-linked entities.

VIII. Vulnerabilities and legal frameworks

As noted above, only half of the countries assessed in our study were found to be Resilient. Even among those, vulnerabilities were evident. One of the most common vulnerabilities identified by local researchers and interviewees is a low level of independent expertise on China in local media, especially regarding domestic Chinese politics and CCP foreign influence.

The **existing legal frameworks in many countries also lack strong safeguards** for press freedom or contain other weaknesses that leave the media ecosystem more vulnerable to the influence campaigns of an economically powerful authoritarian state. These include regulatory gaps in terms of media transparency and ownership rules, cross-ownership regulations or measures that can mitigate media concentration, and a lack of defamation protections. Fewer than half of the 30 countries assessed had laws limiting cross-ownership that would, for instance, prevent content producers and content distributors from being controlled by a single entity. In Senegal, Australia, and the United Kingdom, meanwhile, flawed defamation laws facilitated lawsuits or legal threats against journalists, news outlets, and commentators whose work addressed Chinese investment or political influence.

In general, **government responses were lagging** those of media and civil society, or the potential harm done by Beijing's media influence tactics. A small subset of governments have been actively monitoring this space and attempting a coordinated response, but more common were local government officials, media owners, or other elites taking steps that amplified Beijing's narratives or aided in suppressing coverage.

Moreover, in 19 of the 30 countries, **attacks on media**—mostly from government actors—have increased since 2019. Media outlets operating in more politically hostile or physically dangerous environments have less capacity to expose and resist the influence tactics deployed by the CCP and its proxies, especially if local political elites favor close ties with Beijing. In Ghana, Malaysia, Mozambique, Senegal, and Kuwait, local officials used their own political clout or restrictive regulations to suppress critical reporting or override independent oversight related to China.

In 14 countries in the study, Freedom House research found instances of **problematic pushback**, whereby political leaders used legitimate concerns about CCP influence to justify arbitrary restrictions, target critical outlets, or fuel xenophobic sentiment against members of the local Chinese community.

Among the countries in the Freedom House study, **few had laws regulating foreign influence** or transparency mechanisms like the Foreign Agents Registration Act (FARA), although many countries had some limitations on the stake that foreigners can own in local broadcast media. Moreover, foreign influence or ownership laws, in certain political environments, can also be used to crack down on legitimate speech or civil society activity. The level of transparency provided to the public under FARA—especially regarding expenditures and the money trail tying Chinese party-state entities or Beijing aligned individuals with local news outlets and media outreach—is rare, even unique. Despite concerns about the law's vague and outdated wording or inconsistent application, stronger enforcement with regard to Chinese state news outlets has enhanced transparency on the financing of content placements in mainstream media and social media, within and outside of the United States.

In Australia, the Foreign Influence Transparency Scheme has been credited with shedding light on foreign entities' activities in the country, but it has also been criticized for lacking reporting requirements on foreign-backed expenditures and contributing to an atmosphere of suspicion affecting Chinese Australians. Meanwhile, Taiwan is an example of a democracy facing very high influence efforts from Beijing, which also exhibited a very high degree of resilience and effective responses without having such legislation in place.[15]

More common were rules governing **foreign media ownership**, especially in the broadcast sector. In 28 of the 30 countries, laws existed that place limitations on the size of foreign-owned stakes or require regulatory notification and approval before a stake is sold. Such measures help explain the paucity of examples of Chinese state entities owning stakes in foreign media outlets.

Yet these same sorts of laws and regulations can also be applied in ways that undermine free expression, particularly when they contain provisions that criminalize speech, establish politicized enforcement mechanisms, or impose sweeping, vaguely defined restrictions. In the Philippines and Mozambique, laws or proposals governing foreign ownership or content dissemination have been used by political leaders to target independent sources of news that carried criticism of the government.[16] In Poland, the government tried to justify a push to change the US ownership of a private media company by citing the need to protect Polish media from control by foreign powers like China and Russia.[17]

From this perspective, legislation that enhances transparency and protects investigative reporting—including robust Freedom of Information Act regulations and enforcement, media ownership databases, and anti-SLAPP (Strategic Lawsuits Against Public Participation) legislation—rather than efforts to restrict licensing or broadcasting opportunities are likely to be effective at enhancing resilience without creating the same potential restrictions or dangers to free expression and media freedom.

IX. What is the impact of Beijing's media influence?

The answer to this question is mixed. Some of Beijing's initiatives have run into significant stumbling blocks. Others have been remarkably effective or laid the groundwork for long-term advances.

In 23 out of 30 countries, public opinion toward China or the Chinese government has declined since 2018.

But measurements of public opinion do not tell the full story. Other dimensions of Beijing's media influence campaign have born fruit, specifically:

- Chinese officials and their proxies have scored **periodic successes at quashing critical news stories**, silencing commentators, having previously published items removed from websites retroactively, and reducing the information available globally about events in China by imposing limitations on foreign correspondents.
- The CCP has been effective in establishing dominance over **Chinese-language media**, including via Tencent's WeChat platform
- Media influence builds upon other forms of political influence. **Co-optation of elites** to help amplify propaganda and suppress unwanted coverage is very potent, but also hard to detect.
- Even when an individual incident of intimidation fails, it can contribute to an atmosphere of **self-censorship**. Indeed, in 16 of 30 countries journalists or commentators reported self-censoring in some capacity when it came to China.
- Laying a foundation for **future manipulation**. Beijing is gaining influence over crucial parts of many countries' information infrastructure, as Chinese technology firms with close ties to the CCP build or acquire content-distribution platforms used by tens of millions of foreign news consumers. There have been incidents where this foothold had been seemingly used to amplify or suppress content per Beijing's preferences. But even where it has not yet been used, it could be activated in the future.

X. Conclusion and Recommendations

The economic, cultural, and technological contributions that China, its companies, and its people have to offer provide real benefits to people in countries around the world. But even as these ties grow, being open-eyed about the regime that rules China is vital and putting in place safeguards against actions that violate democratic norms and local laws—in ways that themselves respect human rights—is essential.

Anyone engaged in the media space should acknowledge the influence exerted by China's authoritarian regime on the news and information circulating in global publications and social media feeds. They need to be prepared for how to respond when pressure to adjust content in Beijing's favor inevitably emerges.

Indeed, Beijing's outreach to media and pressures from diplomats are likely to continue to increase in the coming years. At the recently completed parliamentary meeting in Beijing, a 2023 budget published by China's Ministry of Finance noted a growing dedication of resources for "diplomatic endeavors," which received a 12.2 percent increase compared with 2022.[18] This was the second-highest increase in any category.

The "diplomatic endeavors" category covers not only expenses and personnel for Chinese diplomatic missions but also those for external propaganda—including efforts to strengthen "capacity for international communication" and promote the Belt and Road Initiative.[19] As China emerges from the regime's "zero-COVID" policy, the world is likely to see a revival of Beijing-hosted international conferences as well as scholarships and travel opportunities for foreign journalists.

The good news is that momentum is on democracies' side in a way it was not five years ago. Still, as the CCP adapts and expends more human and financial resources to achieve its goals, it will be the individual choices of those in the media, government, civil society, and tech sectors that will determine in each country whether in the coming years Beijing gains more influence or whether press freedom and fact-based reporting win out.

Recommendations

- **Focus on the threats to free expression, electoral integrity, and national sovereignty posed by Beijing's foreign media influence rather than on geopolitical competition between the United States and China:** The threats to free expression, press freedom, electoral integrity, and national sovereignty posed by Beijing's foreign influence efforts have implications far beyond immediate U.S. interests. Many examples of pushback uncovered in Freedom House's research by journalists, researchers, and policymakers were motivated by a desire to protect values like media freedom and journalistic professionalism and consternation at the way CCP-linked individuals were acting to undermine them, independent of any policy preference of the United States. Framing Beijing's actions or the importance of strategic responses solely or primarily in terms of US-China competition ignores this dynamic, belittles local agency, and undermines the collective interest of people around the world in stemming the negative impact on freedom and democracy posed by Beijing's actions.

- **Maintain strong funding for media development generally and for documenting Beijing's foreign media influence activities and strengthening local resilience specifically:** These areas have seen increased and strategic support from various US government funders in recent years, helping to raise awareness and enhance resilience to Beijing's authoritarian influence and other threats to free expression. Congress should ensure continued bureaucratic and funding support for such programming globally. Private philanthropists should expand support

for civil society research, advocacy, training, and media literacy programs that enhance the United States' own resilience in the face of CCP influence efforts, including among Chinese speakers. Private resources for these activities are especially important given the limited availability of public funding.

- **Improve reporting on China through training, networking opportunities, and funding for journalists, while incorporating China-related topics into broader programming.** Given the global role that Chinese state-linked actors are playing in the media and information space, professional training programs for journalists and other media workers should include background material on China and its regime as well as case studies on CCP propaganda and censorship tactics around the world. To counteract the factually incorrect or incomplete information provided to journalists at Beijing-backed junkets and training programs, democratic donors should sponsor journalist travel and networking opportunities, including engagement with Chinese human rights defenders and representatives of ethnic and religious groups that face persecution in China. Programs tailored to improve expertise on China could provide background information on the different Chinese state media outlets and their ties to the CCP, examples of past disinformation campaigns, and China-based apps' track record of surveillance and censorship within China.

- **Include Chinese-language media and speakers in funding opportunities and media literacy programs.** Media literacy initiatives should include components that serve Chinese-language news consumers and equip them to identify problematic content on WeChat and other CCP-influenced information sources. Donors should support investigative journalism initiatives among diaspora and exile media serving Chinese-speaking communities. They should also finance research dedicated to tracking self-censorship and other subtle pressures on media outlets. Any projects focused on supporting Chinese-language media should include those serving diaspora, immigrant, and exile communities, providing dedicated funding for the latter.

- **Impose penalties for transgressions by Chinese officials.** When CCP representatives—including Chinese diplomats in the United States—engage in bullying, intimidation, or other pressure aimed at local journalists and commentators, the US government should respond promptly, for instance by issuing public statements of concern or diplomatic rebukes. In especially serious cases involving threats against journalists and their families, the government should consider declaring the perpetrators persona non grata. US officials—at the highest levels—should publicly condemn assaults on or obstruction of correspondents from US media in China, including the delay or denial of visas, and continue to pursue the matter until a satisfactory resolution is reached.

- **Enhance interagency and multistakeholder coordination.** The federal government should expand recent efforts to improve interagency coordination related to China's foreign media influence and targeted disinformation campaigns, particularly in advance of national and local elections. Congress should ensure that such agencies and activities are sufficiently funded. Civil society, technology firms, and media outlets should be routinely consulted on emerging trends and to coordinate effective responses.

- **Align US government designations of Chinese state media, enhance transparency mechanisms.** The Department of Justice should examine each of the Chinese state media outlets that have been designated as foreign missions by the Department of State since 2020 to determine whether those outlets should also be registered under FARA. For newly registered Chinese state outlets such as China Global Television Network and Xinhua, the Department of Justice should enforce FARA filing requirements, including submission of details on content partnerships with US media and payments to social media influencers, to the extent possible under current law.

- **Increase Chinese-language capacity in federal agencies.** As we have engaged federal agencies over the years, it has become clear that there is a need for Mandarin language skills, including in key offices handling China-related issues. The federal government, with new funding from Congress, if necessary, should employ additional Chinese speakers at key US agencies that deal with CCP media influence.

- **Increase Congressional scrutiny of WeChat censorship and surveillance in the United States.** Tencent's WeChat application and the company's politicized moderation and monitoring actions pose a serious threat to the privacy and free expression of millions of U.S. residents and citizens, particularly Chinese speakers. Yet, information available to the public and to U.S. policymakers about the full extent of this phenomenon is lacking. Congress should hold a hearing to shed greater light on the challenges experienced by users in the United States and include among witnesses Chinese activists and ordinary users who have encountered censorship on the platform in the United States, as well as executives from Tencent. Members of Congress should also write formal letters to Tencent asking explicit questions regarding its data protection, moderation, and official account policies as they relate to users in the United States.

- **When seeking to reduce the vulnerabilities to manipulation and surveillance posed by some apps, blanket bans on specific applications may do more harm than good:** Recognizing both the potential threat posed by PRC-based applications like WeChat or ByteDance's TikTok, but also the disproportionate restriction on freedom of expression that a blanket ban would entail, the US government should first explore other options for addressing the concerns raised by these applications, including: holding hearings, introducing third-party risk assessment audits, restricting usage on government or military devices, and adopting laws that require more transparency on company policies and practices, including their content moderation, recommendation and algorithmic systems, collection and use of personal data, and targeted advertising practices. Congress should also adopt stronger data privacy laws that limit what information can be collected and how it can be stored, used, and shared. In the current absence of a federal data privacy law, regulatory bodies like the Federal Trade Commission should explore what options exist for improving protections for Americans data under existing authority.

Appendix: Graphs and Charts

Figure 1:

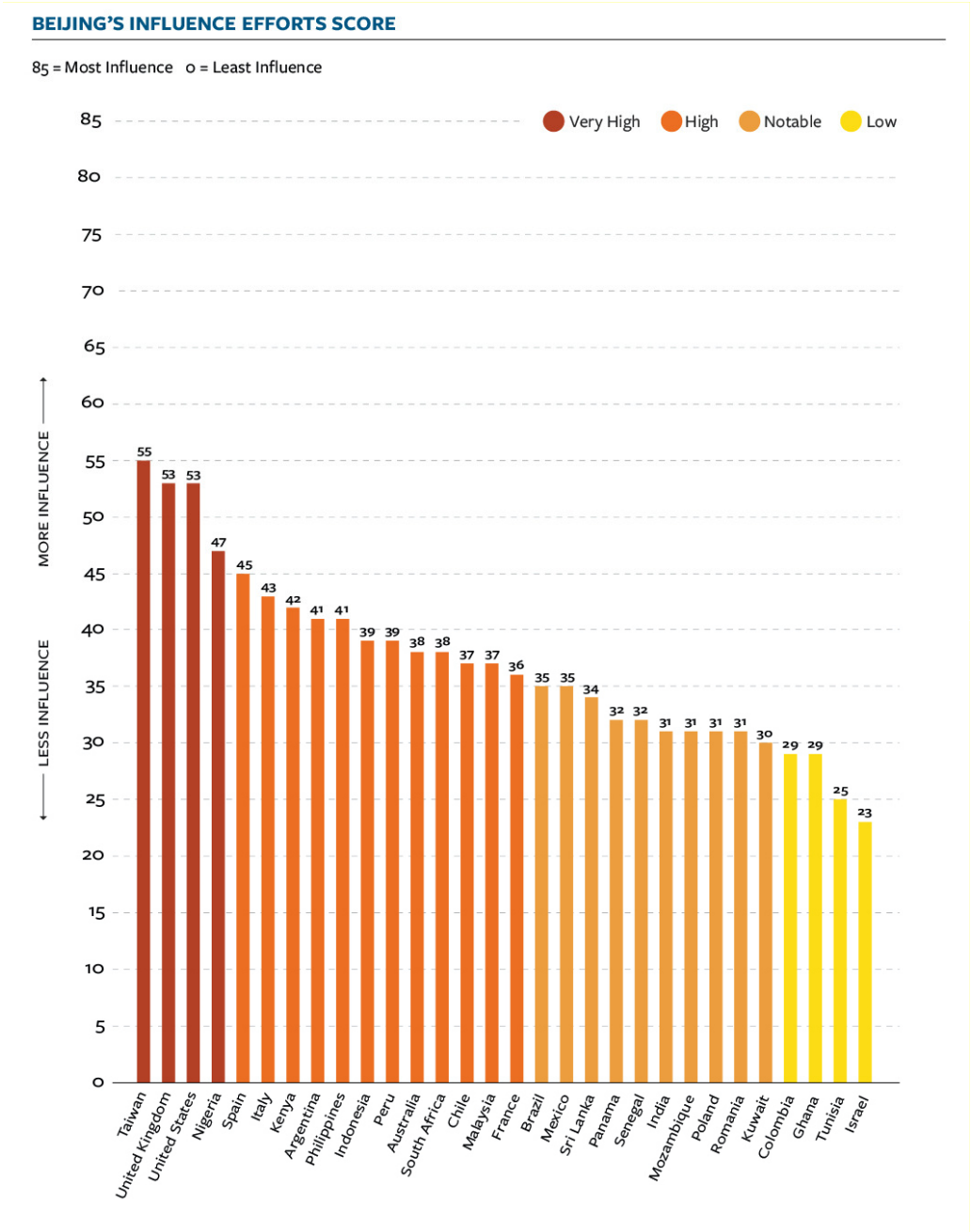


Figure 2:

Figure 3:

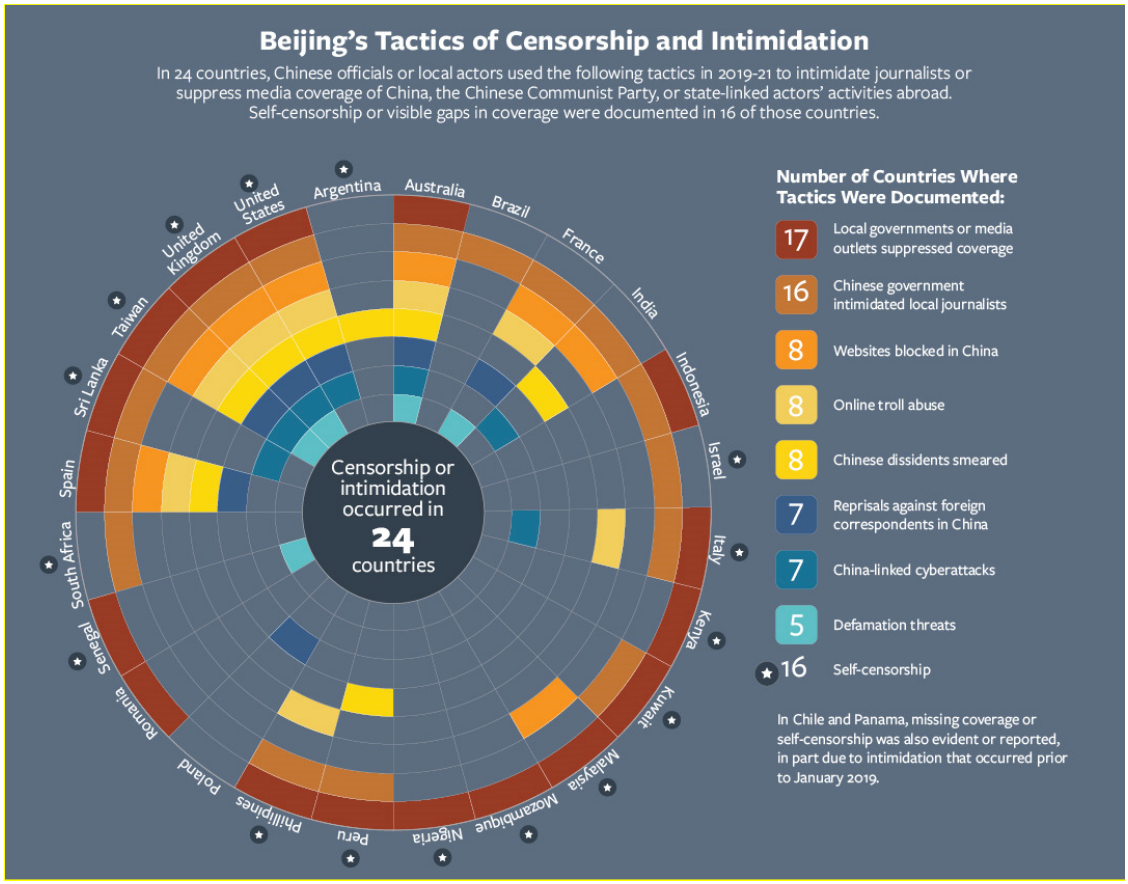
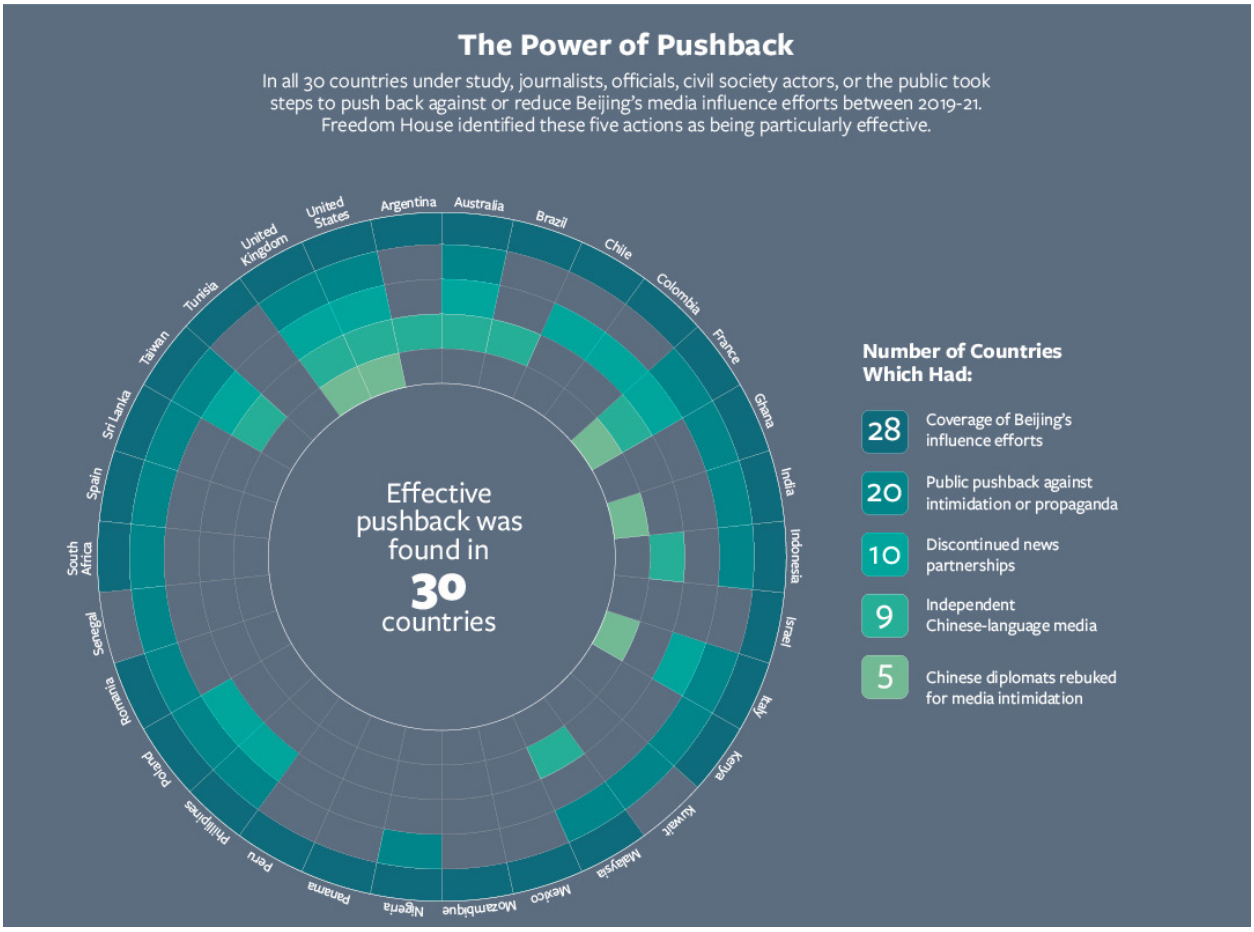


Figure 4:



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[4] The list of 30 countries assessed in BGMI and links to in-depth country reports can be found here: https://freedomhouse.org/report/beijing-global-media-influence/2022/authoritarian-expansion-power-democratic-resilience/country-reports

[5] The list of 30 countries assessed in BGMI and links to in-depth country reports can be found here: https://freedomhouse.org/report/beijing-global-media-influence/2022/authoritarian-expansion-power-democratic-resilience/country-reports

[6] The list of questions asked and a full description of the methodology and scoring system can be found here: https://freedomhouse.org/report/beijing-global-media-influence/2022/authoritarian-expansion-power-democratic-resilience/methodology

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[10] The summit—jointly organized by the State Council Overseas Chinese Affairs Office, the Hebei Provincial People's Government, and state news agency China News Service, with opening speeches by top officials in the CCP's United Front Work Department— aimed to convene Chinese-language press from around the world and encourage them to use their "advantage" of being integrated in foreign countries "to tell China's story." In 21 of the 30 countries assessed in the BGMI project, a local Chinese-language journalist, editor, or media executive attended at least one such Chinese government or CCP-sponsored media gathering during the coverage period.

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OPENING STATEMENT OF GLENN TIFFERT, RESEARCH FELLOW, HOOVER INSTUTION

MR. TIFFERT: Thank you very much. It's a great pleasure to be speaking to the Commission today on China's interference and foreign academia media and other elements of the knowledge base.

The government of the People's Republic of China and its surrogates employ a range of overt and covert methods to manipulate the ecosystem of knowledge, the flows of information and the source basis that informed decision makers and public opinion around the globe.

Their aims include cultivating good will, propagating official narratives and disinformation, countering adverse perspectives and supporting other policy goals such as technology transfer and China's new global security development and civilization initiatives.

Academia and the media are principal arenas in which these methods are applied and let me take each in sequence. Academic collaboration is founded on trust and for most of the last century that was comparatively easy to establish and maintain faith in.

The United States is leading research partners where other liberal democracies that shared our values and our institutions and were very similar to us in a great many ways.

There were many things that you could take for granted. For example, most of our close research partners had historically been treaty allies.

You just have to think about Canada or most of Western Europe. Any technology or partnerships that are engaged in you can be fairly confident will not be weaponized against us or even their own peoples because these are democracies.

They have rule of law, they have accountable governments, they have elections that are free and fair. They have universities that have institutional autonomy and academic freedom.

They have institutions like informed consent and ethical review boards of their basic research. And if you can take those things for granted as we have, you don't need to encode them in the infrastructure of our governance of research.

And that's a problem because China is different. It is the only major research power in the world that is a self-declared Leninist dictatorship.

And we are struggling to wrap our minds around what that means and in many ways we've been barking up the wrong tree over the last several years.

We simply lack the institutional and conceptual infrastructure to manage the problems that China poses. And the lessons of the cold war are of limited utility here.

For more than 40 years, we've welcomed the PRC into our research enterprise and that has been extraordinarily successful. Last year 290,000 students from China enrolled in U.S. colleges and universities.

13.4 percent of all U.S. PhDs in science and engineering were granted to students from the PRC and around 30 percent of all published international collaborations in the sciences in the United States involved a PRC partner.

This is the way that things are supposed to work. Except that China is different. It's a competitor, or rival, adversary or pacing challenge, choose your metaphor.

It has a vast technology transfer apparatus devoted to acquiring and diverting fundamental research towards establishing primacy in the military and commercial technologies of tomorrow.

Its universities respond to five-year plans and many of them report directly to multiple masters including military and intelligence agencies tasked with supplanting U.S. power.

Its government practices some of the most intensive state repressions surveillance censorship in human rights and research ethics violations on the planet.

It manipulates the source spaces on which our knowledge is built, whether it's COVID data or the online repositories of patents, legal judgments, statistics and past research through which we try to comprehend what China is doing, where it has come from, where it is going.

It extraterritorially projects surveillance into our universities and our safe spaces intimidating our students and literally criminalizing the teaching that our professors do in their classrooms on U.S. campuses.

No one else we work with closely does this. And it has a corrosive effect in our institutions and standards. So treating China like any other research partner as much as I generally favor country agnosticism, is madness.

Business as usual leaves us dangerously exposed and sure enough, our openness and trust have not been reciprocated. People focus on talent programs, donations, gifts, information, operations, the united front, and espionage.

But in addition to those pushes, there is now a powerful hole that we ignore at our peril. I would suggest that China's biggest sources of influence over our research enterprise is that our institutions are addicted to the prejudice quantity and quality of human capital and data that China offers.

And we're paralyzed by that. I might add that these dependencies also pose tremendous supply chain vulnerabilities for us. And so you might say, shut it all down.

My response would be no. The participation of students and scholars from the PRC and our research enterprise has been incredibly beneficial to the United States and made us stronger.

We have people who come here to build lives in the United States who become American citizens, contribute to our country, get married, have children, children who become Americans who are born Americans.

And so the hard part really as I think others have said is in identifying the risks and opportunities and striking the right balance between them.

Currently, neither the United States government or our research enterprise possess either the data or the analytical capability to do this. We are flying blind.

At Hoover, my program is working hard across the many stakeholders in the U.S. research enterprise and among our allies and partners to try to get this right.

And we need to because China is too big to ignore. And in many ways, China is sort of the canary in the coal mine. As we begin to expand our research cooperation with nontraditional research partners, especially in the global south, countries that have very different histories, ideologies, political systems, and perhaps memories of United States presence in their back yards, we're going to need to apply some of the same tools there as well.

And so I have a number of recommendations related to that that will help us perhaps get a handle on this. In particular, transparency is has been said before, is really the best disinfectant.

And so we need to, and Congress should increase funding to enhance the implementation and enforcement of Section 117 of the Higher Education Act which requires reporting of foreign gifts and contracts.

And furthermore, enhancing the government's capacity to analyze and publish that data so that others like those of us in this hearing can work with it.

State governments as I think Mr. Chubb has said, should fund educational programming that will satisfy the niche formerly filled by Confucius institutes so that their closure will not exacerbate our nation shortage of skills and critical language history in politics.

Federally funding agencies and state government should couple prohibitions on participation and talent programs with increases in the resources available domestically to replace lost opportunities.

And more importantly, we need to build out the research security and integrity information sharing an analysis organization proposed in the CHIPS Act to promote trusted ecosystems of international collaboration by identifying, accessing and developing best practices to mitigate risks across the research enterprise. Thank you very much for your time. I look forward to the questions.

PREPARED STATEMENT OF GLENN TIFFERT, RESEARCH FELLOW, HOOVER INSTUTION

Testimony before the U.S.-China Economic and Security Review Commission hearing on "China's Global Influence and Interference Activities"

Panel III: "China's Interference in Foreign Academia, Media, and Other Elements of the 'Knowledge Base."

Glenn D. Tiffert
Research Fellow & Co-Chair, Project on China's Global Sharp Power
Hoover Institution, Stanford University
March 23, 2023

The government of the People's Republic of China and its surrogates employ a range of overt and covert methods to manipulate the ecosystem of knowledge, the flows of information, and the source bases that inform decisionmakers and public opinion around the globe. Their aims include cultivating good will, propagating official narratives and disinformation, countering adverse perspectives, and supporting other policy goals such as technology transfer and China's new global security, development, and civilization initiatives. Coercive and corrupting tactics remain key parts of their toolkits, but increasingly they also possess the capacity to incentivize and engineer favorable outcomes by offering propositions that are attractive simply on the merits. The combination of these approaches, licit and illicit, represents a potent formula for authoritarian success, and foreign academia and media have been principal targets for its application.

How do we counter that? While it is fashionable of late to speak of bans and prohibitions, we cannot prevail through denial alone; we must also offer practical alternatives that satisfy the needs and aspirations of those whose hearts and minds we seek to win over and whose behavior we wish to change.

For more than forty years, liberal democracies welcomed deeper ties with the PRC and its people, and in the interests of practicing our own principles of transparency, openness, non-discrimination, and fairness, we treated the PRC much like any other nation. Those relationships were premised on a wishful assumption of trust: that China would behave or could be induced to behave much like our other key partners around the world. The problem is that in fundamental ways the PRC is not like these other partners. It is a proud, self-declared Leninist dictatorship, and much as we have learned with regard to Russia, such confessions matter and it is dangerous to downplay them no matter how inconvenient they may be.

Beijing has leveraged the opportunities afforded by open access to academia, think tanks, and media in free societies to its advantage without extending reciprocal privileges in its own tightly policed and censored domain. While not strictly a one-way street, we are swimming against a powerful tide managed by the Chinese Communist Party (CCP) to ensure that China meets the world on the CCP's terms, and that everything from market access to trade, capital, immigration, and political influence flow asymmetrically in the Party's favor. Buoyed by the fall of the Berlin Wall, for decades Western governments and civil society institutions tolerated this state of affairs confident that its deeply embedded structural asymmetries were temporary, that the CCP was fighting a losing battle, and that history was ultimately on our side. While I believe that it is, that outcome depends in large measure on what we do, and the road is less certain, bumpier, and more hazardous than many might have supposed.

Academia:

By any measure, US institutions of higher learning have been extraordinarily open to students and scholars from the PRC. In the 2021-22, academic year, Chinese students accounted for 31 percent of all

foreign students in US higher education: that's 290,000 individuals, of which a slightly higher proportion are graduate students than undergraduates. When COVID began in 2019, the share was even higher, a peak of nearly 35%, and while there are a lot of theories about why this number has fallen, they are speculative and say more about the prior commitments of the speakers. COVID scrambled everything, and I believe that we need a couple of more years of data to venture a solid explanation about what is happening and why.

During the same academic year, 13.4 percent of all PhDs in the United States in the fields most often associated with national competitiveness, namely STEM, were awarded to students from the PRC. Year after year, about 80% of them indicate a desire to remain in the US after graduation, where they contribute to our society and our research enterprise. It's a generally positive story, though there are serious problems that require attention, but these problems are not necessarily the ones that you may be thinking of. For instance, data points to an alarming fact: we are as a nation importing much of the human capital on which our future depends, and this amounts to a serious supply chain vulnerability. Sourcing STEM talent from abroad papers over our shortcomings at home. It works well until it doesn't, leaving us exposed to disruptions that would take far, far longer to recover from than the desperate scramble for PPEs, ventilators, and semiconductors that we so recently experienced.

The US and PRC are each other's top destinations for international research collaboration. For the US, 30 percent of all such collaborations in the sciences in 2022 included partners in the PRC. This is more than the next two countries -- the UK and Germany -- combined. Simply put, US academic institutions, firms and government funding agencies are addicted to PRC talent, and this has systemic consequences far more powerful than the Confucius Institutes and discrete donations and gifts that have garnered the lion's share of attention. As a thought experiment, consider that any contingency that interrupted this pipeline suddenly, along the lines of what we experienced a year ago with Russia as a result of its invasion of Ukraine, would plunge the US research enterprise and the hundreds of thousands of PRC nationals who work or study in it into crisis, to say nothing of the broader diaspora community to which they belong. We need to think hard about those possibilities and engage in scenario planning exercises around them.

The openness of our academic sector, its business model, and the foundations of institutional autonomy, freedom, and trust on which it operates make it a very soft target, and the CCP has exploited that vulnerability. For instance, the PRC government is projecting its domestic restraints on free inquiry and expression beyond its borders, exposing us to transnational censorship and repression. In recent years, prominent Western academic presses were caught removing articles from their online repositories at the behest of PRC authorities for fear of losing access to the lucrative Chinese market. They have also accepted joint publishing arrangements with Chinese academic presses subsidized by the PRC state. This facilitates a practice called "borrowing boats," a kind of product placement strategy through which Chinese content appears in English under a prestigious Western masthead. In principle, it's a great idea since it shares work from China with a larger global audience. But the Western half of these relationships has frequently failed to appreciate how different China is from our traditional, democratic research partners and then adopt appropriate safeguards to protect the integrity of their products.

Standard peer review has generally kept these joint publications from turning into vehicles of crude propaganda, but more subtle problems have emerged. Because of state subsidies and a favorable cost structure, final layout and production of these joint publications often takes place in China. This has allowed the partners there to unilaterally remove or alter content at the last minute, projecting their censorship regime into our knowledge base. Entire articles have been spiked without consultation. Furthermore, maps and place names are highly policed in the PRC because they can implicate contested national borders. This presents American academics and journals with difficult choices: should they conform to PRC conventions? Remove the controversial content? Pull the plug on the whole publication? Stand firm and watch their PRC co-authors withdraw to avoid repercussions? If in the interests of moving

forward the publication adopts official PRC maps and names, then the PRC state and media cite this as evidence that the international community in fact accepts China's disputed claims on territory and history. Whatever the choice, the CCP wins.

Even before COVID, the PRC state tightened restrictions on the freedom of its academics to travel to international conferences, for example, by confiscating and locking their passports in a safe and using that control to reward or punish behavior. For the last two years, certain PRC panelists scheduled to present work virtually or in person at North America's premier conference in Asian Studies failed to appear at the last minute, blocked by their own schools or government. Again, the implications are subtle but important. By silencing some topics or voices, and permitting others, PRC authorities distort the discourse in our spaces in their favor and generate an artificial binary in which our dissent from their orthodoxy can be portrayed as an ill-informed and ill-intentioned attack on China. This poisons the atmosphere and, rightly or wrongly, casts a cloud over all those who participate.

The leading online repository of academic articles in the PRC, a platform called CNKI that scholars from around the world rely on in their research, also censors its content. Articles from past Chinese publications that document events or points of view that challenge today's orthodoxy have been scrubbed from this digital archive as if they had never existed. Likewise, whole categories of cases have disappeared from the China Judgments Online (CJO) database, which provides legal scholars and practitioners a window into the operation of the PRC's legal system. By tampering with the source base, we use in ways that are invisible to the end user or difficult to detect, these measures corrupt our scholarship and hijack our tongues with the aim of enlisting them to inadvertently propagate official narratives. They seek to distort our understanding of China and the knowledge that informs US public opinion and policy.

Furthermore, starting on April 1, 2023, CNKI has announced that it will temporarily suspend full-text downloads of dissertations, patents, statistics, and conference proceedings pending new rules from the PRC government. It's unclear what lies behind this development but permit me to speculate. A new genre of research has emerged that uses bibliometric analysis of the material on online platforms such as CNKI or CJO to document censorship and the manipulation of our knowledge base; the transfer to China of basic and applied research that has implications for US national security, economic competitiveness, research ethics or human rights; the unauthorized patenting of US technology in foreign jurisdictions; and the architecture and operation of the vast apparatus through which the PRC government seeks to acquire and dominate the technologies of tomorrow: think civil-military fusion, AI, hypersonics, synthetic biology, and quantum computing. These platforms carry the hard data that demonstrate how active international collaboration with China, for all its benefits, also has a dark side that compromises the security and integrity of our research enterprise. This data illuminates for instance how an authoritarian government perverts even seemingly benign research in fields like medicine to ends like submarine warfare and the state repression of minority populations, and it exposes our unwitting or heedless complicity in that.

The tentacles of the PRC state reach deep into colleges and universities in liberal democracies. In addition to the anti-Asian discrimination and violence that springs from our own pathologies, there is another scourge to be aware of on our campuses. Human rights organizations have documented numerous cases of intimidation by certain students from the PRC against others. The perpetrators import PRC conventions of conduct and seek to enforce PRC political orthodoxy here in the US by threatening their peers, outing them on Chinese-language social media, or reporting them to local PRC consulates for the opinions they express. This creates an atmosphere of fear, impairs the ability of PRC students to enjoy equal access to the privileges and benefits of the US education for which they are generally paying full freight, and starves our campuses of the full range of ideas and perspectives that Chinese students can contribute to our classrooms, affecting the education that everyone receives. It is simply wrong to attribute this activity

solely to the machinations of organizations like Chinese Students and Scholars Associations or their contacts in Chinese consulates; it also involves healthy doses of individual opportunism and socialization in the values and behavioral norms of a Leninist political system, and we must combat it there as well.

The importation of norms and the extension of transnational repression from the PRC to our campuses extends further than many realize. The 2020 National Security Law adopted in Hong Kong applies extraterritorially anywhere in the world. It literally criminalizes mainstream coursework on Chinese history and politics in US classrooms and exposes our students and faculty to extradition, trial, and punishment wherever PRC prosecutors can reach them. Although it has yet to be invoked in that way, the law is on the books and the prosecution of dozens of Hong Kong residents under it is having a chilling effect on free association and expression there.

There is a courageous historian from China who participated in the student protests that swept that country and were crushed with deadly force in 1989. Now a professor based in Hong Kong, they once taught a popular course on those events at one of America's most prestigious universities. This year, they are in the United States lecturing to students across the country and working on a book. A few weeks ago, one of Hong Kong's leading pro-Beijing newspapers tried to intimidate this professor into silence by running a hit job against them, a vituperative op-ed denunciation worthy of the Mao era that singled them out by name and called them a traitor and worse. This amounts to a target painted on their back and it is frightening to contemplate what might happen when the fellowship ends should this professor leave the US to return to Hong Kong. The lesson of this story and others like it is that what happens in China no longer stays there. The phenomena discussed above are having corrosive effects on our academic spaces, and we are failing roundly to counter them. Moreover, our democratic allies and partners around the world are experiencing the same challenges. We must answer them collectively.

Media:

The asymmetry at the heart of the PRC's relationships with free and open societies manifests in traditional journalism as well, but the results for China have been decidedly mixed. Within the PRC, foreign correspondents and their local staff have experienced intensifying surveillance, physical intimidation, and restrictions on their ability to travel and report on stories. For over a decade, the PRC government has pushed a crescendo of experienced foreign journalists from the country by methods such as withdrawing their press credentials, expelling them outright, and shortening the duration, delaying the renewal, or blocking the issuance of visas. Affected organizations include Al-Jazeera, Bloomberg, CNN, the New York Times, the Washington Post, and the Wall Street Journal. At the same time, draconian COVID lockdowns, stricter Party control and purges of domestic media, and an increasingly repressive political environment have had chilling effects on the local journalists who bring many stories to light. As a consequence, reporting in China is far more challenging that it was in the years before Xi Jinping came to power and the Foreign Correspondent Club of China has marked that deterioration in its annual reports. Yet, if the goal was to silence informed, critical perspectives on China in major US media and make the tone of US reporting more favorable to the PRC government, then it has been an abject failure.

China's media crackdowns have coincided with a more assertive and combative posture before the world, including its practice of wolf warrior diplomacy, its suppression of civil society in Hong Kong, its military pressure on Taiwan, its lack of transparency regarding COVID, its tilt towards Russia and unwillingness to criticize the invasion of Ukraine, its arrest and detention of prominent foreign citizens such as the two Canadian Michaels, and serious allegations of interference in foreign elections and political systems. Against this background, public opinion surveys indicate that the credibility of the Xi regime and positive sentiment towards it have nosedived in the US and other liberal democracies. No amount of so-called positive energy spread overtly through paid inserts in US newspapers and content sharing deals with media organizations, or covertly through social media and disinformation campaigns,

which for all the bot activity they generate actually register trivial engagement among real human beings, none of that has been able to overcome the burden of China's actual behavior in the world or Xi Jinping's graceless aloofness. Indeed, the war in Ukraine has created what German Chancellor Scholz calls a *zeitenwende* or epochal turning point, making the stakes in resisting revisionist authoritarian powers more palpable in countries that previously regarded the PRC primarily as a trading partner and as otherwise very far away. In the minds of the American public, a single spy balloon may matter more than the toil of one hundred now shuttered Confucius Institutes.

The Global South is where the media competition is up for grabs, but even here PRC gains may owe more to neglect by penny-pinching Western governments and media than to the brilliance of Chinese information operations. The Chinese government pours resources into the media sectors of developing countries and has a plan. It floods the zone with content that showcases China's achievements and its commitments to local partners and denigrates Western political values and systems. It generates good will by donating equipment and teaching technical skills to improve production values, by providing pro-Beijing news wires at little or no cost, and by bringing journalists by the hundreds to China for short training programs. Afrobarometer surveys, for example, indicate that this effort is bearing fruit in that African publics admire China for its rapid economic and technological development and what it might be able to do for them but not for a great deal more. Admittedly, the PRC promotes corruption, elite capture, and authoritarian models of media governance, but when African publics have a choice they tend to choose local providers or CNN over China's flagship CGTN. Promoting diverse local media markets, reputable alternative sources of information such as independent newswires, transparency, and the ability of journalists to practice their trade in safety and make a secure living is key. That requires a coherent vision, investment and persistence and the West is not providing adequate levels of any of those. In their absence, the CCP fills the vacuum, cultivating ties that yield public support and governmental votes in international organizations. We can't win that competition if we don't put in the time and resources.

Recommendations:

To a great degree, malign PRC influence over international academia and media owes its gains to our myopia, neglect, and self-inflicted errors. But this also means that improvements are within our grasp, and there are at least eight that would address urgent needs in short order.

1. The Congress should increase funding to enhance the implementation and enforcement of Section 117 of the Higher Education Act of 1965, which requires the reporting of foreign gifts and contracts valued at $250,000, and to enhance the government's capacity to analyze and openly publish that data.
2. State governments should fund educational programming that will satisfy the niche formerly filled by Confucius Institutes so that their closure will not exacerbate our nation's shortage of skills in Chinese language, history, and culture.
3. Federal funding agencies and state governments should couple prohibitions on participation in foreign talent programs with increases in the resources available domestically to replace lost opportunities and incentivize desirable behavior.
4. Universities should educate all international students as part of their initial orientation about campus norms of free academic inquiry and expression and create formal resources and procedures to assist students and faculty in maintaining a climate free from intimidation.
5. States and the federal government should redouble efforts to foster domestic human capital in STEM disciplines, particularly in underserved communities.
6. The Congress should accelerate its decisions on ambassadorial appointments to avoid leadership vacuums in diplomatic posts that must contend with energetic local influence operations by the PRC.

7. The Executive should accelerate rulemaking and the issuance of authoritative interpretive guidance pursuant to National Security Presidential Memorandum 33 to establish a clear and consistent baseline for security and integrity across the research community.
8. The federal government should establish a continuing line of funding for the Research Security and Integrity Information Sharing and Analysis Organization proposed in Section 10338 of the CHIPS Act to promote trusted ecosystems of international collaboration by identifying, assessing, and developing best practices to mitigate risks to the research enterprise. To combat malign foreign influence, the scope of this organization should embrace the humanities, social sciences, and professional schools in addition to STEM disciplines.

PANEL II QUESTION AND ANSWER

COMMISSIONER WESSEL: Thank you and thank you to all the witnesses. While we're going to go in reverse alphabetical order, Jacob I'm going to turn to you first at request, at your request. Go ahead.

COMMISSIONER HELBERG: Thank you and thank you to all of our witnesses for joining us today. My question is, I just want to start by emphasizing a point brought up by Emily earlier on the need to repeal permanent normal trade relation status which is an issue that this Commission has focused on in prior reports.

My question is addressed to all of the witnesses. Should the U.S. consider import controls on Chinese technologies and are there any positive use cases that any of you can think of where the imports of Chinese technologies doesn't expose us to the risk of espionage, IP theft and surveillance?

Maybe we can start with Peter and work our way down.

MR. MATTIS: I think if you're going to talk about a risk of espionage as you know from your technical background, that if something creates a signal, if something moves data, then there's potentially a change of exploitation.

You have to deal with inert parts where that's not going to be some risk. There's certainly, you know, reason to be concerned.

I think there's a question of what kind of scale that those kinds of things can done on and where is it most effective and which to do those.

So I think if you're looking at certain mechanical parts, you're looking at one sort of risk. If you're looking at things like software, computing hardware, then you're talking about a different kind of risk.

And I'm not sure there's a clean way to judge whether we have a clear risk for anymore for how we would make those judgments.

MS. DE LA BRUYERE: Short answer, I think, yes, we should absolutely consider those. Not only because, or import controls on Chinese technologies and inputs, not only because of security and espionage and surveillance risks, but also because of dependence problems.

Beijing is very, very clear in its industrial planning that it seeks to develop near absolute control over keynotes of critical value chains so that the world depends on it.

And that's a really important way of how Beijing projects power and it puts us basically entirely in China's control as an industrial base and therefore, as a society.

I think the question or one of the questions is how actions like these can be implemented. Especially in an environment where there is already such severe dependence on Chinese inputs and in many cases to an extent that the U.S. doesn't realize.

Like for Internet of Things modules. Basically Chinese companies are the only companies that make those. So this kind of an effort would have to be paired with a proactive move to ensure the ability to produce.

In addition, these kind of moves would have to be coordinated with allies and partners because we end up in a very dangerous environment if the U.S. is taking these actions unilaterally and therefore putting its own industry at a disadvantage without actually resolving the problem at hand.

MS. COOK: This is a little bit out of my wheelhouse. But I mean I think that I would echo Peter's point where it's I think there's just different types of risks for different types of technology.

So I think one question would be short of an import ban, what are the kinds of auditing mechanisms because I think that's this question. Right?

A, what are the, first of all, what are some of the areas where it really would be critical. Where you talking about critical infrastructure and communications and things like that where you might not want to, whether risk is elevated.

We've seen FCC already take some actions especially when state-owned companies. I think the other is this question of audits and some kind of periodic auditing, third-party auditing, something like that because you might have certain technologies that now aren't a problem.

But it's that element of the CCB kind of activating it and so that would be one thing, one element that I would desire.

MR. TIFFERT: I take a slightly different view. And I think it's unfortunate that I have to because let's make this very concrete and talk about the example of Ford's proposed collaboration with CATL in Michigan.

I wish it were not the case. But China led the world in battery technology and energy storage. I wish that the United States had clear leaders in this area. But it doesn't.

We've allowed that one to get away from us. And if we don't actually work with the leader in this technology, Ford will have subpar electric vehicles. And that does not help Ford.

It actually damages our auto industry. So in this instance, what we need to do is identify, access, mitigate any risks, but also flip the script.

China is ahead in this area and increasingly we will encounter that. And that's on us. We've allowed it to happen. And so we should do what China has done.

Learn to the best of our ability by time and get our house in order so that we have domestic battery technology that can challenge them on the global market.

COMMISSIONER HELBERG: Thank you. I yield the balance of my time.

COMMISSIONER WESSEL: One minute and one second. Okay. I'll put it to good use. I should also point out that this is part, today's hearing is part of a broader analysis by the Commission.

Jacob and Commissioner Goodwin will be Co-Chairing a hearing later this year on lawfare. The question about an ISLAP and many other issues is part of that.

So we are looking at all the components of this and how do we look at questions about how to address some of the challenges and Glenn as you're pointing out, how do we protect or advance some of the opportunities where they exist.

We're going in reverse alphabetical order so I will go next. Emily, let me ask you a question and Glenn just raised questions about CATL, you mentioned some other entities.

It seems to me from what I've looked at most of those entities, again the most recent solar announcement in Ohio, they're screwdriver facilities.

So unlike what happened with Japan in the 1980s where they practiced just in time supply relationships, so when they moved to the South, they brought many of their suppliers, we're seeing, for example, in batteries that batteries sales are being imported.

They are being put into battery packs with the desire to confer domestic origination under our content laws. Emily, can you help on what this, what these approaches may yield in the influence sector and as well how are these policies being advanced in terms of Washington?

I mean it seems that there is both, which we heard from the earlier panel, economics and a fist full of dollars is a powerful incentive.

How else could Congress look at influence laws, regulations, et cetera to try and mitigate or reduce the risks?

MS. DE LA BRUYERE: Thank you for making that point about what these facilities are because just to re-emphasize that, in many cases the new facilities being built or potentially being built in partnership with Chinese entities, they're assembly.

Which means that that's not what's providing the really skilled and the good manufacturing jobs. That's not what's providing a reinvigorated industrial base that's not hollowed out and it's not dependent on China.

Quite the contrary, and it's not providing industrial expertise or the infrastructure that's necessary, you know, to rebuild an industrial base.

What it's actually doing is cementing the reliance of American production on China and cementing that through government support.

What does that mean in terms of influence, well the first level just to reiterate what it means for Ford and any other Ford equivalent in analogous cases, now Ford's interests are tied to CATLs.

And therefore they're tied to those with the Chinese state which has locations for forced decisions directly with respect to this facility for how it uses its political influence in the U.S. and for other decisions it's going to make about its broader business model.

This goes beyond, you know, industrial influence which I tried to package neatly because there is a mission creep in these questions, but there's also an implication in developments like this for state and local governments.

There's a long, long track record of China promising state and local governments deals like this that provide investment, some number of jobs and they lock those governments into in the same way as Ford having their incentives determined by the Chinese government.

And all of that creeps its way up to the national level to shape and influence U.S. national policy and how that treats China and how that treats or doesn't treat domestic production.

What to do on the regulatory and legal front? The first short answer is there have to be stronger guard rails. There has to be a move to say the U.S. is re-investing in domestic industry.

It's doing that because China has distorted markets systems and market rules and hollowed out the American industrial base. What do we do then? We invest in a way that China can't take advantage of.

And that hasn't been done yet. Rather, what we've seen is again and again, when the U.S. has put money into domestic production, China positioned to be the one who benefits from that.

This happened in 2008 with American recovery investment and China co-opting that. It happens in local projects. I could drone on forever. So the first point is there have to be guard rails here.

And the second point is that we, you know, the U.S. has to be smarter about where their outsized dependency is on China like in the case of EV batteries.

And I would argue that there the effort doesn't actually have to be where can we acquire expertise through partnership with China because we have that expertise.

We have the dependencies because China stole our expertise and scaled it. So there the move has to be to create a regulatory environment in which industrial scaling can happen at home or can happen in partnership with allies.

COMMISSIONER WESSEL: Okay. Thank you. Commissioner Shriver?

COMMISSIONER SHRIVER: Thank you, Mr. Chairman. And let me add my thanks to the witnesses for excellent statements and for your contributions. Let me start with Mr. Mattis.

You made a comment about needing to invest more in Chinese expertise citing my old professor, Mike Oxenberg. I was unfortunately one of his last students given his early passing,

but certainly got my attention with that quote since he made it I think during the Carter administration as you said.

Something we hear all the time in this Commission I think the number of times somebody has said, you know, we need more Chinese expertise, Chinese language, it's a consistent theme.

Can you help in this particular area with some specificity of what would be a serious move in the right direction? Are we, what number of people need to be cultivated, trained and placed to say we're sort of getting there and starting to address the problem in a serious way.

Because I think sometimes that's a general recommendation and we don't have good metrics and we just don't know, you know, how we cut into this problem. Do you have any thoughts on that?

MR. MATTIS: Thank you very much, Mr. Schriver. It's good to hear your question. I have more than a few, but I think the ones that would be of particular interest here that it's impossible to put a clear number on it.

Because we could, you know, the fact that we're talking about CCP interference and you think about the number of people that have actually turned this into an issue that we're discussing, it's a relatively small number of people, a few in Australia, professor in New Zealand, a couple in Czech Republic, a couple of here in the United States and it's grown and grown and grown.

So that really just took a fairly small number of people who understood the party and how to do it, how to do this analysis and how to do this research.

And from that has become a good deal of training for how you sort of push these issues, research the party. Unfortunately, I think that most of us would say that we did not learn this in undergraduate or in grad school.

So there's a question of what kind of programs and training should be occurring at university level. A second is, what kind of programs and training should be offered or created outside of government?

How should this be sort of integrated to scale and to train people who already have a certain benchmark? So that's one piece. Inside government because of the clearance issue which, you know, on the one hand I benefitted from my time in the PRC and the engagements and experiences that I had there.

On the other, I also recognized the very serious risk of espionage that's there and I don't think people try to have this conversation both ways rather than recognizing that both of these things are true.

So we have to, we have to correct our clearance systems so that we have an accurate framework of risk. Because if we're discounting everyone because of this, then we're not actually doing it right.

So let's figure out what it takes to get it right so we can do it quickly. Second, until this kind of moves along, maybe we should be considering a model along the foreign area officer training that the U.S. military uses where someone's already inside the system, they already possess a clearance.

And rather than treating language training like a reward or as sort of time off, that this is actually part of a career track that we deliberately train people, sort of take them off the line if you will and move them forward.

And I think this, you know this is one of those areas where there's investments in funding that need to be done, but let's recognize that to my knowledge Chinese language students have been declining in the United States since about 2016.

So there's something else that's there that has to be corrected. So you have to have money in investment there for academia. You have to be thinking about how do you bring people in under what programs, what conditions.

And then third, at the very least, we need to be deliberately cultivating it inside government. And we have programs and models inside the U.S. government already that could serve as a framework for doing so.

COMMISSIONER SCHRIVER: Thank you. I have another question. I'm not sure I can get it in in 30 seconds so I'll hold until the second round if there is one.

COMMISSIONER WESSEL: Noted.

COMMISSIONER PRICE: Randy, you can have my time.

COMMISSIONER WESSEL: Go ahead, Randy.

COMMISSIONER SCHRIVER: Okay, so in a similar vein, I wanted to ask Ms. De La Bruyere, you made a recommendation on working with partners and allies, bringing partners and allies along.

It's another recommendation that is made all the time. It doesn't mean it's wrong, but I wonder if you could add some specificity to it when it comes to the challenges we're facing right now.

You know, the work we did after the, in the lead up to the October 7th, announcement and the work we did with Japan and the Dutch after was very targeted specific work because there are these specific choke points in the supply chain that China's very dependent on.

When you get into things like potentially leaving, sorry, revoking PNTR when you look at tightening investment reviews, both inward and outbound, that's going to be a pretty extraordinary task to bring allies and partners along.

Can you (audio interference) this and how we can have higher confidence that we can bring the key partners and allies along in your particular areas of prioritization?

MS. DE LA BRUYERE: Thank you. Yes, I think your point's absolutely valid. This is not an easy task and especially not an easy task as the U.S. picks up its pace in this effort.

Prioritization wise, I think, you know, there are two questions here. One is, which areas to prioritize allied cooperation in and then also which channels.

And there's certainly a logic to starting with things that are easier and where there's an existing basis. So inbound investment screening as opposed to outbound investment screening is something where it's just simply a lower hurdle because you don't have to develop an entirely new framework.

And there's an existing, you know, U.S. architecture that can be relied on to have that be incorporated and made more robust in allied and partner ecosystems.

You can make a similar argument for export controls in at least some capacity. Then, of course, there's how to do this. I think free trade agreements are underutilized as a tool here.

These can be requirements in free trade agreements and that's separate just from having dialogues for whatever is actually like a concrete tool that can be leveraged.

And it's paired with a proactive element because in those you are also saying here's market access, here's a carrot, here's us really supporting the foundational architecture of the international economic system.

And, but it has to be done in a way that protects against distortions from China. This is a somewhat separate point, but I also, one of the key approaches orientations in the way the U.S. goes about this should be the opportunity that coordination with allies and partners on this front provides for them and for their private sectors.

And this should also be a way that the U.S. thinks about engaging with its own private sector. But as, you know, we as an international system work to protect against China's distortion of the market, there are costs that come with that.

There are also opportunities for players whether those are companies or investors that are trusted and that are relying on a reliable foundation.

And if that can be part of the conversation, I think that creates far more insight for different allies and partners to come on board.

For example, as you said, when we get together with Japan and we get together with the EU and we say here are choke points that China controls and that we have to do something about that, part of that conversation is here's an opportunity for your players to play a greater role in the international commercial system and to have greater market share.

Or here's an opportunity for your innovators to come in and fill that gap. And that needs to be part of the conversation in addition to the here's a cost that's imposed by this or here's a hurdle we have to jump over.

COMMISSIONER WESSEL: Sarah, you had a comment I believe.

MS. COOK: I would just echo what Peter had mentioned regarding the previous question and to say that we've also -- I think there's, one question is what's the expertise outside of the government and the other is inside the government.

And one thing we've encountered is that, you know, various offices whether it's the FARA office at the DOJ or other offices in the U.S. government, they potentially actually have a role to play in monitoring CCP influence in the United States, have relatively few or maybe none Chinese speakers.

Or I think it's not just about the Chinese language skills, it's again this kind of understanding of the PRC political system of how the CCP exercises this influence.

And so I think that's one area where Congress could look at or work with the executive or legislature and be just like how many positions do we need?

Because even just five positions like that could go a long way in particularly well placed parts of the kind of oversight apparatus of the executive branch to really improve the U.S.'s own resilience to that type of influence.

And the other thing I would say is again, it's Chinese language, also just an awareness. And I think that's also this element of how do you mainstream some of this knowledge?

Even if someone isn't fluent in Chinese which could take years and years and years to accumulate, but how do you have someone at a local or state government and the Governor's mansion and you know, within the state department, within the Department of Education understand some of these elements because it is absolutely relevant.

And we do absolutely see some of the examples that Emily cited translating into attempts to influence, you know, decision making at the state level.

There was a case a few years ago in California where there was a resolution introduced about human rights in China. I think it was related to the persecution of Falun Gong and there was a letter from the local consul in San Francisco to a bunch of the legislators saying, if you pass this, and this was like a symbolic resolution, you know, this is going to harm trade relations and friendship and so on and so.

And it actually got, it got shut down in one of the committees and the sponsor was livid that this happened, but I think that these are, they are actually real-world examples of that playing out and more awareness at the state and local level can go a long way.

COMMISSIONER WESSEL: Thank you. Commissioner Price.

COMMISSIONER SCHRIVER: Thank you.

COMMISSIONER PRICE: Thank you and thank you all for your really excellent testimony. Ms. De La Bruyere, can you, in your written testimony, you used the Uyghurs Forced Labor Prevention Act as an example.

But that's an interesting example because it did pass overwhelmingly almost unanimously in both the house and Senate. And that in itself is a feat.

Can you talk about why that in that instance some of the industrial influence was less effective at that stage?

MS. DE LA BRUYERE: That's a fantastic question. And I also like it because it points to some optimistic element here which is that it's not a done deal.

That despite China's industrial influence, there is still integrity in the U.S. system. You can still get really, really remarkable legislation that creates much more hope for the protection of human rights internationally.

But yes, so just a point that I raised in my written testimony is that there was reporting at the time of UFLPA drafting and discussion that American companies with ties to supply chains tainted by Chinese force labor were lobbying the U.S. government either to tone down or not to pass the legislation.

And as you said, it still did. I would argue that much of the reason that's the case is that the American public and American consumers have woken up to the reality of China as a global threat and also as an abuser of human rights.

And they weren't going to sit for letting Beijing's influence campaign play out in this case. There is just so much pressure and also it comes from, you know, policy leaders who are speaking on these issues and raising awareness.

But there is so much pressure now to actually take a stand against what China's doing and I think the UFLPA was a case of that really coming through and that shaping government action in a way it should in a democracy rather than letting the behind-the-scenes operations of players who were dependent on Chinese forced labor tip the scales.

But it's an exciting case and I think that tells a lot about the possibilities for a path ahead.

COMMISSIONER PRICE: Great. And, Mr. Mattis, in your written testimony, you talk, you made a statement that some of the members of some overseas Chinese community organizations were probably even unaware of connections that the organizations they were part of might have.

And your recommendation to that talked about this open source Intel organization idea. Can you flesh out a bit how you can see the public using such an entity?

MR. MATTIS: So the way that, the way that the foreign broadcast information service worked previously was that some translations of foreign media were kept inside the U.S. government, but a great many of them were made publicly available.

So older generations might remember the fifth of screen books that provided a common basis for government and academics under, to talk to each other.

You know, because if it was in the book, then you could talk about it. And we maintained sort of a public access of some level through a portal that through 2013 or 2014 the

World News Connection and, you know, it wasn't perfect, but it made a lot more information available than otherwise would be to a much broader audience.

And in some ways, we've moved away from that for some good reasons, some bad reasons. We've moved away from that idea that we need to be able to putting that information out into public.

And I think that one of the key functions of an open source organization would be to make sure that information is available again. If you go back a couple of years to 2020, there was a time sort of different public debate over military civil fusion.

And what was the intent behind the Trump Administration's response and what was the scope of it whether or not this was really something meaningful that the PRC was doing.

And if you don't have sort of the production of raw material out in public, for people to look for themselves, you know, for example, you know at 2022 Amendment to the CCP Charter places military civil fusion development strategy as one of the seven national strategies underpinning their system.

But this isn't something that you're going to see often in publications. And if you didn't speak Chinese and if you didn't understand how the party would work, then you wouldn't be able to find it very readily.

So if you were creating an open-source organization with the specific intent to have that public dissemination of foreign government documents so that they could be searchable or accessible, it would make it easier for the U.S. government itself to decide what information to highlight.

Publicly, what can it say, what can it not say? It makes it clearer where things are truly sensitive or not. And it allows people to make some of their own judgments about what is appropriate or inappropriate about their engagement with the PRC and party organizations.

Because this is the number one complaint that comes from companies, from universities that I've engaged with, so how do we know? You know? And we could go use say the Australian strategic policy institute's university tracker.

But that helps us with one set of things. And it hasn't necessarily been updated on an ongoing basis so how do you know and have confidence in this kind of information? But that's how I envision this being used in terms of public dissemination because it is becoming too difficult even for people who are knowledgeable to keep up on their own.

And this is in some sense, if we're asking for wide-ranging policies about import control or export controls and we want people to make decisions, you know, good decisions on their own without having to force the government hand, then this information needs to be more readily available.

COMMISSIONER PRICE: Thank you.

COMMISSIONER WESSEL: Thank you for that and couldn't agree more. And just your point about the Uyghur Forced Labor Protection Act and thanks to all of our witnesses.

But Horizon Advisory I think did the report on polysilicon that helped trigger some action on all of this so thank you for that. It should have happened from the government.

There should be ongoing as you're pointing out, you know, research activities that are going to be broadly available and disseminated. Commissioner Mann?

COMMISSIONER MANN: Thank you and thank you to all of the witnesses. Commissioner Price just focused on one issue I was going to ask about which is I wanted to ask about Peter Mattis' recommendation of a new agency for open-source information.

What's the case for, why not simply I assume I read that CIA is already doing this, why a new agency?

MR. MATTIS: All of the other existing IC agencies have their own mission management and that they focus on. And open sources has often been treated as an afterthought in some sense primarily as an analytic activity rather than a collection activity.

And, you know, in some senses, as someone once testified to Congress about 18 years ago, you know, we don't ask analysts to collect their own SIGINT.

We don't ask them to collect their own imagery, we don't ask them to collect their own HUMINT so why do we think that analysists can be able to do the opensource on their own?

Now there is certain value to being out and going and digging through materials that you don't otherwise get as an analyst as many of the Commission staff here can vouch for.

But at the same time, it's also a, in a sense, a collection skill set. And we've too often thought about it as well we just translated or an analyst finds it and it's done.

But many of these things need context that you wouldn't get with just the translation. And, in that way, an analyst when they sort of maneuver an analytic piece through the coordination chain and get it cleared for publication, they will have to be providing the expertise and the context to defend that piece.

And in some sense that violates our core sense of objectivity because if management don't have the expertise themselves to understand, you know, for example a readout of a Politburo study session means and where it fits in the PRC and party policy making process.

Then that means the analyst is going to be the sole arbiter of what that is. But when you look at intelligence reports that are disseminated from other collection agencies, whether it's a HUMINT report, whether it's SIGINT, whether it's imagery, there is always context embedded from the collectors about what those mean so that it's not just an analyst deciding on their own what the implications are.

That there's in some fact the judgment of the people that have collected it. And I think this is one of the reasons why you want to have that piece.

I also think that you want it as an independent voice speaking, you know, let's call it at the national intelligence board level, a voice that brings open source to the table in the NIC, in the National Intelligence Management Counsel in ways that are not currently, they're not currently done because it is important, it is vital.

In some cases, these are only clues and to get the breadth that we need to understand the system like the PRCs. Right? Which is, as you know, you have one central government, you have 31 provinces, you've got hundreds of prefectures, thousands of counties.

And you can't judge one way or another whether which one is going to be important. In some cases, it's the administrative state security that has recruited former CIA officials.

In some cases, it was a provincial department. One of the people who is key in the Australia's sort of interference was someone whose connections to a United Front Work Department and the Chinese People's Political Consultee of Congress where at the sub-provincial level.

So you can't say that oh, we can just focus on the center. We actually need to understand the system and we need to see the system as a system on an ongoing basis.

COMMISSIONER MANN: Sarah Cook, go ahead. Yes.

MS. COOK: Just a very quick addition and I'm not as detailed, you know, in terms of Peter's idea, but I think there's the collection and the archiving because so much disappears.

There's so much available. Anybody who has done this kind of research on China, there's so much available on local government web sites so much available we know about what's happening in Uyghurs camps is because Adrian Zenz found these bidding contracts.

So much about what we know about surveillance and it disappears. And there's a lot of civil society who are doing this, but like even just the verdicts and the judgments, it's just they're just shutting it down.

And so I think the extent that you could have some kind of U.S. government resources in open government that's collecting and archiving this because there is so much important information buried in there, it could be really important just because that information does disappear.

MR. MATTIS: To add on to what Sarah just said, for those of us on the outside, almost everything is going to be done on a project by project basis.

Which means, if you're not being paid to do the project, you're not going to be looking. And this is one of the reasons why it's important for the government to have this role because you need something that's ongoing on a continuous basis because of this issue of disappearing sources.

Because today there might be a huge number of sources about a particular polysilicon company or particular battery company using Uyghur Forced Labor and then somebody's going to see it or cite it and it will simply disappear.

But the people that were looking for it before, no longer have a project, they're no longer in for it whereas this is something because of Uyghurs Forced Labor Prevention Act because of customs and border protections responsibilities.

This is something where you want to be able to exploit those times of opportunity to gather that information and to be able to have it when you're sort of doing research or putting information into a policy process. Thank you.

COMMISSIONER MANN: Thanks. I have a couple other questions that will wait for the second round.

COMMISSIONER WESSEL: Commissioner Goodwin.

COMMISSIONER GOODWIN: Thank you, Mr. Chair. Ms. Cook, I appreciate your comments on the challenges facing governors and economic development officials.

And certainly appreciate that when you're sitting in those seats, if you're a county official or a governor of a small state or your job is economic development, you're going to be open to investment.

And if you're situated in a state like my home state of West Virginia, you're not in a position to turn down a lot of investment. So you mention a need to educate those folks on the risk associated with Chinese investment and the accompanying risks of Chinese influence that may come with those dollars.

How best to do that and who is best situated to engage in those sorts of education efforts?

MS. COOK: Those are really difficult questions. I mean, I think one and I'm not super familiar with some of the just broader training and things like that because like, for example, when someone comes like there's freshman congressional briefings and things like that organized, is there some mechanism when we're talking about governors or things like that or state officials that as part of a broader curriculum for new office holders or things like that, you know, you incorporate a unit or a segment where people have opportunity to access.

Honestly, just some of the testimonies from a hearing like this. People will go out and look, but if it's actually something that's part of some kind of required process, and I think it's like okay are we picking on China.

And some of this might be broader to foreign influence because China's not the only actor in this space. But it is like the actor in this space.

And I think, you know, it's just so relevant to so many places that to not, to ignore it and to say well it's not an issue and it's not relevant, is potentially irresponsible.

So I think that's one area to look at. I think the other and this is I don't have a good answer to this, but this is a tricky situation in the United States in that it's very hard for civil society organizations in the United States like I asked Freedom House if I wanted to go around and do a series of briefings to U.S. governors about this report, not clear where we're going to, where you would get the funding.

It would have to be from the private sector and parts of the private sector increasingly engage, but essentially that is something where U.S. state department and other more foreign facing institutions or the net, are able to provide funding for some of that type of briefing awareness raising in other countries.

But for potentially good reasons, there isn't really a good funding mechanism for that here in the United States. I don't know how to square that circle or what the, you know, what the right mechanism is for that.

But I think finding some ways for some kind of U.S. government, you know, nonpartisan support for civil society groups here in the U.S. to do outreach in awareness raising, also for members of the diaspora or exile communities.

Right now a lot of that happens honestly in sometimes just a volunteer basis because people really care about this or have family members in China who are detained. But it's not, it actually is a vulnerability in U.S. resilience.

COMMISSIONER GOODWIN: Thank you. Ms. De La Bruyere, wanted to follow up on your discussion of the IRA and not to characterize your testimony, but my sense of how you described it as we find ourselves in a bit of a conundrum.

China has achieved dominance in certain strategic and important sectors. Sectors that now the U.S., well and by the way, achieved that dominance through often illicit means to force technology transfer, outright theft.

We've prioritized certain sectors for government funding and for initiatives that will help boost domestic production and domestic manufacturing.

And the conundrum is your sense that China will be able to take advantage and Chinese companies will be, they will take advantage of that very funding and that support to benefit themselves.

And I'm concerned, you seem to suggest that perhaps that is a risk inherent to government support for boosting domestic production so I wanted to get your reaction to that.

And then ask whether this acute risk as you describe it, is not manageable. Consistent with your recommendations for putting in place more robust screening mechanisms for foreign investment.

And as we've seen this week in response to Ford's announcement, efforts to modify the underlying act or otherwise subject that deal and others under appropriate circumstances to CFIUS review, how else do, to use Mr. Tiffert's language, flip the script?

MS. DE LA BRUYERE: Thank you and thank you for characterizing my point more succinctly than I am able to. Starting with, so yes, I think you perfectly framed out the big risk and problem that I see in these new moves to invest in domestic industry.

The next question is that inherent to government support. It is inherent to government support that U.S. efforts like this are going to lead China to try to take advantage of them.

That doesn't mean Beijing will be successful, but the risk is inherent. And it has to be mitigated in a set of ways both, you know, more tactical related to the government effort itself.

But also with respect to broader private market or private sector incentives and structures that aren't resolved and therefore continue to encourage U.S. companies to act in the same way that they have been acting which isn't a way that's dependent on China.

But just focusing in the interest of time on those tactical elements, as discussed, there just have to be better guard rails. There have to be better guard rails in terms of how U.S. industrial support is being allocated and to whom and what the dependencies are.

And generally, about China's role and control over the U.S. industrial base. The focus of U.S. government efforts also should be adjusted for this reality.

I would argue that includes more of a focus on upstream elements of value chains if we're going to be deciding that we need to use government support to bolster a given sector or industry chain.

I think chips is a good example here. China dominates the upstream of the semiconductor value chain which means that as the U.S. pours money into that sector, we risk pouring money into a sector that depends on Beijing.

So if we're going to have these efforts, let's start at the beginning to make sure that we're not just cementing an already imbalanced dynamic.

And then, finally there are bigger, more strategic measures that I'd argue we have to be thinking about like PNTR, like stronger investment screening that can change the overall landscape such that market actors are going to be making decisions that advance the industrial interests of the United States and not working to circumvent both the intention and the law of U.S. policy.

COMMISSIONER GOODWIN: Thank you.

COMMISSIONER WESSEL: Glenn, I see your hand is up.

MR. TIFFERT: Thank you very much. One of the great advantages of being at Stanford University is I can walk about five minutes in any direction and get a scientist who can tell me exactly what the state of the field is in a particular technology.

And it's become apparent to me as I've done that over and over again that a lot of our discussions around these topics are stuck in narratives that were true five or ten years ago, but much less so today.

China's advances across key areas of technology that we worry about tremendously sometimes involve theft and espionage. That was true in the past, but increasingly they involve China's own domestic innovation.

And partly that's a function of the fact that we lost control of manufacturing. And in the process of manufacturing through process improvements and manufacturing improvements to squeeze out efficiencies, Chinese firms are now leading in a lot of these areas.

And so again, battery technologies one, there are a whole range of other ones too in which China is generating its own innovation now at this point.

And unless we get a piece of that, we run the risk of falling further and further behind. I hate that, that notion, but it's increasingly true.

COMMISSIONER WESSEL: Thank you for that. Commissioner Glas.

COMMISSIONER GLAS: Thanks to all of you for testifying before us today. Actually it's kind of ironic, Emily, today in the Wall Street Journal one of the top news stories is What Does Made In America Mean, In Green Energy, Billions Hinge On The Answer.

And it's talking about the issue that Commissioner Goodwin raised about the Inflation Reduction Act and essentially $500 billion of incentives or tax credits that are on the line right now as the Biden administration works to determine what made in America means.

So when you were talking about Ford's partnerships and other U.S. companies' joint ventures for assembly production and things like that that are reliant on foreign components or inputs coming in from China, you've talked a lot about the upstream value chain.

When we're thinking about influence on U.S. procurement policy, are the influencers really the U.S. companies who have these joint ventures or do we see that the Chinese government is actively influencing directly U.S. procurement policy?

And what would your recommendations be even further to help strengthen domestic production for some of these essential components?

MS. DE LA BRUYERE: Thank you. And I'm -- that's a great headline. We should probably just have aired that article for today.

Absolutely one of the influences on government procurement is companies that aren't, have their incentives wore by Beijing, but yes. Absolutely, China also engages in its influence campaign directly.

And Beijing does this both at a local and subnational level so state and local governments and at a federal level. Probably more aggressively on the former than on the latter because of awareness as was already discussed, incentives to collect investment and a dearth of alternatives.

I focused on the more indirect industrial angle just because I think that there's less attention to that and because it's this particularly clear cut case of China weaponizing our assumptions about cooperation in the private sector and in markets.

The what to do about it is more difficult and one thing I'll say is that a lot of what we point to I think in our recommendations focuses on defense.

And that's important and it has to happen, but it really is radically insufficient in its own right because as long as China is the only player at a certain noted industry chain or the only player that's offering investment, no matter how much any decision maker knows, there's only one option.

They're going to pick that option or they're going to suffer. So yes, we should, you know, part of the answer is raising awareness. Sarah addressed this.

Clearly, one thing I would add to that is where is the list from the U.S. government about which companies are state-owned, a consolidated list of which companies have been identified as bad actors.

That and just the ability to share that with state-level officials probably could make some degree of a difference. But there also has to be the proactive point as well.

And that's where I would, you know, first of all just like creating a more favorable regulatory environment for production, is a really important part of that.

Also, this is again where allies and partners come in. The issue isn't necessarily that components or new facilities depend on foreign inputs. Much of the issue is that they depend on Chinese inputs.

And the foreign remains an issue if those are in turn shaped by China's effort, but what if the U.S. can actually work with allies and partners and say and this speaks to the early question,

but say, hey you actually get to benefit from the IRA if you have strong investment screening, if you have strong trade policy.

And then you can come in and you can fill that gap because you do have cutting edge battery technology that we lack or you have critical minerals that we don't have access to.

I think that's one of the, that should be one primary line of effort because it's also an area where the government is uniquely positioned to be the leading force.

COMMISSIONER GLAS: Thank you. Glenn, do you have anything to add?

MR. TIFFERT: No, I would agree with that.

COMMISSIONER GLAS: Great, thank you.

COMMISSIONER WESSEL: Commissioner Friedberg?

COMMISSIONER FRIEDBERG: Thank you and thanks for all of our witnesses for really excellent statements. Mr. Mattis, I wanted to start with you. You said something that I think is very important and I wanted to highlight it.

And that is that the analysis that has been done in the last decade or even less of Chinese political influence operations was done almost entirely by people who were not academics or not in academic positions with maybe one or two exceptions.

That seems to me telling given the importance that we now ascribe to these influence operations. So the question I guess is how would you explain that and doesn't it suggest a problem, a deeper problem with our academic community that studies China?

MR. MATTIS: It's, I think part of it is an incentive, call it a methodological incentive. This is not exactly the sort of area where you can find, you know, generally for example a lot of books outside of the history field that are about covert action or intelligence efforts or the state propaganda efforts that we don't see a lot of political science analyzing this.

There are few more books out there than there used to be. Right? But it's in relatively small numbers. Right? So there's I think one methodological consideration. Two, I think we've tried to see the PRC as a normal-ish country.

In some sense, kind of mirror imaging on it without necessarily grasping what it means to be a Leninist system. Right? I think just one of the key concepts that's fundamentally different is the way the party defines security from the way that we understand security.

We define security as our ability to manage risks, our resilience in the face of catastrophe and the party defines national security risk as or national security as the absence of threats to the party's ability to govern. Right?

Those aren't physical threats. Those are ideas. Right? And this means that in their effort to provide for the party's security and provide the favorable environment that recognizes sort of the triumph and socialism with Chinese characteristics that they're going to be pushing out further and further.

And they're going to focus in particular on Chinese diaspora communities because none of us that are here are going to be the ones that would make dangerous ideas resonate inside the PRC.

It's the communities abroad. Right? So there's that component or if we didn't understand some of those differences or the features of one in the system, we didn't necessarily get how far they were prepared to go.

Three, we've tended to see many of these things I think in defensive ways. Right? When we say the party's first priority is to stay in power.

It's hard for me to see how that's analytically meaningful from any political party regardless of the system. That if you're not in power, you can't, yes, you can't govern.

And I think we've, we haven't paid attention enough to what are the party's aspirations. Right? They speak quite often in soaring rhetoric and it's not just Xi Jinping. It was also Hu Jintao.

It was not exactly a soaring rhetorician if you will. That they've seen the party as having a purpose to modernize China, to make, you know, to have global power and influence I think is it was put in the 19th Party Congress Work Report.

They've been very explicit about the world that they're trying to create. And you pair that with the absence of understanding the Leninist tool kit and this lack of appreciation for the world they're trying to create and we don't see how they're trying to build that positive mission.

COMMISSIONER FRIEDBERG: I guess my question is why is it that our academic community seems to have been tone deaf or blind to these very important features of the CCP system?

I won't put you on the spot by insisting that you answer that question, but if you have a thought I'd be interested to hear.

MR. MATTIS: So I think it's the reasons for kind of looking for missing those points. We're either not necessarily a focus. These aren't things that you ran into. Right?

I think for many people who study Chinese in the United States over and been in an academic positions or analytic positions in the government for the last 40 years or more, you went into this with a sense of hope and a sense of opportunity. Right?

And unless you dealt very firmly with the party's reality, it's quite difficult to see these things. Right? It's the question of, you know, once you see it, do you recognize it, can you pull it apart and understand it.

And I think that was the journey that many people like Alex Joske, John Garnaut, Anne-Marie Brady, Martin Hala and the others went through of, you know, there's always been something off, but unless you ran into that reality quite hard, you didn't start looking.

COMMISSIONER FRIEDBERG: Right. And the question, further question is are we, what are we doing to train a whole new generation of people who understand those things, but thank you.

COMMISSIONER WESSEL: We give them jobs on our staff. Okay, Commissioner Borochoff.

COMMISSIONER BOROCHOFF: Thank you. Just a quick comment before I ask a question. I think it was one of my very first hearings here, Ms. De La Bruyere, that you testified and I wanted to say thanks for coming back. I thoroughly enjoyed last time and this time.

Secondly, I've spent an enormous amount of time in the last couple of weeks because we recently went as a group to the west coast and had an eye-opening meeting about AI and where it's going and where it's going to be very, very quickly.

And I'm sure everybody here has probably played around with ChatGPT a little. And I will guarantee you from what I've learned in the last couple of weeks, that's the future of open source.

Because they can download immense amounts of data and it can be accessed and coordinated in a way that's just amazing and it's in its infancy right now. It's moving quickly.

And then the other comment is that we did have as my Co-Chair Commissioner Wessel said we had several statements for the record that came in.

And I would encourage all of you and the folks who might be listening to take a look at one of that's included in this panel from Dan Currell who did a really phenomenal job of

detailing the amounts of money that went to specific universities throughout the country, all from open source and very, very interesting list.

I have a question for you, Ms. Cook, that you have made me really think about. You know, it's true that the way you really affect society in the long run is two ways.

One, you get to the kids, you've all talked about that. And that's done through Confucius and other things they're doing at the universities.

My question is about the propaganda issue. I'm familiar and I think it's really accelerated with the whole concept that the media, the online newspapers which are all of them now, but there are some that are only online.

The individual media for profit media and some not for profit media are all doing these coordinated reporting and it's interesting to me.

I'd like to know if you guys have a list of who's doing what. Is there a way that we can start looking at that? Do we know what the monetary rewards are?

You know, how do you quantify what the rewards are for those organizations because there's an insatiable need right now for content. Everything online means it's everything. It's insane.

You know, I've been called by people out on the west coast asking me if I can provide a screen play. I've never written a book.

They want to know if I can provide a screen play about some of the things my company's done which frankly I'm fascinated with, but I don't think anyone else would particularly care.

So it's only going to increase that they just accept whatever comes to them. And if they're getting paid for clicks for running it, do we have a list and how did you, how do you figure that out?

MS. COOK: That's a good question. I will say in the United States, this is where the Foreign Agent Registration Act and the filings really come into play.

And actually having looked at this site dynamic across 30 countries, the U.S. is actually one of the few places where we actually know how much that money, how much money is going to which publications, to which PR firms that also then help place ambassadors op-eds that actually in one case very explicitly was saying that it was going to cultivate media from African American and underrepresented communities in the United States.

That's a relatively new development I stumbled upon doing some research. So I think that's where these transparency mechanisms become very important and there was this dynamic where a number of news reporters went into the far off filings.

That was because of deeper enforcement because China Daily used to just say, oh, we just put out this amount. But now it is broken down by publication.

Publicize that and that adds to the level of embarrassment and slowly, you know, within a few weeks quietly, you know, suddenly the New York Times and the Washington Post aren't running China Daily anymore.

And I think, but to be honest, the amount of money was something over the last three years around $7 million. And actually, some of that money just shifted to other publications.

So but, I think that's where these transparency mechanisms become very important. The other thing we saw in other countries is Freedom of Information Act requests. That's what's really important.

So for example, actually in Israel, we know that China Radio International gave money as a co-production to one of the public broadcasters.

It wasn't a ton of money, maybe $200,000, but it was for a number of different like clips and stuff like that. You know, but that's one example.

In Nigeria, there were foreign, you know, Freedom of Information Act investigative reporting. So I think those transparency mechanisms really do shed light.

And I think this is one of the, I mean transparency's always good, but this is one of those spaces in the policy world where that shedding of light really galvanizes action.

And I think that's where investment trainings, just sharing of examples and things like that, becomes really important and where transparency mechanisms especially that relate to the money trail also are very important to have that component.

I think that's been one question in Australia, if they maybe don't have that. So that's one thing I would say. I think globally it's very difficult to know, though FARA actually I think there was somehow information about publications in Brazil that was evident from FARA filings in the U.S.

So I just would say that I think FARA is a really interesting and unique mechanism for that and that increased enforcement becomes very important for those purposes.

On AI, I've done a little bit of like that is absolutely true and there are various ways in which actually CCP censorship is going to be creeping in that pace as well.

COMMISSIONER BOROCHOFF: Thank you.

COMMISSIONER WESSEL: All right, just a quick comment before I turn to Commissioner Cleveland. I'm not sure everything is swept under FARA and I'd have to do more research.

But my understanding is South China Morning Post is not a FARA filer, but they have a joint, a cooperation agreement with Politico. So I'm not sure there's all the transparency.

I think we have to, again, do more research and we may want to have more scrutiny of all that. Commissioner Cleveland?

COMMISSIONER CLEVELAND: Thank you. I have a comment and then a question. Commissioner Borochoff raised this issue of somebody submitting a statement for the record which was interesting.

But it was in my view inflammatory because it was a lot of dollars, a lot of universities, a lot of numbers with no context, no explanation and no opportunity to actually asking questions.

So I am concerned about the quality of the submission. To the issue of transparency, to what Commissioner Goodwin has raised in terms of how do we help inform state and local officials, I'm particularly interested in meddling in campaigns and there seems to be a difference of opinion in Canada as to whether the Chinese did or did not interfere in the outcome.

And I think Mr. Trudeau has now been compelled to conduct some kind of independent investigation after a number of reports came out on meddling.

So staff provided earlier today a document that in essence is a photograph and a detailed description that the MI5 is using to indicate that people have questionable ties to UFW Work and are facilitating donations to political entities.

I'm wondering if there's, obviously you haven't seen this document, but I'm wondering if there's a way of taking advantage of a format like that so whether it is in the space of industrial espionage or you said identifying a state owned enterprises, is there some way to more formalize or to formalize the identification of individuals who we know were involved in interfering either in politics, industry or in media or other spaces?

Because I found this extremely useful and it was a picture that basically said this is who she is, this is how she's covertly engaging in the interference of British politics. It was pretty interesting.

MS. DE LA BRUYERE: I think generally identification is always valuable. I would just raise one caution and this probably holds most of the entity rather than the individual level, but of China's approach.

And holds more broadly across so many of our defensive measures, but China is adept once we recognized a problem actor at then changing that actor's name, subbing it out for something else and continuing its approach which not only makes our effort useless, but also risks making it backfire because we think we've done the work.

We think we've defended our system that this player's out of our bloodstream and so we become complacent. So I would just add that to the conversation.

COMMISSIONER CLEVELAND: Helpful, that's yes. Anybody else's thoughts?

MR. TIFFERT: Yes, so there's a really important consideration here and that is China is nimble absolutely and in our work in this area, many of those associated with the United Front Work Department are U.S. citizens and they have absolutely every right to engage in the political system.

And China will take advantage of that. It will weaponize it. And so we've got to come up with tools that enable us to deal with the U.S. citizen problem in a way that also avoids the problem of racial profiling.

COMMISSIONER CLEVELAND: I think that's really critical and I'd be interested in if for the record you have some further thoughts, any of you, on how to develop those tools because I think that is as we said in the first panel, a legitimate concern in balancing individual liberties with the significant challenges of IP theft and espionage. Thank you.

COMMISSIONER WESSEL: We have a couple of minutes left if there are a second round of questioning. Jim and then Commissioner Friedberg.

COMMISSIONER MANN: Another question for Peter Mattis. Based on your recommendations, you hit on something that I think is really important, but I want to hear more about it. Developing China expertise and then you said inside China.

And certainly my experience over the years was experience on the ground inside China was important and that language training wasn't just enough. But then how do you do that?

I mean, it's not up to us, China's not going to admit, for example, foreign journalists more than they are. So I wasn't quite clear how you do that and how does that combat influence operations?

MR. MATTIS: So I think that the panelists all here would agree that knowledge is sort of the first step. You can't have transparency if you don't have knowledge. And when I think about the efforts, you know, a number of examples including ones that I've been involved in that is called the trinity of counter interference is insider knowledge. You know, people inside an institution or an organization that are going to have tremendous detail about what is -- what is taking place. The ability of that person or persons to connect to outside knowledge that is -- that can assist them in understanding what seems off, what's wrong. And then the third is a connection to, in essence, political power. Whether that's government stepping in to take action or it is transparency through the form of journalism that, you know, either advocates political power or kind of shames people into withdrawing.

So that's how knowledge plays a role. It's one of those -- it's one of those three pieces, I think. You know, insider knowledge, political power, and then knowledge of the CCP that

allows effective action to be taken at the point that there's an issue. So without that, you just can't -- you can't push forward.

I've read sort of repeatedly and heard complaints that if people have gone to the PRC to study, it's impossible to get them through the clearance process to work in the U.S. government in many -- in many respects. And that it's become more and more difficult for that or longer and longer wait times where you could be talking about three years, four years or longer before a process grinds down.

So I'm concerned that we're not necessarily doing the clearance process correctly in the first place if we're washing out what are probably, you know, a huge proportion of sort of patriotic Americans who wants to work for the Government for the right reasons and have no ill intent -- or are unlikely to develop ill intent. But if we can't -- if we can't take advantage of sort of the normal kind of American interactions with the PRC to inform government and to have the richness of that experience inside the system, then we've got to think much more deliberately about how do we -- how do we send people out? How do we provide people with -- who are already cleared, who are already trusted, you know, send them to an MA in China studies and send them for a year of some sort of work in the PRC. Something where you've already sort of developed the antibodies and the protections and judgements about who they are. Because if they don't have that, I think you kind of miss -- you miss all the things that are there in the PRC. Right?

And you know, we've talked about what the PRC is doing with the sense of omnicompetence. But when you see that system in action, you see the brilliance and you see the perfidy and finality and incompetence of other parts of their system. Right? So understanding how to account for that kind of variance. Understanding that the people who are engaged in that system, you know, sometimes have a choice, sometimes don't. You know, you just still think about a very public example. Our former Deputy National Security Advisor, Matt Pottinger, you know, clearly had some of his views shaped by what he saw as a journalist and what he experienced with direct interactions with the State Security apparatus.

COMMISSIONER WESSEL: Thanks. Commissioner Friedberg.

COMMISSIONER FRIEDBERG: Yes. First, a question for Ms. De La Bruyere. I heard you to say two things and I wanted -- this is sort of like one of those, "don't you think so" questions or am I misinterpreting or am I hearing things that I agree with and I'm projecting onto to you. But I heard you to say two things. One, that China's industrial policies are also influence policies and China's influence policies are in part intended to support its industrial and trade policy. So there's sort of a reciprocal relationship between those two. So that's number one, which I think is a very interesting way of describing it.

And then number two, the question is well how do you -- how do you break that or weaken the effectiveness of that? And the answer seems to be -- you didn't put it quite in this way, but to create a new liberal subsystem -- economic subsystem within the global economic system. Not totally decoupling from China and cutting it off completely, but imposing restrictions on its export through us, imposing restrictions on investment flows and so on. And building up the connections among democratic countries and building up our own domestic capacity. And in a sense going back towards something that more closely resembles the sort of liberal trading system that we had during the Cold War. So I guess now the question, don't you think so or is that -- are those accurate assessments of what you said?

MS. DE LA BRUYERE: I was worried when you started that you were going to say -- you'd say these two things and they were absolutely contradictory. Get your act together. Short

answer, yes. Entirely agreed. And just -- on the first point, we could go on forever about what this reflects about the very comprehensive, holistic, and like neutrally supporting elements of China's global strategy probably not worth doing.

On the second point, just one thing I want to emphasize is I think that there's the distinctive response when we look at what China's doing and how it's broken the rules and undermined the international system to turn away from international free markets and the globalized environment. And in doing so, to try to mimic China in a lot of ways. And that's really, really dangerous.

Whereas yes, I think that we should be doing is saying actually we believe in these rules and we believe in this system. The issue is that they're not working right now. They're not coming with the right penalties for breaking the rules and we're unable to defend them. So let's actually work harder to protect and to advance a proactive vision for the global economy. And not only should that -- not only is doing this partly a response to China breaking the rules, but it's also partly a response to technological trends that are changing how the global economy works, which means that there's an opportunity here too to do -- and here I guess is in some ways how we can do the same thing China's doing.

A lot of Beijing's approach says okay, the world's changing because of technology. That's a chance for us to subvert it. We can say the world's changing because of technology. Here's how that creates opportunity for a global economic system and also how that means we need to think about protecting the system better.

COMMISSIONER FRIEDBERG: Thank you very much. A question for Ms. Cook and maybe for Mr. Mattis. You touched on this question of disappearing sources. My impression is that, that's an accelerating problem that China is in the process of removing from its cyber environment, things that are not classified -- not even government documents necessarily, but allow western analysts to gain insight into the way their system is working.

So first, is that correct that this is accelerating? And second, what do you do about that? And it seems to me in an ideal world, you'd be able to take a snapshot every day of the internet -- the web and all the information that's available on it because you don't know what's going to be interesting an important. Is anything like that conceivable? How do you deal with the disappearing information problem?

MS. COOK: Yes, it is disappearing. I mean again, this example of the online database of verdicts that under transparency reforms in like 2014. Suddenly judges all over China started publicizing this and actually for a report we did in 2017 on religious persecution, I was able to work with someone to go in, put an Article 300, which is used to prosecute a Falun Gong practitioners in certain Christian communities and others 3,000 or something like that cases. And then we just downloaded it. We had a coder, which -- Actually, they had already barriers then and then we could basically, you know, do all kinds of data analysis and things like that.

You started to see again, certain categories of crimes, you know, usually ones that maybe have human rights implications being removed. But now I think the latest, there were some like thousands and hundreds of thousands have been disappearing. So one is some of it's just being taken off the internet. In other cases, it's also that they're starting to require to access certain databases having like a national Chinese I.D. So that means that you could be somewhere -- or an IP address inside China or something -- but usually it's usually it's a national I.D. So since it's real name registration element, so then they know that you were the person or you have to have again someone Chinese. But then there are all these other additional risks for them if they're doing sensitive -- you know, sensitive research.

So I don't know if the answer is to like capture the entire internet. But I think -- I mean again, there's certain elements of, you know, maybe it is certain periodic, you know, searches again. How you automate this to be able to capture it because again, bids and tenders is like a gold mine. Some of it's also a private company. So some of the research that surveillance firms like IPVM have done, you go back to the website and suddenly this very incriminating -- you know, previously very incriminating slide show that was up there is not there. So I think all the researchers working in the space have learned to archive. But there is a question of whether you can do it more systematically.

COMMISSIONER FRIEDBERG: Thank you very much.

COMMISSIONER WESSEL: Let's not give the Chinese Ministries a roadmap for what we're downloading -- most of it. Commissioner Price.

COMMISSIONER PRICE: Great, thank you. Dr. Tiffert, in your testimony, especially your written testimony, you touched on transnational repression on campus. You give a particular example of a brave human rights advocate who's been working on campuses. Then you make a recommendation later on, on educating international students and assisting students and faculty in how to maintain a climate-free from intimidation. Can you flush that out a little bit more? I don't want us to end this session without talking about that issue.

DR. TIFFERT: Absolutely. In the work that we do, we spend a lot of time talking to university Presidents, VPs, and Head of International Affairs at universities. Now partly to talk about the research security to transfer peace, but also to ensure that we have a climate on campus that does right by our students. Because as do rightly say, transnational repression in the projection of China's censorship apparatus, it's surveillance apparatus, it's intimidation into our space is a real problem.

Having taught -- I'm a historian by training and having taught classes, I know my PRC origin students would come to me and speak privately in my office hours and say things that they would never say in the classroom because they don't trust the other PRC origin students in the classroom unless they know them exceptionally well. It's just a reality.

And so when we talk to Vice Presidents of International Affairs who are in charge of the students who come from everywhere to our campuses, very often data is not a part of the orientation. The set of expectations that come along with you are now in the United States. We have certain expectations about freedom of expression, freedom of inquiry, the freedom to say something without fear, and setting those baselines. It's very important and a lot of schools do not do it. But if you have those initial conversations, then you can always go back to them in case there's a problem.

Many schools in fact put it on the individual faculty member to solve a problem after it's already happened and that's too late. And often there aren't institutional resources or standards to which a faculty member can refer to kind of navigate their way through that problem.

A colleague of mine at a human rights organization likes to talk about a case at an Ivy League school that shall go unnamed but is represented in this room in which in a small seminar of less than a dozen people, a student expressed an idea. It was a graduate level seminar. And within 24 hours, that student's parents had a visit from the Public Security Bureau back in China, which means that somebody in that classroom ratted them out and reported it presumably to the Consulate. These things happen.

That particular faculty member was left on their own to solve the problem. And so we can do better than that. We're just not giving it the thought that it requires. And the administrators on campuses aren't necessarily thinking or are not aware that transnational

repression is happening in their backyards. Very often they don't hear about it. They don't even know what's happening.

COMMISSIONER PRICE: Thank you.

COMMISSIONER WESSEL: With that, we'll gavel down. I don't need to use the gavel -- gavel down this hearing -- this session. We will return at 2 o'clock. I thank each of you for appearing here today, for all the work you do, and we will certainly be following up with you. Thank you. Adjourned til 2:00 p.m.

(Whereupon, the above-entitled matter went off the record at 12:43 p.m. and resumed at 2:01 p.m.)

PANEL III INTRODUCTION BY COMMISSIONER BOB BOROCHOFF

COMMISSIONER BOROCHOFF: Back to Hearing 3 of the U.S. China Economic and Security Review Commission 2023 Annual Report Panel. Our third panel will explore the CCP's approach to foreign influence and the most important organizations tasked with carrying it out.

First, we'll hear from Dr. Mareike Ohlberg, Senior Fellow in the Indopacific Program at the German Marshall Fund who will discuss how Chinese leaders world views drive the country's foreign influence activities. And explain why United Front Work and external propaganda work have assumed greater importance under General Secretary Xi Jinping. Prior to her work at the German Marshall Fund, Dr. Ohlberg worked as an analyst at the Mercator Institute for China Studies where she focused on China's media and digital policies, as well as the Chinese communist parties influence campaigns in Europe.

Next, we will hear from Mr. Alex Joske, Senior Risk Advisor of McGrathNicol who will provide an overview of China's United Front Work system. And explain how this system aims to co-op or counteract critics of the CCP abroad. Prior to joining McGrathNicol, he served as an analyst at the Australian Strategic Policy Institute.

And finally, we will hear from Rebecca Fair, Vice President of Information at Two Six Technologies who will analyze China's foreign propaganda system and the key narratives it seeks to disseminate around the world. Prior to joining Two Six Two Technologies, she founded the software company Thresher and spent a decade as a Central Intelligence Agency Officer in a variety of roles.

Thank you all very much for your testimony. I'd like to remind you to keep your remarks to seven minutes. And Dr. Ohlberg, we'll begin with you.

OPENING STATEMENT OF MAREIKE OHLBERG, SENIOR FELLOW, INDO-PACIFIC PROGRAM AT THE GERMAN MARSHALL FUND

MS. OHLBERG: Co-Chair Borochoff, Co-Chair Wessell, members of the Commission, thank you for giving me the opportunity to participate in this hearing. First, let me start by saying that no single work area inside the Chinese Party State bureaucracy sums up all the activities that make up the CCP's global influence and interference activities. Instead, CCP leaders use a variety of terms to describe different sub-areas that are led by different agencies inside the party state.

One type of work that is particularly relevant and that has received a lot of attention is United Front Work. This work has been upgraded significantly since Xi Jinping came to power. Although United Front Work is sometimes used interchangeably with Global Interference Operations in our current debate, the principle target of this work in the narrow sense in PRC citizens and a large part of United Front Work takes place inside the PRCs borders. That said, it also targets Chinese citizens living abroad, as well as people of Chinese descent when the PRC tries to claim them as the "sons and daughters" of the Chinese nation.

However, there are other terms used for influence operations targeting foreign nationals including friendly exchanges, friendly work, international liaison work. These serve a similar function as United Front Work, but specifically target foreign nationals.

Last, there's external propaganda work, which is principally about raising China's voice, but amplifying official talking points, shaping global debates and narratives, and changing how people think about the PRC, the world, and any topic that is of interest to the party. Through all these activities, the CCP aims to create an external environment that is conducive to realizing its policy goals and securing its short, mid, and long-term interests by maximizing support for the party and neutralizing opposition to it.

Notably, CCP leaders including Xi Jinping have gone so far as to define the lack of an international voice and an international influence, the ability to stop foreign criticism as a generational challenge for China. I mention this because it may help explain why a lot of what we see the CCP do is done with the goal of silencing opposition to the party around the world and deplatforming it.

But all the objectives of the work that make up influence and interference operations are usually phrased in terms of national interest and national objectives. The key actor is the CCP. At the most fundamental level, there are four; influence and interference activities are meant to guarantee the long-term regime security of the CCP by creating a safer and smoother international environment for the party.

Now what is the toolkit? For easier presentation, I'd like to group the various activities into a positive agenda, which is about making alliances and friends and promoting positive narratives and a negative agenda, which is about isolating and fighting hostile forces and suppressing discussions of topics the CCP does not wish to see discussed. This is because all the parties work at home and abroad is guided by a set of key principles that can be referred to as united front principles, which are about building the broadest possible alliance against enemies of the party.

So the first set of activities is about building positive relations with as many relevant groups and through as many channels as possible such as through United Front bodies, through party to party diplomacy, local relations, friendship associations, business networks, think tank

networks, and many more. It is also about using any channel, especially foreign voices to promote PRC perspective and interests.

The second interest, the negative agenda consists of activities that use various levers to exert pressure on individuals, on groups, or even on whole countries to isolate those that are considered hostile and to prevent certain topics from being discussed. This can include activities such as bets and targeted harassments of individuals and groups, disruption of events, editorial pressure on media, denial of visas to persons considered too critical, or even economic coercion against whole countries as we've seen with Australia and Lithuania to retaliate against actions or policies the CCP opposes.

Elements of this toolkit are used across all countries and we can usually recognize aspects of it when we look at it. But the exact combination depends on a range of factors such as how much support there already is for the PRC and the CCP, which groups are available to liaise with as -- is there a big diaspora or not, or sometimes also personal agency are those directly responsible for the work.

Now what about those activities and what can be done about that? One way to define illegitimate interference activities is to focus on efforts that have covert, coercive, and corrupt or corrupting terminology for that point by Malcolm Turnbull. And this to me is a good starting point. Some activities are very unequivocally illegitimate and these can influence stuff like election interference, an event to coordinated behavior on social media, instances of transnational repression of press or pressure, economic coercion. A lot of this from the negative toolkit.

In addition, there might be some activities that are legitimate per se, but that can then be used for illegitimate purposes. For instance, it is legitimate for a U.S. city to sign a partnership agreement with a PRC counterpart. But if such an agreement was then used to prohibit U.S. city officials from interactions with Taiwan for example, this can cause illegitimate interference.

The majority of our responses should focus on practices that can be clearly identified as illegitimate, the covert, the coercive, the corrupting. To give a few examples of what can or could be done, one thing is to track coercive action that impacts freedom of speech and other freedoms more systematically and to raise the cost for such behavior. Improve mechanisms for individuals to report harassment intimidation attempts or request to cooperate with PRC authorities. Consider imposing Magnitsky type sanctions for instances of transnational repression perpetrated from outside the U.S.

Additional actions should focus on providing funding. For example, to improve Chinese language skills and China literacy, as well as topics that are difficult to research because of PRC pressure. Last, we should coordinate with allies to coordinate responses and show a joint response and to address concerns that affect multiple countries. Thank you very much for your attention.

COMMISSIONER BOROCHOFF: Thank you very much. Mr. Joske.

PREPARED STATEMENT OF MAREIKE OHLBERG, SENIOR FELLOW, INDO-PACIFIC PROGRAM AT THE GERMAN MARSHALL FUND

"Testimony before the U.S.-China Economic and Security Review Commission"

Hearing on "China's Global Influence and Interference Activities"

Thursday, March 23rd, 2023

Testimony prepared by

Dr. Mareike Ohlberg

Senior Fellow, Indo-Pacific Program, The German Marshall Fund of the United States

Panel III: The Chinese Communist Party's Approach to Influence and Interference

Co-Chairs Borochoff and Wessel, distinguished Members of the Commission: thank you for giving me the opportunity to participate in his hearing. My testimony will focus on the objectives of the global influence and interference operations of the Chinese Communist Party (CCP), how the Party itself describes and understands the different categories of work that form parts of these operations (with a focus on what does and does not constitute united front work), the basic toolkit the CCP uses, as well as a set of policy recommendations to mitigate and counter influence and interference.

Foreign influence and interference are defined here as activities by a foreign government or foreign actor(s), in this case the CCP, intended to influence or manipulate political processes, public opinion or national debates in ways that are favorable to the foreign government or actor and may harm the interests of the United States and its allies.

1. **Why does the Chinese Communist Party (CCP) seek to influence and interfere in foreign countries' political systems, economies, and societies? Please address how CCP leaders explain the national objectives served by their global influence and interference activities as well as how these objectives have changed over time.**

The CCP frames the various categories of work that form its global influence and interference operations as a type of work that is in service of its larger development and policy goals. These goals can range from securing individual development interests to broadly defined but usually regime security related goals such as ensuring "national security" and "social stability" and – increasingly – making "contributions" to the world (i.e. reshaping the global order to bring it more in line with the CCP's long term interests).

Through its global influence and interference activities, the CCP aims to create an external environment that is conducive to realizing its foreign policy goals and securing its short, mid and long term interests by maximizing support for and neutralizing opposition to the CCP, its policies and its interests both at home and globally. The "service" or "support" function of the different subsets of activities that we understand as influence and interference operations is expressed in the speeches of party leaders and in party documents. For example, united front work (统战工作), among other things serves to safeguard the PRC's "national

sovereignty, national security and its development interests" and to mobilize all "sons and daughters of China" (全体中华儿女) behind the goal of the great rejuvenation of the Chinese nation.[i]

Development interests used to be more domestically focused but can include a growing number of concrete policies and interests not just inside China but in various countries, such as smooth implementation of Belt and Road projects, supporting both state-owned and private PRC companies and protecting as well as expanding Chinese assets overseas, in essence, anything that is needed to make China thrive and "realize the great rejuvenation of the Chinese nation."

The objectives of externally focused propaganda work (对外宣传工作) are similarly framed as in service of larger policy goals. As early as December 2003, Hu Jintao declared that "creating a favorable international public opinion environment" and "establishing a good image of China" abroad were "of importance for China's national security and social stability."[ii] At the 30th collective study session of the Politburo, held on May 31, 2021 and dedicated to raising China's "international communication capabilities," Xi Jinping similarly stated that, "China needs to form an international discourse power that matches its comprehensive national strength and international status and that creates a favorable external public opinion environment for China's reform, development and stability, and to make positive contributions to promoting the building of a community with a shared future for mankind."[iii]

Notably, CCP leaders, including Xi Jinping, have gone so far as to define the lack of an international "voice" (or discourse power 话语权) as a historical or generational challenge that is on par with freeing China from foreign colonization and eradicating poverty. At the National Party School Work Conference in December 2015, Xi Jinping stated that "if you are backward, you will suffer beating, if you are poor, you will suffer hunger, and if you have no voice, you will suffer being scolded."[iv] With these references, Xi took up a debate that was started in Chinese think tank circles over a decade ago[v] and injected it into the official public party discourse at the highest level. At the conference, Xi declared that the first two problems – suffering beating and hunger – had been basically resolved by the Party, but the last problem – suffering being scolded – remained fundamentally unresolved[vi] and remains as a key challenge that a "strong China" will have to tackle.[vii] This is especially relevant because it may help explain why a large part of the CCP's political interference in other countries as well as in international organizations is now undertaken with the increasingly aggressive goal of silencing opposition to the CCP and trying to ensure that criticism of the Party and its policies has no platform in the world.

While all the objectives of subsets of work that make up influence and interference operations are usually phrased in terms of **national interests and national objectives**, the key actor is the CCP. The Party's interests and priorities are what define how and why this work is undertaken. At the most fundamental level, influence and interference activities aim not just to facilitate and create favorable conditions for individual policies and goals but to guarantee the long term regime security of the CCP by creating a safer international environment in which the CCP enjoys widespread global legitimacy and recognition, opposing forces are marginalized or have been eliminated, and others "naturally" align themselves with the Party's objectives.

2. **What terms do Chinese leaders use to describe their influence and interference activities? Please address the "united front" concept and how it is different from externally-focused propaganda work or China's broader foreign policy. Briefly address how "united front work" drives specific elements within the party-state bureaucracy.**

No single work area inside the PRC party-state bureaucracy sums up all the activities that make up political influence and interference activities, and no party or state agency is single-handedly in charge of all of these activities. Instead, CCP leaders use a variety of terms to describe different sub-areas, which are, in turn, led by different agencies inside the party-state bureaucracy. One type of work that is relevant for the CCP's global influence and interference operations and that has received a lot of attention in recent years is united front (UF) work. UF work refers to the penetration and of any relevant societal force outside of the CCP with the goal of building the broadest possible alliance and resulting in the isolation of the Party's main enemies. UF work is led by the United Front Work Department, a Party department which oversees a number of state bureaucracies, such as the Overseas Chinese Affairs Office.[viii]

A desired effect of united front work, both inside and outside of the PRC, is that it can mimic the appearance of civil society while ensuring that any group or societal force that is considered to be of significance remains institutionally tied to the CCP and is under Party control, or at least its guidance. The elevation of united front work under Xi (addressed below) should be first and foremost seen as a reassertion of control on the part of the CCP over various groups in Chinese society.

Although the term "united front work" is sometimes used interchangeably with the CCP's global interference operations in our current debates, the principal target of united front work as a specific work area inside the party-state bureaucracy is PRC citizens, and a large part of united front work takes place inside the PRC's borders. The slight domestic bias becomes evident when looking at the officially defined targets of united front work (groups and representative individuals from within these groups):

1. Members of the Democratic Parties (i.e. members of the eight "democratic" political parties that are allowed to exist and offer political consultation to the CCP but are not allowed to stand for election and govern the PRC)
2. Persons without Party affiliation
3. Non-Party intellectuals (i.e. intellectuals that are not CCP members)
4. Persons from ethnic minorities
5. Persons from religious groups
6. Persons from the non-public sector of the economy (i.e. private entrepreneurs)
7. Persons from the new social strata (a corresponding bureau, the 8th bureau, was added in 2016)
8. Students studying abroad or returned students (i.e. people who studied abroad but have now returned to the PRC)
9. Compatriots from Hong Kong and Macao
10. Taiwan compatriots (i.e. Taiwanese citizens) and their relatives in the Mainland
11. Overseas Chinese, returned Overseas Chinese, and the relatives of Overseas Chinese in the Mainland (note that the term used in the regulations is *huaqiao* 华侨, which refers to PRC citizens residing abroad)
12. Other persons that the CCP needs to liaise and unite with[ix]

Liaising with persons from groups 1-7 is of principal relevance inside the PRC's borders to maintain control over different groups inside the country, although these groups also remain of interest to the CCP when their members leave China's borders. Groups 8-11 are of principal relevance outside of Mainland China, though the focus on relatives in the Mainland and returned individuals shows that work pertaining to these groups takes place both inside and outside of the Mainland. Group 12 can refer to any group inside and outside the Mainland.

Although people of Chinese descent who are nationals of other countries (*haiwai huaren* 海外华人, *huayi* 华裔) are not specifically listed among the key targets of united front work as defined in the work regulations (except for "Taiwan compatriots"), the CCP indirectly lays claim to them and in practice often includes them among the "sons and daughters of the Chinese nation in China and abroad" (海内外中华儿女) [x] that need to be rallied and united behind the goal of the great rejuvenation of the Chinese nation and all the other related tasks that united front work is meant to support.

The dual role of people of Chinese descent and how to handle them in political liaison or united front work is summed up in an undated but clearly older article on Overseas United Front Work published on the CCP's website. The article quotes Zhou Enlai comparing Chinese people who have obtained foreign citizenship to a woman marrying into another family; she may belong to a different family now, but she remains a relative.[xi] The article then goes on to explain, that:

> "As foreigners, the relationship between Overseas Chinese (of foreign nationality) and us belongs to the category of friendship with the peoples of other countries (人民友好的范畴) and is a friend relationship (朋友关系); but as the descendants of the Chinese nation, the Overseas Chinese and us are relatives and belong to the category of overseas united front work (海外统一战线工作的范畴)."[xii]

Especially in countries with large ethnic Chinese diasporas, such as Australia, New Zealand, and Canada, united front work can get mixed up with influence and interference activities targeting people who are not PRC citizens and not of Chinese descent. However, as the reference to different "categories" of work in the quote above already indicates, there are other work categories headed by different organizations inside the party-state bureaucracy that are primarily concerned with international liaison work and (political) friendship with the peoples of other countries.[xiii]

A number of terms are used to refer to this, including "friendly exchanges" (友好交往), the aforementioned friendship between peoples (人民友好), people-to-people diplomacy (民间外交) or "international liaison work" (国际联络工作). Despite referencing terms such as "people-to-people", these exchanges are overseen by high level party-controlled organizations on the PRC side. One of the most important organizations is the Chinese People's Association for Friendship with Foreign Countries, which is responsible for liaising with foreigners through Friendship Associations as well as through local relations (sister cities and sister states) and via foreign NGOs.[xiv] In addition, the International Liaison Department of the CCP is responsible for political liaison work that takes place in the form of party-to-party diplomacy. There are a number of additional organizations affiliated with

various parts of the party-state bureaucracy that also primarily engage in liaison work with foreign citizens.

In addition to political liaison work, be it in the form of united front work or "friendly exchanges", there is external propaganda work (对外宣传), a set of tasks that is principally about raising China's "voice" (话语权) and "raising China's international communication capabilities" (国际传播能力) by amplifying Chinese talking points, shaping global debates and narratives and changing how people think about the PRC, the world and any topic that is of interest to the Party. This includes shaping day-to-day coverage of political events but, more ambitiously, is also about shifting the "balance of power" in the arena of international public opinion in the long run and changing the categories and concepts according to which the PRC and everybody else is evaluated. This work is primarily done through the CCP's propaganda system, with the Central Propaganda Department at the top, which overseas media as well as various subordinate bureaucracies dedicated to culture, education, publishing, translation, etc. There used to be a separate party bureaucracy for externally focused propaganda work, with its own leading small group and party office, but it was absorbed into the Central Propaganda Department.[xv]

In theory as well as in the way the work in is carried out in practice, there is significant overlap between united front work, friendship work and propaganda work targeting audiences outside the PRC. United front agencies also engage in activities that are meant to shape perceptions and thinking, and agencies and media in the propaganda system are also engaged in united front work and liaison work to win over foreigners to amplify the PRC's narratives and messages.

Borders between different types of activities related to political influence and interference are also fuzzy because a number of activities have been defined as all-of-Party efforts, and all departments and subordinate organizations of the CCP are required to participate in them. Both united front work and "raising China's international communication capabilities" have been defined by Xi Jinping personally as either all-of-Party efforts or the responsibility of all leading cadres, making them the responsibility not only of the departments that have traditionally led this work, but of other departments and leading cadres as well.[xvi]

Beyond united front work as carried out by the United Front Work Department and its subordinate bureaucracies, **all** of the CCP's work, both the strategic outlook and the day-to-day work at home and abroad, including external propaganda work and any kind of liaison work regardless of the ethnicity of the target, is guided by a set of key principles that can be referred to as united front principles because they were informed by the basic experience of the Party during its formative early decades and are the same principles that also guide the party's UF work in the narrow sense. In the simplest terms, this is about building the broadest possible alliance against enemies of the Party that need to be isolated, fought and discredited by all means. This principal enemy is context specific and is often referred to abstractly as "hostile forces at home and abroad" (境内外敌对势力).

A different set of rules applies depending on whether the Party believes it is dealing with a societal force that can be compromised and turned into part of a greater alliance or whether it believes it is dealing with a hostile force that cannot be integrated into an alliance and therefore needs to be fought. The enemy category includes any forces advocating or perceived by the CCP as advocating for independence for Xinjiang, Tibet, Taiwan or any other territory claimed by the PRC. At the global level, the principal enemy who needs to be

isolated (from its allies and partners) and discredited as a country that acts against the interests of the overwhelming majority of other countries is the United States. (As such, CCP influence and interference operations in other countries can be relevant to U.S. interests when these activities are geared towards isolating the U.S. or driving divisions between itself and its allies.)

The distinction between friends and temporary allies on the one hand and enemies on the other is what informs **all** of the CCP's work, including its international dealings and the broad set of activities that we call influence and interference. In fact, I will argue below that it makes sense to divide the influence and interference toolkit used by the CCP globally into two sets of activities: those that are geared towards making "friends", towards building the broadest possibles alliances and towards promoting positive narratives on the one hand and those activities that primarily seek to isolate or silence the declared enemies of the party on the other hand, including preventing the participation of certain individuals in the public discourse and suppressing the discussion of topics the CCP does not wish to see discussed or in which it wants to tightly limit the voices that can be heard to its own and other "friendly" voices.

3. **Describe the Xi family's historical involvement in united front work and explain how General Secretary Xi Jinping has elevated the importance of united front work over his tenure. What changes has he made to the relevant policies, bureaucracies, budgets available for these efforts?**

Various articles in PRC media cover the contributions that Xi Jinping's father, Xi Zhongxun, made to the Party's United Front work (both the theory and in practice) during various stages of his career, such as when he was stationed in the CCP's Northwest Bureau (an administrative jurisdiction at the time, covering multiple provinces) in the earliest years of the PRC as well as during the Reform and Opening period. For example, one such article recounts how Xi's father helped delay a military confrontation by insisting on trying united front work before resorting to military suppression of the conflict.[xvii] Another article recounts how Xi's father corrected the mistakes of other cadres that did not implement the Party's policies with regard to ethnic unity correctly, as well as how his instructions on united front work regarding non-Party intellectuals resolved "misunderstandings" and "ideological confusion" surrounding united front work.[xviii]

These articles often hold Xi's father up as a person exemplifying the virtues of the Party's "patience" when dealing with China's ethnic minorities or other important or potentially restive forces in Chinese society. It is unclear whether and to what extent the biography of his father informed Xi Jinping's upgrading of united front work and to what extent the articles on his father's involvement in united front work were written to create this impression and explain the attention that Xi Jinping has paid attention to this work as well as to further the standing of united front work as a whole by tying it to the family of the CCP's preeminent leader.

What is certain is that Xi Jinping has elevated if not revived united front work during his tenure as General Secretary of the CCP. The first clear public sign was in 2014, when Xi Jinping gave a speech on united front work.[xix] This was followed in 2015 by the creation of a Leading Small Group for United Front Work, trial regulations for united front work (revised in 2020) as well as the first National United Front Work Conference in nine years (prior to

the last conference in 2006, national conferences on united front work were also held irregularly).[xx] At the time, united front personnel had already been increased by 40,000 cadres.[xxi] This signified a very substantial revival of united front work. The elevation was principally relevant as a signal that the Party wanted to tighten control over Chinese society. Since this includes Chinese citizens living abroad and any other group that the CCP claims as the "sons and daughters of the Chinese nation," the elevation of united front work is of course also relevant for any country with significant Chinese diasporas. However, it needs to be kept in mind that united front work in the narrow sense (the work overseen by the UFWD and its subordinate agencies) captures only a part of global influence and interference operations undertaken by the CCP and PRC agencies.

The united front work budget is difficult to reconstruct because the United Front Work Department, like other CCP departments, does not publish its budget. Ryan Fedasiuk has attempted to reconstruct a rough budget based on the published central and local level budgets of four types of organizations that directly or indirectly fall under the authority of the UFWD (namely Chinese People's Political Consultative Conferences, Ethnic and Religious Affairs Commissions, Foreign and Overseas Chinese Affairs Offices, and Federations of Industry and Commerce). Based on that data, he found that at least $2.6 billion were spent on united front work in 2019, a budget that exceeded that of the PRC Ministry of Foreign Affairs. These estimates are by definition conservative, as a large portion of the budget is missing, but only a part of it, as per Fedasiuk's own estimate is dedicated to united front work outside of China, namely 23%, or US$600 million.[xxii]

Similar constraints apply to the budgets attached to externally focused propaganda work (or propaganda work as a whole), as well as the budgets attached to liaison work via the International Department of the CCP or the CPAFFC. David Shambaugh had previously estimated the PRC's external propaganda budget to be US$ 10 billion annually; however, it is unclear what was counted into this figure, and I have not personally attempted to reconstruct a budget for external propaganda, united front work, or the CCP's friendship bureaucracy.[xxiii] Even without exact numbers, it is safe to say that the budgets and attention devoted to different sub-areas of influence and interference work are substantial.

4. **Characterize Beijing's general "toolkit" for carrying out global influence and interference activities. Does this toolkit differ depending on the target country or sector?**

Generally speaking, people (including myself) who have studied the influence and interference work of the CCP in one country will often recognize elements of it in another country. The CCP draws on a set of activities and types or organizations that it uses across different countries and sectors, but there is also variation depending on the concrete local circumstances or the individual agency of people on the ground. Below is an attempt to give an overview of the different types of activities that make up the toolkit. Examples given below are **not exhaustive**, but are only meant to give an impression of the range and types of activities that are part of the toolkit.

Based on the CCP's own united front thinking (forming alliances versus isolating enemies), I have grouped various influence and interference activities into a "positive agenda" (building alliances, promoting PRC narratives and talking points) and a "negative agenda" or coercive toolkit (isolating and fighting hostile forces and suppressing discussion of certain topics or narratives).

The first set of activities, the "positive agenda", is focused on liaison work (building the broadest possible alliances with as many groups as possible) and promoting narratives the CCP wants to promote. It can include activities such as:

- **Friendship and liaison work, networking and building positive relationships** with as many potentially relevant groups and through as many channels as possible. This can include channels such as party-to-party diplomacy, local diplomacy (sister cities and sister states, through the National Governor's Association, etc.), friendship associations, business networks, think tank networks, university networks, theater associations, museum associations, and various (often BRI-themed) networks in other fields. PRC counterparts in any of these exchanges may try to create the impression of being civil society organizations, but any kind of work involving liaising with foreigners is automatically political and therefore necessitates Party oversight. The CCP or the PRC government may try to use this broader liaison work for various purposes, including make political friends who are willing to represent the interests of the PRC publicly or lobby behind the scenes. If it encounters opposition with a national or federal government, it may also try to exert pressure on it by trying to win over local governments, businesses or other interest groups. This kind of work can also involve the work of intelligence organizations operating behind front organizations.
- **United front work in the narrow sense,** i.e. ensuring that PRC citizens or overseas Chinese groups liaise with PRC embassies and united front bodies in the PRC and that the interests of the party-state are represented in these groups. Relevant organizations in other countries include, for example, local chapters of the Council for the Promotion of the Peaceful Reunification of China, various Chinese Associations, Chinese Students and Scholars Associations, as well as many (but not all) Chinese language media. PRC authorities may try to mobilize Overseas Chinese groups and networks for specific political purposes such as welcoming a PRC leader, participating in an embassy-facilitated protests, making statements in support of PRC policies, for mutual surveillance, or for attending and/or disrupting events.
- **Spreading CCP narratives via as many channels as possible**, including the PRC's own party-state media, via media in host countries e.g through inserts, op-eds or other kinds of media cooperation ("borrowed boats"), by having non-PRC voices promote CCP narratives, e.g. via op-eds, by working with foreign influencers, etc. ("borrowed mouths"), through various types of convenings or via PRC-run networks (often BRI-themed), through bot and troll networks on social media, by subsidizing the translation and distribution of Chinese works into foreign languages, including via large academic and scientific publishing houses, etc. The CCP will often ask foreign interlocutors (individuals, groups, or sometimes national governments) for public statements of support for its various positions. This can range from casual statements affirming the PRC's poverty reduction policies during a meeting to signatures on UN letters praising the PRC's human rights record, its approach to Hong Kong or its policies in Xinjiang.[xxiv] The goal of insisting on these public statements is to create the impression of the broadest possible support for the PRC and its policies.
- **Providing funding or financial support**. This includes activities ranging from providing investment or loans for infrastructure and other projects in some countries that the PRC may hopes it can leverage for political support to subsidizing translations of Chinese works and providing funding for Confucius Institutes or classrooms. The point here is not so much to group these types of spending together

but to have this serve as a reminder that for a long time, the PRC has mixed economic and financial incentives with its influence and interference work, and the two cannot always be neatly separated.

The exact "positive" toolkit used in a country or sector may vary depending on what groups are available to liaise with, which groups are considered politically influential, who is willing to engage in this kind of work, how well the PRC understands the local political and social landscape, or how much support the PRC already enjoys at the national or federal level, etc. For example, in a country with a large Chinese diaspora, the diaspora will usually become a focal point of the party's work, but the way in which the work is carried out may vary depending on the overall political circumstances, composition of the diaspora community, their social standing, etc. To give another example of variation, in a country in which the CCP has the general support of the federal or national government, it may be less necessary to work with local governments, opposition parties and other societal forces in order to put pressure on the national or federal government. This does not mean that this is not done at all, but it is less relevant in the moment and more done to prepare for a situation when political support for the PRC at the Center may change (a change of government, a change in the government's position towards the PRC, etc.).

The second set of activities, the "negative agenda" or coercive toolkit, is comprised of activities that use various levers to exert pressure on individuals, groups or even whole countries so that they align themselves with Beijing's preferences, to isolate and suppress groups considered hostile, or to prevent certain topics from being discussed. It can include activities and actions such as:

- Threats against and targeted harassment of individuals or groups perceived as critical[xxv]
- Physical violence, enforced disappearance or threats of violence, kidnappings,[xxvi] etc.
- Embassy-organized or -facilitated counter-protests
- Disruption of events on certain topics considered political or sensitive that the CCP wants to control tightly (on Xinjiang, Hong Kong, human rights, Xi Jinping, etc.), or events with speakers that the CCP opposes[xxvii]
- Behind the scenes editorial pressure, for example at overseas Chinese media
- Pressuring advertizers not to advertize with media (usually Chinese language media) that the CCP considers hostile[xxviii]
- Denial of visas to persons (journalists, academics, members of delegations) that the CCP considers too critical or in an attempt to induce self-censorship more broadly among researchers
- Economic coercion against countries (famous examples include Australia, Lithuania, South Korea, and Canada) to retaliate against actions or policies the CCP opposes or in attempt to force a country to change policy.

Again, the exact tools and their application can vary by country or sector. For example, in some countries, the CCP may not need to issue threats or issues fewer threats against individual journalists, media, academics, or others because few such voices exist to begin with (for example because people understand that criticism might endanger them). Some countries may be more vulnerable to economic coercion. In some countries PRC party and state authorities may operate with complete impunity while in other countries, they have started to encounter pushback. Generally speaking, PRC citizens or individuals with family ties to the PRC are often the most affected targets of the coercive toolkit and various forms of

threats and intimidation as they are of special interest to the CCP, PRC and CCP authorities feel that they have greater leverage and because members of the Chinese diaspora, such as PRC pro-democracy activists, PRC dissidents, activists from Hong Kong, members of the Uyghur or Tibetan diaspora and others are perceived as some of the biggest threats by the CCP.

5. **How should policymakers distinguish between those of China's global influence and interference activities that are "legitimate" and those that are "illegitimate"?**

One standard to define illegitimate interference activities that was first raised by Malcolm Turnbull and is often cited is that of efforts that are "covert, coercive, and corrupt" (later, in follow-up definitions building on this one, "corrupt" was modified to "corrupting," as in activities that corrupt political processes in the host country).[xxix] This is a good starting point. Some governments distinguish between influence and interference, where the latter is usually defined as harmful and illegitimate while the former can include activities that are not necessarily malign or undermining the interests of the state in which they are carried out. According to the Australian Government Department of Home Affairs, "foreign interference occurs when activity carried out by, or on behalf of, a foreign power, is coercive, corrupting, deceptive or clandestine, and contrary to Australia's sovereignty, values and national interests."[xxx] The U.S. Department of Homeland Security defines foreign interference as "malign actions taken by foreign governments or foreign actors designed to sow discord, manipulate public discourse, discredit the electoral system, bias the development of policy, or disrupt markets for the purpose of undermining the interests of the United States and its allies."[xxxi]

Some activities, including some that are already illegal, unequivocally fall under illegitimate forms of interference that should be countered and/or prosecuted where possible and applicable. These include:

- Election interference, including instructing people to vote for a certain candidate,[xxxii] or trying to prevent a candidate from running[xxxiii]
- Inauthentic coordinated behavior on social media, such as bot networks
- Instances of transnational repression where PRC authorities threaten or intimidate or try to repatriate individuals (often PRC citizens) on foreign soil
- Targeted harassment of individuals perceived as critical of the PRC or the CCP and/or its policies (phone calls, anonymous messages, sending spoofed emails on their behalf, etc.)
- Any action that tries to violate freedom of speech, freedom of assembly, etc. of U.S.-based individuals
- Blackmail
- Transmission of sensitive private personal information to PRC authorities
- Other parts of the PRC's coercive toolkit

In addition to obvious examples of illegitimate interference, some activities that are generally legitimate can be used in part for illegitimate purposes. For example, a lot of the general networking activities on the "positive agenda" above are activities that host countries should be aware of but that can often be legitimate and do not necessarily require a response from local governments. For example, networking activities such as party-to-party diplomacy, local diplomacy, and other forms of meetings and networking and exchange activities are

legitimate activities on their own and can be pursued for mutual benefit as long as participants are aware of party ties of their PRC counterparts. However, actions may result from these broader exchange activities that do not fall within the spectrum of legitimate public diplomacy and that may require responses or more coordinated pushback. For example:

- PRC leaders meeting with U.S. business leaders to discuss their concerns or topics of mutual interests is a legitimate activity, but using those meetings to pressure business leaders to lobby for or against certain U.S. policies or legislation, as happened in 2021,[xxxiv] potentially crosses into illegitimate interference. It has also caused concern among businesses that they may be in violation of FARA if they do advocate for or against certain policies.
- U.S. cities and states engaging in relations with PRC counterparts is a legitimate activity that can be pursued for mutual benefit, but if CCP or PRC authorities try to systematically use states to try to pressure the federal government or change federal policy, this can cross into illegitimate interference.
- A U.S. city signing a partnership agreement with a PRC city is completely legitimate, but if such an agreement tries to prohibit U.S. city officials from interactions with Taiwan or if the PRC side tries to prevent interactions between the sister city and Taiwanese counterparts, this crosses into illegitimate interference.[xxxv]

6. The Commission is mandated to make policy recommendations to Congress based on its hearings and other research. What are your recommendations for Congressional action related to the topic of your testimony?

The majority of responses should focus on practices that can be clearly identified as belonging to the 3C (covert, coercive, corrupting) and thus constitute illegitimate interference, including practices that are illegal under U.S. law. Compared to some other countries, the United States has already acted more decisively in cases of suspected illegitimate interference, such as bringing a case against an individual who allegedly attempted to prevent an ethnic Chinese candidate from running for office.[xxxvi] Actions taken should aim to maximize costs for transnational repression and any activity that conspires to deny rights to U.S.-based individuals.

- Track rights infringements or attempts to deny rights on U.S. soil more systematically and raise the costs for such behavior, including through prosecution where possible and appropriate and by expelling PRC cadres engaging in such behavior or declaring PRC diplomats persona non grata in extreme cases.

- Continue to monitor for and raise costs for potential election interference through prosecution where possible and appropriate, by expelling PRC cadres engaging in acts of transnational repression on U.S. soil or by declaring PRC diplomats persona non grata where appropriate.

- Encourage affected parties to make rights violations and/or threats and intimidation attempts public where this can be done without risk to the individual or their family. Establish and/or improve mechanisms for individuals to report harassment, intimidation attempts or requests to cooperate with PRC authorities confidentially.

- Continue to hold hearings on CCP influence and interference, with a specific focus on the coercive toolkit and potential rights infringements on U.S. soil.

- Consider imposing Magnitzky type sanctions for particularly egregious instances of transnational repression and coercion against individuals based in the U.S. by individuals or groups acting from outside the U.S.

Additional action should focus on providing funding to improve China literacy in the U.S., both in general and on specific topics.

- Provide funding to improve China literacy, including Mandarin language but also political literacy of PRC and CCP institutions, work modus, and political processes.
- Consider providing funding specifically to mainstream existing knowledge across groups that interact with the PRC.
- Provide funding for topics that are more difficult to research or that may become less popular due to PRC pressure against those researching these topics.
- As access to the PRC and to data from the PRC is becoming more difficult in many cases, consider providing funding for open source research and to reward innovative ways to use open source data to research issues of interest regarding the PRC as well as to regain access to sources and data that has disappeared behind the Great Firewall.

Last, the U.S. should continue to coordinate with allies and partners on issues of PRC interference to find better responses and to prevent the attempted isolation of individual countries by the PRC.

- Continue to learn from the experience of other countries to the extent possible and while keeping in mind that circumstances across countries are not always identical.
- Coordinate with other countries to address issues of common concern, find best practices and demonstrate a joint response.
- Address economic coercion preemptively by diversifying and eliminating one-sided dependencies. Address coercion of allies and partners through coordination with them as well as by offering short term relief in case an ally or partner is hit (as happened to a limited degree in the case of Lithuania).

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[i] The first quote is from the Regulations on United Front Work, first released as a trial version in 2015 and in the final version in 2020. Zhonggong Zhongyang yinfa "Zhongguo Gongchandang tongyi zhanxian gongzuo tiaoli" 中共中央印发《中国共产党统一战线工作条例》(The Central Committee of the Communist Party of China issued the "Regulations on United Front Work of the Communist Party of China"), Gov.cn, January 5, 2021, http://www.gov.cn/zhengce/2021-01/05/content_5577289.htm. The second quote is from Xi Jinping's 20th Party Congress Report. Wang Ruijun> Tuidong xin shidai xin yhengcheng tongzhan gongzuo de gao zhiliang fazhan 王瑞军：推动新时代新征程统战工作高质量发展 (Wang Ruijun: Promote the high-quality development of united front work in the new era and on the new journey), website of the Guangzhou United Front Work Department, February 20, 2023, http://www.tongxin.org/llyj/tzll/content/post_179876.html.

[ii] Zhonggong zhongyang xuanchuanbu ganbuju 中共中央宣传部干部局 (Cadre Bureau of the Central Propaganda Department of the Central Committee of the Communist Party of China), ed., *Xin shiqi xuanchuan*

sixiang gongzuo 新时期宣传思想工作 (Propaganda and thought work in the new period). Beijing: Xuexi, 2006, p. 188.

[iii] Xi Jinping zai Zhonggong Zhongyang zhengzhiju di sanshi jiti xuexi shi qiangdiao jiaqiang he gaijin guoji chuanbo gongzuo zhanshi zhenshi liti quanmian de Zhongguo 习近平在中共中央政治局第三十次集体学习时强调 加强和改进国际传播工作 展示真实立体全面的中国 (During the 30th collective study of the Political Bureau of the Central Committee of the Communist Party of China, Xi Jinping emphasized strengthening and improving international communication work to show a true, three-dimensional and comprehensive China) , Xinhua, June 1, 2021,http://www.xinhuanet.com/politics/2021-06/01/c_1127517461.htm.

[iv] Xi Jinping: zai quanguo dangxiao gongzuo huiyi shang jiang hua 习近平：在全国党校工作会议上的讲话 (Xi Jinping: Speech at the National Party School Work Conference), speech given December 11, 2015, published May 1, 2016 http://cpc.people.com.cn/n1/2016/0501/c64094-28317481.html; Women kao shenme jiejue 'ai ma' wenti 我们靠什么解决"挨骂"问题 (What do we rely on to solve the problem of being scolded), Xinhua, September 26, 2016, http://www.xinhuanet.com/politics/2016-09/26/c_129299344.htm.

[v] This debate was picked up and covered by David Bandurski at the time. See David Bandurski, "CCP media policy, soft power, and China's 'third affliction'" China Media Project, January 5, 2010, https://chinamediaproject.org/2010/01/05/ccp-media-policy-and-chinas-third-affliction/.

[vi] Xi Jinping: zai quanguo dangxiao gongzuo huiyi shang jiang hua 习近平：在全国党校工作会议上的讲话 (Xi Jinping: Speech at the National Party School Work Conference), speech given December 11, 2015, published May 1, 2016 http://cpc.people.com.cn/n1/2016/0501/c64094-28317481.html; Women kao shenme jiejue 'ai ma' wenti 我们靠什么解决"挨骂"问题 (What do we rely on to solve the problem of suffering being scolded), Xinhua, September 26, 2016, http://www.xinhuanet.com/politics/2016-09/26/c_129299344.htm.

[vii]" 站起来"解决了"挨打"的问题，"富起来"解决了"挨饿"的问题，"强起来"就是要解决"挨骂"的问题。See Wang Shanshan 王珊珊, "Zhongguo gongchandang jiejue de san da lishi wenti" 中国共产党解决的三大历史问题 (Three historical issues solved by the Communist Party of China," Zhonggongwang, August 14, 2019, https://www.workercn.cn/251/201908/14/190814090507243.shtml.

[viii] Zhonggong zhongyang yinfa 'Shenhua dang he guojia jigou gaige fang'an 中共中央印发《深化党和国家机构改革方案》(The Central Committee of the Communist Party of China issued the "Deepening Party and State Institutional Reform Plan"), March 21, 2018, http://www.gov.cn/zhengce/2018-03/21/content_5276191.htm#1.

[ix] Zhonggong Zhongyang yinfa "Zhongguo Gongchandang tongyi zhanxian gongzuo tiaoli" 中共中央印发《中国共产党统一战线工作条例》(The Central Committee of the Communist Party of China issued the "Regulations on United Front Work of the Communist Party of China"), Gov.cn, January 5, 2021, http://www.gov.cn/zhengce/2021-01/05/content_5577289.htm.

[x] Xi Jinping chuxi Zhongyang tongzhan gongzuo huiyi bing fabiao zhongyao jianghua 习近平出席中央统战工作会议并发表重要讲话 (Xi Jinping Attends the Central United Front Work Conference and Delivers an Important Speech), Xinhua, July 30, 2022, http://www.gov.cn/xinwen/2022-07/30/content_5703635.htm.

[xi] Haiwai tongyi zhanxian gongzuo 海外统一战线工作 (Overseas United Front Work), website of the CCP provided on people.com.cn, undated, http://cpc.people.com.cn/GB/64107/65708/65722/4444411.html.

[xii] Haiwai tongyi zhanxian gongzuo 海外统一战线工作 (Overseas United Front Work), website of the CCP provided on people.com.cn, undated, http://cpc.people.com.cn/GB/64107/65708/65722/4444411.html.

[xiii] For the PRC concept of friendship (友谊), its Soviet origins, and the vast field of managing foreigners, see Anne-Marie Brady, *Making the Foreign Serve China*. Rowman & Littlefield, 2003, (p. 7).

[xiv] Activities in these three areas are documented on the CPAFFC's website. Their website is currently not accessible from outside China, but archived screenshots remains, and the website is also still accessible from inside the PRC. https://web.archive.org/web/20210220011933/https://cpaffc.org.cn/.

[xv] Jichang Lulu, Filip Jirouš and Rachel Lee, Xi's centralisation of external propaganda: SCIO and the Central Propaganda Department, Sinopsis, January 25, 2021, https://sinopsis.cz/en/scio/.

[xvi] For international communication capabilities: "习近平强调，各级党委（党组）要把加强国际传播能力建设纳入党委（党组）意识形态工作责任制，加强组织领导，加大财政投入，帮助推动实际工作、解决具体困难。"From: Xi Jinping zai Zhonggong Zhongyang zhengzhiju di sanshi jiti xuexi shi

qiangdiao jiaqiang he gaijin guoji chuanbo gongzuo zhanshi zhenshi liti quanmian de Zhongguo 习近平在中共中央政治局第三十次集体学习时强调 加强和改进国际传播工作 展示真实立体全面的中国 (During the 30th collective study of the Political Bureau of the Central Committee of the Communist Party of China, Xi Jinping emphasized strengthening and improving international communication work to show a true, three-dimensional and comprehensive China), Xinhua, June 1, 2021, 习近平在中共中央政治局第三十次集体学习时强调 加强和改进国际传播工作 展示真实立体全面的中国-新华网 (xinhuanet.com). For united front work: "统战工作是全党的工作，必须全党重视，大家共同来做，构建党委统一领导、统战部门牵头协调、有关方面各负其责的大统战工作格局。" From: Xi Jinping chuxi Zhongyang tongzhan gongzuo huiyi bing fabiao zhongyao jianghua 习近平出席中央统战工作会议并发表重要讲话 (Xi Jinping Attends the Central United Front Work Conference and Delivers an Important Speech), Xinhua, July 30, 2022, http://www.gov.cn/xinwen/2022-07/30/content_5703635.htm.

[xvii] Xi Zhongxun: shi qin shi fang zhengqu renxin 习仲勋：十擒十放，争取人心, September 5, 2021, Tongyi zhanxian xinwen, https://www.tyzxnews.com/static/content/RWTX/2021-09-04/883985713375485952.html.

[xviii] Xi Zhongxun yu tongyi zhanxian 习仲勋与统一战线 (Xi Zhongxun and the United Front), website of the Hunan United Front Work Department, January 9, 2018, https://www.hnswtzb.org/content/2018/01/09/6286985.html.

[xix] Anne-Marie Brady, Magic Weapons: China's Political Influence Activities under Xi Jinping, https://www.wilsoncenter.org/sites/default/files/media/documents/article/magic_weapons.pdf.

[xx] Gerry Groot, "The Expansion of the United Front under Xi Jinping," The China Story Yearbook 2015, https://www.thechinastory.org/yearbooks/yearbook-2015/forum-ascent/the-expansion-of-the-united-front-under-xi-jinping/.

[xxi] Gerry Groot, "The Expansion of the United Front under Xi Jinping," The China Story Yearbook 2015, https://www.thechinastory.org/yearbooks/yearbook-2015/forum-ascent/the-expansion-of-the-united-front-under-xi-jinping/.

[xxii] Ryan Fedasiuk, Putting Money in the Party's Mouth: How China Mobilizes Funding for United Front Work, Jamestown China Brief, Volume 20, Issue 16, September 16, 2020, https://jamestown.org/program/putting-money-in-the-partys-mouth-how-china-mobilizes-funding-for-united-front-work/.

[xxiii] David Shambaugh, "China's Soft-Power Push The Search for Respect", Foreign Affairs, June 16, 2015, https://www.foreignaffairs.com/articles/china/2015-06-16/chinas-soft-power-push.

[xxiv] E.g. "50 Countries Co-signed Letter to President of UN Human Rights Council and UN High Commissioner for Human Rights in Support of China's Position on Xinjiang-related Issues," website of the Chinese Mission to the UN, July 26, 2019, http://geneva.china-mission.gov.cn/eng/dbdt/201907/t20190727_8192445.htm.

[xxv] See for example Masood Farivar, "China Steps Up Intimidation, Harassment of Chinese Dissidents in US," VOA, July 14, 2022, https://www.voanews.com/a/us-officials-warn-of-china-s-transnational-repression-operations/6658166.html.

[xxvi] Cases such as Swedish citizen Gui Minhai and other booksellers from Hong Kong.

[xxvii] E.g. Levon Sevunts, "Chinese officials pressured Concordia University to cancel event with Uighur activist," CBC, March 27, 2019, https://www.cbc.ca/news/canada/montreal/chinese-officials-concordia-university-cancel-event-with-uighur-activist-1.5074423.

[xxviii] Joshua Kurlantzik, " How Beijing targets media in global influence operations," Nikkei, February 5, 2023, https://asia.nikkei.com/Life-Arts/Arts/Books-How-Beijing-targets-media-in-global-influence-operations.

[xxix] Malcolm Turnbull, "Speech introducing the National Security Legislation Amendment (Espionage and Foreign Interference) Bill 2017," https://www.malcolmturnbull.com.au/, December 7, 2017, https://www.malcolmturnbull.com.au/media/speech-introducing-the-national-security-legislation-amendment-espionage-an.

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[xxxi] "Foreign Interference Taxonomy." Cisa.gov, Department of Homeland Security, July 2018, https://www.cisa.gov/sites/default/files/publications/19_0717_cisa_foreign-influence-taxonomy.pdf.

[xxxii] E.g. the alleged election interference in Canada currently dominating headlines.

[xxxiii] The National Counterintelligence and Security Center, "Protecting Government and Business Leaders at the U.S. State and Local Level from People's Republic of China (PRC) Influence Operations", June 2022, https://www.dni.gov/files/NCSC/documents/SafeguardingOurFuture/PRC_Subnational_Influence-06-July-2022.pdf.

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[xxxv] The National Counterintelligence and Security Center, "Protecting Government and Business Leaders at the U.S. State and Local Level from People's Republic of China (PRC) Influence Operations", June 2022, https://www.dni.gov/files/NCSC/documents/SafeguardingOurFuture/PRC_Subnational_Influence-06-July-2022.pdf.

[xxxvi] The National Counterintelligence and Security Center, "Protecting Government and Business Leaders at the U.S. State and Local Level from People's Republic of China (PRC) Influence Operations", June 2022, https://www.dni.gov/files/NCSC/documents/SafeguardingOurFuture/PRC_Subnational_Influence-06-July-2022.pdf.

OPENING STATEMENT OF ALEX JOSKE, SENIOR RISK ADVISOR, MCGRATHNICOL

MR. JOSKE: Thank you. I'd like to thank Chairwoman Bartholomew, Vice Chairman Wong, other commissioners, and in particular Commissioner Borochoff and Commissioner Wessel for chairing this hearing today. It's a real honor to testify here for the first time before the Commission. And I really look forward to this chance to push forward debate on such a critical issue.

I've got the particular blessing or perhaps misfortune of coming from Australia where we've shown and experienced sustained covert political interference efforts from the Chinese Community Party to manipulate our political system. Several politicians from the federal level down to the state and local levels of Australian politics have had their careers ended or their reputations seriously tainted because of revelations about their involvement in some of these CCP interference activities. Most famously, Senator Sam Dastyari from New South Wales and Australia became a key conduit for donations from CCP-linked billionaire Huang Xiangmo into Australian politics.

Among other things, Pong Song Moore persuaded Sam Dastyari, a sitting Senator at the time to contradict his own party's position on the South China Sea and declare it China's internal affairs. The militarization of which, you know, Australia shouldn't really have a position on. Remarkably, Sam Dastyari himself later testified before an Australian Government body that Pong Song Moore whose Australian residency was later cancelled on national security grounds may have actually been "agent of influence" for China.

Australia's really been at this forefront. We've introduced legislation to counter foreign interference, but I think the breath and suddenness of this recognition of the threat and severity of CCP interference means that this is still a really daunting challenge for policy makers in Australia and around the world. And also for analysts and the officers actually at the forefront of understanding and responding to this challenge. This is something that I think policy and operational responses in governments haven't fully caught up with.

I think you've heard from earlier witnesses about what the United Front system does, what United Front Work is. I'll very, very quickly introduce that before really getting to the focus of my testimony, which is how the United Front system interacts with and overlaps with intelligence work by agencies like China's Ministry of State Security. So at its core and in the strictest sense, the United Front system is really this grouping of Chinese Community Party agencies that are tasked with managing the party's relationship with non-party individuals in key sectors. And a key part of that are diaspora populations, religious groups, and ethnic organizations.

You have the United Front Work Department that really sits at the heart of this system and carries out a large amount of its United Front work. At the very top, you have a leading small group that Xi Jinping established. Going back to his family history, in the 1980s, Xi Jinping's father himself, a former intelligence officer set up a leading small group to oversee United Front work across the Chinese Communist Party. Two of Xi Jinping's siblings also worked in military intelligence.

So I think this is kind of a nice point to really start highlighting the covert aspects of United Front system activity itself. So one example is that as China's Premier Tibet Affairs Agency, the United Front Work Department seeks to maintain clandestine relationships with

members of Tibetan diaspora communities around the world. Much of this done through United Front Work Department officials posted to embassies, including right here in Canberra.

A lot of this engagement happens through front organizations. Until recently, a member of France's National Assembly, its parliament was actually a member of an organization directly run and controlled by the United Front Work Department. And oftentimes these United Front Work Department officials will encourage their overseas contacts to participate in politics, lobbying politicians, holding political demonstrations, mentoring aspiring politicians, and making donations. Covert media influence is also something that's being seen through the United Front system where it's been funding and supporting overseas Chinese language media outlets that are sympathetic to China's position. And technology transfer is also something that the United Front system carries out overseas. It uses its international networks to seek to acquire technology for China and recruit talent that is valuable to China.

Now clearly, the United Front system is extremely concerning on its own and poses a foreign interference threat. But a lot of the most extreme cases of interference coming out of China, I propose are actually examples of integration between intelligence work and United Front work. This is something that dates back to the earliest days of the Chinese Community Party, but is stronger than ever today. You have the Ministry of State Security, the Intelligence Bureau of the Peoples Liberation Army, The Liaison Bureau of the PLA Political Work Department, China's main human intelligence sectors. And these have really lived this integration of United Front Work and intelligence. And this is the ongoing focus of my research.

So to give a few examples. CCP Intelligence Agencies have been observed recruiting United Front figures as clandestine assets or other influencing them as part of professional intelligence operations. The MSS itself even have covertly held welcoming parties for foreign delegates to the Chinese People's Political Consultative Conference, China's top United Front forum. And MSS and PLA officers have both posed as United Front Work Department officials as part of their intelligence operations.

And as Mareike alluded to, both the MSS and the PLA run their own front organizations that look very much like United Front Work Department groups, but are actually staffed, funded, managed by these intelligence operatives as platforms for espionage and covert foreign interference. And a lot of this is focused on the United States. Writing in the 1990s, a senior MSS officer who just returned from Washington D.C. penned an essay where he recommended that the MSS better draw on United Front networks to help China influence the U.S. Congress.

So to quickly get to recommendations and conclusions, I think, you know, there are so many things that can be done to tackle this, but a key part is building capacity. This is such a new problem, understanding of this is still lacking. More people are working on this in government, but so much more remains to be done. Thank you for your time.

COMMISSIONER BOROCHOFF: Thank you very much. Ms. Fair.

PREPARED STATEMENT OF ALEX JOSKE, SENIOR RISK ADVISOR, MCGRATHNICOL

Alex Joske

Testimony before the U.S.-China Economic and Security Review Commission

China's Global Influence and Interference Activities

23 March 2023

I would like to thank Chairwoman Bartholomew, Vice Chairman Wong and members of the commission for inviting me to testify before you. I would like to thank Commissioner Wessel and Commissioner Borochoff for chairing this hearing. It is an honour to have this opportunity to testify and a refreshing chance to push forward discussion about this critically important issue of global influence efforts by the People's Republic of China.

I have the particular blessing, or perhaps misfortune, of coming from Australia. Australian experiences with foreign interference show the sustained, covert efforts of the Chinese Communist Party (**CCP**) to manipulate foreign political systems. Exposing these activities ended the careers or tainted the reputations of several federal and state politicians who were implicated in them. Most famously, Senator Sam Dastyari became a key conduit for political donations from CCP-linked billionaire Huang Xiangmo. Among other things, Huang persuaded Dastyari to contradict his own party's opposition to China's island-building and militarization of the South China Sea. Dastyari later testified that Huang, whose Australian residency was later cancelled on national security grounds, may have been an "agent of influence" for China.[1]

Australia has indeed been at the forefront of recognising and countering political interference from the CCP. In late 2017, the Australian government introduced legislation designed to tackle the problem.[2] However, the breadth and suddenness of this recognition in Australia and the world means that countering interference is still a daunting task for policymakers, analysts and officers leading the response. This is an evolving challenge that policy and operational responses have yet to catch up to.

I will take this opportunity to briefly introduce the Chinese Communist Party's "united front system"—focusing on its structure and constituents and why its activities are relevant to governments and individuals around the world. In particular, I would like to focus on the nexus

[1] See John Garnaut, "Australia's China reset", *The Monthly*, August 2018, https://www.themonthly.com.au/issue/2018/august/1533045600/john-garnaut/australia-s-china-reset#mtr. Clive Hamilton's *Silent Invasion* provides an early book-length overview of CCP influence in Australia: Clive Hamilton, *Silent Invasion: China's Influence in Australia*, Hardie Grant Books, 2018.

[2] Malcolm Turnbull, "Speech introducing the National Security Legislation Amendment (Espionage and Foreign Interference) Bill 2017", Malcolm Turnbull, 7 December 2017, https://archive.ph/mXfxl.

between the united front system and intelligence work. The united front system's overlap with political interference, crime, coercion and espionage is the source of its greatest harms to societies around the world.

What is China's united front system?

The united front system is the network of agencies responsible for managing the CCP's influence over and relationships with key non-Party sectors, groups and individuals.[3] These activities aim to consolidate the CCP-led "united front" working towards the rejuvenation of the Chinese nation.[4] Chairman Mao Zedong famously described the united front as one of the Party's three "magic weapons" for defeating its enemies in a 1939 essay.[5]

United front work, in the sense codified in current Party documents, refers to the activities of the united front system's efforts to liaise with and influence these non-Party groups. Its priorities are outlined in leadership speeches and Party regulations. Most importantly for foreign governments, the scope of united front work includes diaspora communities, Chinese students studying abroad, ethnic minorities, religious figures, intellectuals (including scientists), private sector individuals and staff in multinational enterprises.[6]

The United Front Work Department (UFWD) sits at the heart of this system. It is the peak agency for key elements of united front work including diaspora, ethnic and religious affairs (including Tibet and Xinjiang policy). It includes bureaus responsible for each of the aforementioned target groups, including two diaspora work bureaus.

In its work on these target groups, as united front expert Gerry Groot wrote in 2014, "the UFWD attempts to harness them to the aims of the Party and prevent them from becoming a problem in the first place. The Department's work abroad extends beyond reaching out to foreign citizens of Chinese ethnic origin and recent emigrants, to trying to influence foreign

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[3] Alex Joske, "The party speaks for you: Foreign interference and the Chinese Communist Party's united front system", ASPI, 2020, http://web.archive.org/web/20230315231612/https://s3-ap-southeast-2.amazonaws.com/ad-aspi/2020-06/The%20party%20speaks%20for%20you_0.pdf?gFHuXyYMR0XuDQOs_6JSmrdyk7MralcN=.

[4] 中共中央 [CCP Central Committee], "中国共产党统一战线工作条例" [CCP United Front Work Regulations], 人民网, 6 January 2021, https://archive.ph/F2yLl.

[5] Note that this is often mischaracterised as a reference to the UFWD, when it specifically referred to the united front more generally. 毛泽东 [Mao Zedong], "《共产党人》发刊词" [Introducing *The Communist*], Marxists.org, October 1939, https://archive.ph/PriH9.

[6] 中共中央 [CCP Central Committee], "中国共产党统一战线工作条例" [CCP United Front Work Regulations], 人民网, 6 January 2021, https://archive.ph/F2yLl.

nationals to accept the Communist Party's point of view on a plethora of topics."[7] Individuals in China and abroad who operate at the direction or guidance of the united front system are often referred to as "united front figures" (or "united frontlings").[8]

Finally, since coming to power in 2012, Xi Jinping has emphasised united front work and expanded the UFWD. Key to Xi Jinping's rejuvenation of the united front system was his establishment of a peak body overseeing and coordinating the activities of dozens of agencies involved in the system: the Central United Front Work Leading Small Group. A resurrection of the organisation headed by Xi's father in the 1980, this group has led a consolidation and centralisation of united front work to ensure its effectiveness and responsiveness to the Party leadership.[9]

The united front system's covert operations

The united front system's overseas-focused work can involve covert and overt attempts to influence and mobilise CCP-aligned individuals and organisations. Some of the covert aspects of this activity are as follows:

- As China's premier Tibetan affairs agency, the UFWD seeks to maintain clandestine relationships with Tibetan diaspora figures through UFWD officials posted to embassies and consulates around the world. This includes officials serving as diplomats in New York and Washington, DC, as well as my town of Canberra, Australia.
- Much of the united front system's engagement with overseas individuals takes place through front organisations designed to obscure the hand of the Party-state. For example, the UFWD leads and staffs the China Overseas Friendship Association, which has had hundreds of overseas members. UFWD officials will sometimes travel abroad as staff of the association rather than CCP officials.[10] Until recently, China Overseas Friendship Association member Buon Tan was a parliamentarian in the French National Assembly.[11]

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[7] Gerry Groot, "The United Front in an Age of Shared Destiny" in Geremie R. Barmé, Linda Jaivin, Jeremy Goldkorn (ed.), https://archive.ph/Ykl7E.

[8] Jichang Lulu, "New Zealand: United Frontlings bearing gifts", Sinopsis, 16 November 2018, http://web.archive.org/web/20190214040318/https://sinopsis.cz/en/new-zealand-united-frontlings-bearing-gifts/.

[9] Alex Joske, "The Central United Front Work Leading Small Group: Institutionalising united front work", Sinopsis, July 2019, http://web.archive.org/web/20191119233529/https://sinopsis.cz/wp-content/uploads/2019/08/joskelsg.pdf.

[10] Joske, "The party speaks for you".

[11] Rene´ Bigey, Alex Joske, "The tea leaf prince Chinese Communist Party networks in French politics", Sinopsis, March 2022, https://web.archive.org/web/20220302032502/https://sinopsis.cz/wp-content/uploads/2022/03/buontan0.pdf.

- United front system officials have directed or encouraged overseas united front figures to establish pro-CCP organisations or carry out political activities aligned with the CCP's objectives. This may include staging demonstrations, issuing public statements, writing opinion articles, lobbying politicians and making political donations. For example, one CCP-backed media outlet in Melbourne organised protests against the 2016 Hague Tribunal ruling on the South China Sea, which rejected China's territorial claims.[12] In 2022, the UK government issued a security warning to parliamentarians, alleging that political donor and self-styled community leader Christine Lee was a covert agent of influence for the UFWD.[13]
- The united front system has covertly supported or established Chinese-language media outlets in several jurisdictions. Through a Hong Kong front company, the UFWD has financial relationships with media proprietors in the United States, Australia, Europe and other regions—including the California-based *China Press*.[14]
- Some united front organisations facilitate technology acquisition and talent recruitment efforts by the Chinese government. For example, the Association of Wenzhou PhDs USA received a list of potential members from the united front system. The association then sought to help the Chinese government recruit U.S.-based scientists into PRC talent recruitment programs. One of the founders of the association later admitted to saving Tesla source code to his personal cloud account before joining rival Chinese company Xmotors.[15] A 2020 book chapter I co-authored with China scholar Jeffrey Stoff explored this interface between the united front system and technology transfer.[16]

How the CCP nestles intelligence inside the united front

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[12] Nick McKenzie, Richard Baker, Sasha Koloff, Chris Uhlmann, "The Chinese Communist Party's power and influence in Australia", ABC News, 4 June 2017, https://archive.ph/rYkAr.

[13] Gordon Corera, "Why did MI5 name Christine Lee as an 'agent of influence'?", BBC News, July 2022, https://archive.ph/klBmD.

[14] Alex Joske, Lin Li, Alexandra Pascoe, Nathan Attrill, "The influence Environment: A survey of Chinese-language media in Australia", ASPI, December 2020, https://s3-ap-southeast-2.amazonaws.com/ad-aspi/2020-12/The%20influence%20environment.pdf; Bethany Allen-Ebrahimian, "Beijing Builds Its Influence in the American Media", *Foreign Policy*, 21 December 2017, http://web.archive.org/web/20171222040806/https://foreignpolicy.com/2017/12/21/one-of-americas-biggest-chinese-language-newspapers-toes-beijings-party-line-china-influence-united-front/.

[15] Alex Cranz, "Tesla settles with ex-engineer accused of stealing Autopilot source code", The Verge, 16 April 2021, http://web.archive.org/web/20210416155108/https://www.theverge.com/2021/4/16/22383620/tesla-autopilot-settlement-xmotors-self-driving-source-code; Alex Joske, "Hunting the phoenix", ASPI, August 2020, http://web.archive.org/web/20220302145951/https://ad-aspi.s3.ap-southeast-2.amazonaws.com/2020-10/Hunting%20the%20phoenix_v2.pdf.

[16] Alex Joske, Jeffrey Stoff, "The United Front and Technology Transfer," in William Hannas, Didi Kirsten Tatlow (eds.), *China's Quest for Foreign Technology: Beyond Espionage*, Routledge, 2020.

The united front system's covert work is highly concerning and can be illegal on its own. In addition to this, the united front system can provide cover for professional intelligence and security work. China's intelligence agencies likely view the international networks built through united front work as prime ground for recruiting well-connected individuals, and have established units specifically to take advantage of this.

This relationship between intelligence agencies and the united front system is perhaps unsurprising, and dates to the earliest days of the CCP. In 1939, Party leader Zhou Enlai advocated "nestling intelligence in the united front" and "using the united front to push forth intelligence".[17] As the chief of the CCP's foreign affairs, united front and intelligence systems, Zhou was well placed to issue such a direction with authority.

Today, the Ministry of State Security, the Intelligence Bureau of the People's Liberation Army (PLA) Joint Staff Department, the Liaison Bureau of the PLA Political Work Department, and their branches are China's primary human intelligence actors. After the founding of the People's Republic of China, intelligence agencies continued integrating of intelligence and united front work. This is the ongoing focus of my research and my recently published book, *Spies and Lies: How China's Greatest Influence Operations Fooled the World*.[18] To give a few examples:

- CCP intelligence agencies have been observed recruiting united front figures as clandestine assets, or otherwise influencing them as part of professional intelligence operations.
- The MSS has covertly held welcoming parties for overseas delegates to China's top united front forum.
- MSS and PLA officers have posed as UFWD officials to facilitate their intelligence operations.
- The MSS and PLA manage several entities that look like united front organisations, but are in fact staffed by undercover officers and used as platforms for intelligence operations.
- Writing in the late 90s, a senior MSS officer recommended drawing on united front networks to help China influence the U.S. Congress.

[17] 薛钰, "周恩来与党的隐蔽战线" [Zhou Enlai and the Party's Covert Battlefront], 人民网 [*People's Daily Online*], 18 November 2020, https://web.archive.org/web/20220712160951/zhouenlai.people.cn/n1/2020/1118/c409117-31935463.html.

[18] Alex Joske, *Spies and Lies: How China's Greatest Covert Operations Fooled the World*, Hardie Grant Books, 2022.

Harassment, coercion and corruption perpetrated by united front figures may also be illustrations of this overlap, especially when many of those activities imply involvement by Chinese security or law enforcement agencies such as the Ministry of Public Security.[19]

This has several important implications:

- United front work is separate to intelligence work, but the two are deliberately integrated in a way that means they generally cannot be tackled separately.
- Restricting the international reach of the united front system has positive externalities, limiting the operational environment for Chinese intelligence agencies.
- We should be cognizant of the likelihood that seemingly innocuous or low-level united front activities can hide covert and clandestine work upon closer investigation.
- The public-facing activities of the Party, including its united front system, can provide leads for investigating potential covert and clandestine activity.
- China's intelligence agencies, probably the world's largest, may have greater integration with China's broader international engagement than previously appreciated.

Policy recommendations

The overlap between the united front system and China's intelligence apparatus presents a serious challenge to policymakers. It means that the task of responding to CCP interference does not neatly fit into the scope of a confined set of U.S. government agencies. It means that traditionally separate streams of work can converge through investigations into CCP interference. Investigations into money laundering, harassment and corruption are increasingly turning up leads that point to Chinese government involvement, for example. It also makes it easier for China to level accusations of racism against those implementing countermeasures to united front work.

No single country offers a ready-made model for tackling CCP interference. Australian legislation is valuable and worthy of emulation. Australia's University Foreign Interference Taskforce may be a helpful model for setting best practice across the higher education sector through consultation between government and universities. The United States leads the world

[19] See "Six Individuals Charged with Conspiring to Act as Illegal Agents of the People's Republic of China", US Attorney's Office Eastern District of New York, 20 October 2022, http://web.archive.org/web/20221020183747/https://www.justice.gov/usao-edny/pr/six-individuals-charged-conspiring-act-illegal-agents-peoples-republic-china-0.

in prosecuting PRC state-backed crimes, but relatively few of these prosecutions have targeted united front work or efforts to influence politics. Implementing and updating Australia's Foreign Influence Transparency Scheme, as with America's Foreign Agents Registration Act, remains a work in progress in my opinion.

I would like to suggest the following broad recommendations for the Commission and policymakers generally:

1. *Invest in open-source research, and China research more broadly.* Countering interference requires raising public awareness and publicly responding to interference operations. This is difficult to do without open-source research that can be acted upon and shared within government and with stakeholders. The nature of united front work, and some aspects of CCP intelligence work, also makes it relatively accessible to open-source research.
2. *Make more information available to the public.* Apart from this commission, few bodies are making high-quality research and analysis on CCP interference available to the public. Effective public information-sharing and communication can help raise the costs for CCP agents of influence, and help explain government responses.
3. *Create more dedicated counter foreign interference work streams and analytical units inside government.* The threat of foreign political interference is sufficient to warrant greater specialisation in the government. Although it has extensive overlap with counterintelligence and counterespionage work, countering foreign interference involves very different considerations. For example, it requires more public engagement and can have lower bars for intervention. Furthermore, agencies such as the UFWD have not traditionally been viewed as major intelligence actors, even though they are fundamental to understanding political interference. Many other key CCP interference actors, such as the Ministry of Public Security, remain understudied.
4. *Prosecute strategically.* The United States Government has extensive experience prosecuting PRC-backed crimes, but technology and economic espionage cases account for the lion's share of cases. Until a recent series of transnational repression cases, few prosecutions responded to united front work or covert political influence from China. According to China scholars Peter Mattis and Matt Schrader, for many of those prosecutions that do involve the UFWD, "the FBI and the Department of Justice have not done a good job of either connecting the dots between the cases or explaining

their significance".[20] Carefully considered prosecutions should be used to provide deterrents and public case studies of interference in key areas. In my assessment, governments can do more to demonstrate and highlight the role of the UFWD and Ministry of State Security in local politics, business sectors, diaspora populations more broadly, Tibetan and Uyghur communities and media organisations through criminal prosecutions.

5. *Counter CCP interference globally.* At present, the few governments that are actively prioritising counter interference work are domestically focused. However, this is a global problem for countries like the United States that are heavily invested in alliances and partnerships around the world—all of which will be targets of CCP interference. Governments should prioritise collection on CCP interference around the world, and use this to inform policymaking on international counter foreign interference work.

[20] See Peter Mattis, Matt Schrader, "America Can't Beat Beijing's Tech Theft With Racial Profiling", War on the Rocks, 23 July 2019, https://web.archive.org/web/20190723095516/https://warontherocks.com/2019/07/america-cant-beat-beijings-tech-theft-with-racial-profiling/.

OPENING STATEMENT OF REBECCA FAIR, VICE PRESIDENT OF INFORMATION ADVANTAGE, TWO SIX TECHNOLOGIES

MS. FAIR: Thank you to the Commissioners Borochoff and Wessel and to the Commission as a whole for inviting me to participate today. When I addressed this Commission back in '21, it was in part to quantify the ways in which the PRC controls its domestic information environment through censorship propaganda and inauthentic activity. Today I'm pleased to share some of my company's findings on the PRC's efforts to shape global audiences' conversations online.

Some of the PRC's techniques are similar to their domestic efforts and some vary. Today I will refer to Chinese State media outlets and PRC diplomats as official messaging. I will also talk about the activities of pro-PRC inauthentic accounts or bots.

The bottom line is that Beijing's global messaging apparatus is not as mature as its domestic information control toolkit. This is for several reasons including Beijing's ability to censor content on global platforms the way it can censor on Chinese ones. It is also due to the fact that official PRC global messaging is risk averse. Political pressure inside the PRC disincentivizes diplomats and state media outlets from messaging early or provocatively in response to world events. The PRC's messaging playbook is not updating quickly because it isn't allowing its messengers to experiment.

As we heard today and I think as you know, Beijing influences the global information environment by spreading content on a variety of platforms. This includes Twitter, YouTube, Telegram Reddit, WeChat, TikTok, and more. Most of these platforms are banned in China. This is the first example of how Beijing's attempt to control the online conversation at home hasn't prepared them to shape it abroad.

What is it doing on these platforms? Our research shows that the PRC likely messages about its soft power more than any other topic. Almost 30 percent of PRC tweets in the last 12 months use cultural content to promote a positive image of China, instead of promoting China's political system. That's at least a half million tweets pushing messages about beautiful Chinese landscapes, delicious food, and human interest stories.

When the PRC isn't messaging about itself, the country is most -- the country it is most frequently talking about is ours. About 10 percent of the PRC's official messaging references the U.S. And about half of that content depicts the U.S. in a negative light. Beijing tailors its anti-U.S. content for different global audiences. We've looked at the top PRC content by global engagement over the last year and found more just like it to stabilize the Middle East. In South and Central Asia, top posts claimed the U.S. spread lies about China, including that the U.S. claims of human rights violations in Xinjiang weren't true.

Our data also reveals when the PRC is late to or ignores a chance to seize on opportunities for anti-U.S. messaging. Our data from China's domestic information environment shows that when the PRC is dealing with social pressures at home, its anti-U.S. propaganda drops. For example, COVID. Anti-U.S. propaganda on domestic Chinese social media platform saw statistically significant declines during COVID lockdowns. This included the original outbreak in Wuhan in 2020 and the outbreak in Shanghai in 2022. You can see the data in charts and the written testimony as submitted to the Commission.

Beijing can also be slow to respond to global events in its international messaging, even when it is not focused on domestic issues. The Wall Street Journal published a report on 20

January about failures of Chinese-funded infrastructure projects in Ecuador and other countries. The PRC response eight tweets posted more than a month after the article was published.

In terms of messaging, Beijing is more a risk averse than Moscow. The PRC sometimes echoes the Kremlin's propaganda when it aligns with Beijing's goals, especially criticizing the U.S. For example, in September Russian accounts accused the U.S. of blowing up the Nord Stream pipeline. Some of the PRC's most popular posts adopted this narrative. Why? Beijing tried to accuse the U.S. of using this Chinese spy balloon to distract the public from allegations that the U.S. blew up the pipeline.

Beijing and Moscow's messaging are not always in lock stepped. A clear example is Ukraine. When the Chinese and Russian leaders met in Moscow this week, both sides touted the strength of bilateral relations. However, over the past month, PRC accounts have portrayed Beijing as a neutral peacemaker and advocated for a cease-fire.

And what about inauthentic messaging? Where the PRCs official messaging is cautious, inauthentic messaging can be found. Pro-PRC bot accounts amplify names and other types of content, including disparaging journalists or dissidents who speak out against Chinese policies. Furthermore, on average, at least 10 percent of re-tweets of official PRC content on Twitter come from inauthentic accounts. For context, Twitter claims that approximately 5 percent of the platform's total accounts are inauthentic.

So what to do about it? I'll offer a few recommendations. The real talk around Washington about the information environment being an important battlefield, especially when it comes to combating Russia and China. If this is a metaphor, then we need to build battle space awareness. So my first recommendation is that we need more conversations like this. We don't have to centralize everything. Centralization sounds like a good idea on paper, but its people and their networks that get things done. The more we talk and connect, the better picture we'll get.

Second, we need to acknowledge that winning this fight will not be cheap. It might not be as expensive as an aircraft carrier, but it's not as cheap as a press office and some ad bots. Congress should ensure that all elements of the U.S. government involved in the battle in the information environment via the Pentagon or the Department of State or U.S. Agency for Global Media or whomever else are fully resourced to engage in this dynamic and increasingly technical contest.

And third and perhaps most importantly, if the information environment is to be a battlefield, then the best ammunition is quick truth. We need truthful messages that reflect our democratic values. The messengers must be empowered to send them quickly at the speed information moves. We can't hold things up while we try to eliminate all risk. We need to engage global audiences in a manner that is reflective of our commitment to human rights, self determination, and the dignity of all people.

Thank you for the opportunity to address the Commission today. I look forward to your questions.

PREPARED STATEMENT OF REBECCA FAIR, VICE PRESIDENT OF INFORMATION ADVANTAGE, TWO SIX TECHNOLOGIES

21 March, 2023
Ms. Rebecca Fair
Vice President of Information Advantage, Two Six Technologies
Testimony before the U.S.-China Economic and Security Review Commission
Panel III: The Chinese Communist Party's Approach to Influence and Interference

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What you need to know: Beijing's global messaging apparatus is not as mature as its domestic information control toolkit. Official PRC global messaging is largely risk averse, as political pressure inside the PRC disincentivizes diplomats and state media outlets from messaging early or provocatively in response to world events, including US actions. This creates space for US messengers to spread US-aligned narratives in the information space while Chinese bureaucrats await official guidance.

What the data shows: Based on a review of online content and narrative manipulation from PRC officials, state media, and inauthentic pro-PRC accounts in the Chinese and global information environments between 2020–2023, M3 found that:

- *Insight 1:* The PRC likely does more messaging about its soft power than any other single topic. Almost 30% of PRC tweets promoted a positive image of China using cultural content instead of promoting China's political system and development model.
- *Insight 2:* US-related PRC tweets made up almost 10% of PRC tweets, making the US the most frequently mentioned country in PRC propaganda besides China itself. About half of the posts mentioning the US show the US in a negative light.
- *Insight 3:* In China's domestic information environment, controlling narratives around China's internal affairs is top priority. As new domestic events emerge and dominate the government's attention, propaganda related to international affairs—including anti-US propaganda—drops.
- *Insight 4:* PRC accounts adjust their messaging priorities by country based on Beijing's regional interests.
- *Insight 5:* The PRC's responses to current events can be slow and influenced by the PRC's internal politics, indicating gaps in their global messaging apparatus.
- *Insight 6:* Inauthentic, pro-PRC accounts complement official PRC messaging by furthering its reach and creating original content too incendiary for official accounts, likely because official accounts fear pushback from other nations or repercussions to their diplomatic careers.

- *Insight 7:* The PRC amplifies Russian narratives that serve the PRC's interests, in particular aligning on anti-US narratives, but does not align all its content with Moscow.

What we recommend: As the PRC looks to continue maturing its global propaganda apparatus and expand its influence in online environments outside of China, it is vital to support, combine, and share the data collected across the US government to monitor, evaluate, and disrupt China's information influence efforts. Therefore, we recommend that Congress consider:

- Ensuring that all elements of the US Government involved in collecting and analyzing data related to PRC efforts to manipulate the information environment—and of course countering those manipulation efforts—are fully resourced to engage in this profoundly dynamic and increasingly technical contest. This work is currently being engaged in by the Pentagon, Department of State, and the US Agency for Global Media, to name a few.

- Empowering USG messengers tasked with countering the PRC's online manipulation efforts to be able to message quickly and truthfully. The messengers that communicate narratives about US policy and intention should do so in a manner that reflects our commitment to democratic values, human rights, self-determination, and the dignity of all people.

Background on Two Six Technology's Media Manipulation Monitor (M3) Insights and Data: Two Six Technology's M3 tracks Chinese government manipulation—such as censorship, propaganda, and inauthentic amplification—of traditional and social media, as well as other types of data. Our system provides a unique quantitative look at the PRC's objectives, sensitivities, and vulnerabilities, which we uncover as we monitor what information it seeks to control, silence, and spread online—at home and abroad.

Insight 1: Beijing sought to make China "lovable"[1] and prioritized promoting cultural content on Twitter to improve its image.

In the past year, the PRC prioritized positive portrayals of China to counter perceived bad publicity in the global information environment. PRC messaging on Twitter worked towards Beijing's goal of "telling China's story well."[2] Xi introduced this messaging strategy in 2013 to counter perceived negative portrayals of China with human interest pieces about Chinese culture instead of with propaganda about China's governance or economic models.

- **Official and inauthentic Twitter accounts promote soft power content.** About 30% of content authored by official PRC Twitter accounts and 25% of content by inauthentic, pro-PRC Twitter accounts includes positive portrayals of China. *Figures 1 and 2*

[1] NBC News, https://www.nbcnews.com/news/world/xi-wants-make-china-more-lovable-around-world-he-may-n1269458
[2] China Media Project, https://chinamediaproject.org/the_ccp_dictionary/telling-chinas-story-well/

- PRC accounts use human interest pieces to attract netizen attention and bring to life positive portrayals of China. Of the 28 “positive portrayal of China” posts identified in a random sample of official PRC posts, 15 included photos of Chinese scenery and food or features about Chinese history and culture. *Figure 1*

Insight 2: Official and pro-Beijing accounts pushed anti-US propaganda on Twitter to portray the US as a global destabilizer.

On Twitter, PRC-affiliated accounts portrayed the US as having escalated the Ukraine-Russia war, interfered with China’s domestic affairs, and provoked conflicts around the world. It also highlighted US domestic issues such as gun violence and border control. Between March 2022–February 2023:

- PRC-affiliated accounts authored more than 91,500 posts that mentioned the US. Over half of these portrayed the US negatively, according to a random sample.
- The US-related tweets garnering the most engagement claimed that the US profited from provoking wars, bullied other countries into serving American interests, and lacked protection for abortion rights. *Figures 3 & 4*
- M3 has detected PRC-affiliated Twitter accounts pushing anti-US narratives on more than 10 topics since January 2023. The highest post-volume campaigns M3 detected covered topics including:
  - **Ohio train derailment**
  - **US support for Japanese defense**
  - **Brazil insurrection**
  - **Nord Stream Pipeline explosion**

PRC accounts on Twitter, including both officially affiliated and inauthentic, pro-Beijing accounts, do not frequently discuss democracy in direct terms, instead relying on negative portrayals of the US and its allies to undermine US influence globally.

- **PRC and pro-PRC accounts did not frequently discuss democracy, instead relying on criticism of the US and its allies to undermine a US-lead liberal world order.** Less than one percent of posts by official PRC accounts and inauthentic, pro-PRC accounts mentioned the word “democracy” in at least one of six languages in the past six months *(Figure 2).*

Insight 3: In China's domestic information environment, controlling narratives around China's internal affairs is top priority.

Beijing's suite of nationalist messaging tools, including propaganda about the US and Japan, decreased when netizen discussion about—and censorship of—domestic issues increased.

- **Nationalism on Weibo rose when discussions of COVID decreased, and dropped when COVID discussions increased *(Figure 5)*.**
- **Anti-US content fell as Beijing worked to control conversations about COVID policies, lockdowns, and outbreaks.**
  - M3 detected statistically significant drops in anti-US rhetoric in government propaganda on Weibo during the COVID lockdowns beginning in Shanghai in March 2022 and Wuhan in January 2020—China's most well-known lockdown periods due to their size, duration, and negative effect on the economy.
  - Anti-US sentiment expressed in PRC propaganda on Weibo peaked in March–July 2020 after China's initial COVID cases had subsided, Wuhan's lockdown lifted, and Beijing began to portray the US as incompetent at managing the pandemic *(Figure 6)*.

Insight 4: Chinese propagandists tailored Twitter messaging by region, with a greater focus on Beijing's infrastructure projects in Oceania, Latin America, Sub-Saharan Africa, and South and Central Asia.

M3 analyzed PRC-affiliated accounts' activities on Twitter in the past year (March 2022 to February 2023) and found that **Chinese propagandists likely tailored their messages by regions to serve Beijing's interests**: A higher percentage of PRC tweets targeting audiences in East and Southeast Asia as well as in the Middle East and North Africa focused on US-related content, whereas PRC messaging in Australia and Oceania, Latin America and the Caribbean, Sub-Saharan Africa, and South and Central Asia focused on PRC infrastructure and investment (*Figure 7).*

In our analysis, we assessed data from more than 400 Twitter accounts associated with the Chinese government and compared the number of tweets they authored on seven of the topics that M3 identified as likely Beijing's messaging priorities. Between March 2022–February 2023:

- PRC-affiliated accounts' tweets discussing Belt and Road Initiative (BRI) and other infrastructure projects accounted for 6.6% of the posts authored. In regions such as Latin America, sub-Saharan Africa, Australia and Oceania, and South and Central Asia, a higher percentage of PRC posts discussed infrastructure than US-related content.

Tailoring anti-US narratives for specific audiences: M3 detected anti-US narratives in a variety of languages, and the PRC sometimes tailored narratives' content for regional audiences. Among the 10 posts by PRC Twitter accounts that garnered the most engagement during March 2022–February 2023, some of the anti-US narratives included:

- ***Anti-US narrative on Taiwan:*** The US must not interfere with Taiwan, which is an inseparable part of China – *appeared in the top 10 most engaged-with posts among PRC Twitter accounts in North America, East and Southeast Asia, and Australia-Oceania.*

- ***Anti-US narrative on military aggression:*** The US is a military aggressor that has worsened the conflict in Ukraine just as it worsened the situation in the Middle East – *appeared in the top 10 most engaged-with posts among PRC Twitter accounts in Europe and the Middle East and North Africa.*

- ***Anti-US narrative on lying about China:*** The US spreads lies about China, and Western media cannot be trusted, such as regarding human rights violations in Xinjiang – *appeared in the top 10 most engaged-with posts among PRC Twitter accounts in South and Central Asia.*

Insight 5: The PRC's responses to current events can be slow and influenced by the PRC's internal politics, indicating gaps in their global messaging apparatus.

The PRC's recent government transition from the 19th to 20th Party Congresses between October 2022–March 2023 likely caused a propaganda lull on Weibo and Twitter as propagandists awaited new orders and avoided messaging that might not adhere to any potential new guidelines *(Figure 8)*. During that time, M3 tracked several instances of delayed PRC responses to global events. The delayed responses are not necessarily a result of the government transition and it is possible that they would have occurred during non-transition times.

- M3 reviewed seven indicators of PRC messaging on Weibo and Twitter and found all seven indicators that were previously decreasing are increasing as of 14 March 2023 and on-track to exceed the October–February lull by the end of March.

- During the propaganda lull, M3 captured at least three instances of missing or delayed PRC responses to global events:

- ➢ PRC Twitter accounts authored only one post in response to charged remarks by a US Representative on 28 February, who accused the Argentine government of making a "pact with the devil" in its cooperation with Beijing.[3]

- ➢ PRC Twitter accounts authored eight posts responding to a 20 January *The Wall Street Journal* investigative report[4] on Chinese-built infrastructure projects in Ecuador and other countries. These posts occurred from 22–24 February, more than a month after the article's publication.[5]

Insight 6: Inauthentic, pro-PRC accounts complement official PRC messaging by furthering its reach and creating original content too incendiary for official accounts.

Beijing uses inauthentic Twitter accounts to further spread its messages and sometimes to spread criticism of adversaries that might be too incendiary for official accounts to risk saying, in case of pushback from other countries. Although inauthentic accounts frequently retweet official accounts, sometimes narratives flow in the other direction, appearing first among inauthentic accounts and later adopted in Beijing's official messaging.

- ❖ **Direct retweets of an official message:** M3 analytics determined that 10% of retweets of PRC official Twitter content are inauthentic. Twitter claims that around 5% of the platform's total accounts are inauthentic.[6]

- ❖ **Original content furthering a narrative favorable to Beijing:** Inauthentic, pro-PRC accounts often promote content that is likely too incendiary for official accounts to promote without risking pushback from the content's subjects—often the US or the countries harboring overseas Chinese dissidents *(Figure 9)*.

Insight 7: The PRC amplifies Russian narratives that serve the PRC's interests, in particular anti-US narratives, but does not align all its content with Moscow.

[3] See M3 Report: "Argentina: PRC-affiliated accounts failed to seize an opportunity to amplify controversial remarks by US politician who disparaged Sino-Argentine cooperation, exposing gaps in Beijing's messaging," 10 March 2023.
[4] Wall Street Journal, https://www.wsj.com/articles/china-global-mega-projects-infrastructure-falling-apart-11674166180
[5] See M3 Report: "Ecuador: Delayed global messaging and silence from local diplomatic account mark Beijing's response to reports of PRC infrastructure failures," 2 March 2023.
[6] AP News, https://apnews.com/article/elon-musk-twitter-inc-technology-434b2c0588a6cee2fd7c9477b0bd7902

The PRC government amplifies content from Russian media and pro-Russia narratives so long as they serve the PRC's own interests. Anti-US narratives are among the most frequent narratives that Moscow and Beijing agree on.

- **Aligning with Moscow on anti-US narratives:** Beijing frequently aligns with Moscow on anti-US narratives, in particular narratives that portray the US and NATO as overreaching and provoking Russia to invade Ukraine, which Beijing has also cited as a reason that it needs to defend Taiwan against US encroachment.
  - **Aligning on Twitter:** In the past few months, Beijing has aligned its messaging with Moscow when it accused the US of blowing up the Nord Stream pipeline,[7] promoted a video portraying the US as exploiting Latin America's natural resources,[8] and spreading disinformation that President Joe Biden plans to destroy Taiwan.[9]
  - **Aligning on Weibo:** In March 2022, Beijing launched a disinformation campaign in its domestic information environment (Weibo) supporting Russia's narratives about US biolab facilities in Ukraine,[10] promoting this narrative because:
    - It falls in line with the Chinese government's narratives that paint the US as an instigator of international conflicts;
    - The campaign helps blame the current conflict between Russia and Ukraine on the US without jeopardizing Beijing's efforts to maintain neutrality; and
    - Russia's claims help reinforce the conspiracies Beijing has been spreading since 2020 that US biological laboratories—such as US Army base Fort Detrick—are responsible for the COVID-19 pandemic.
- **Promoting anti-US disinformation while censoring Western embassies' rebuttals:** M3 analyzed the top 20 disinformation campaigns amplified by PRC government accounts on Weibo during May 2021–April 2022 and discovered the majority of these

[7] See M3 Report: "PRC accounts renewed their accusations that the US blew up the Nord Stream pipeline, prioritizing protecting China's image as a responsible international actor," 3 March 2023.
[8] See M3 Report: "Bolivia: The PRC seized on a Russian-origin video to portray the US as a resource exploiter, while touting the benefits of Chinese economic cooperation from a lithium extraction deal," 26 January 2023.
[9] See M3 Report: "Taiwan: Disinformation swirled in the global information environment as PRC-affiliated accounts and pro-PRC inauthentic accounts raised the specter of cross-Strait war and revolution," 1 March 2023.
[10] See M3 Report: "Disinformation War: Beijing boosts Russia's claims about US bioweapon programs in Ukraine to support its COVID-19 conspiracies," 18 March 2022.

campaigns referenced US bioweapons or biolabs, and censors hid content from Western countries' embassy accounts that sought to debunk the disinformation *(Figure 10)*.[11]

- **Not aligning with Moscow:** Beijing's official messaging on the Russia-Ukraine war aligns with Russia's in blaming the US and NATO for provoking the conflict, but differs on how the war should end. Beijing maintains that a swift and peaceful resolution is paramount, and its messaging shows that the PRC likely prioritizes improving relations with Europe over gaining advantages from working more closely with Russia against the US.

[11] See M3 Report: "Disinformation playbook: Beijing cycles through anti-US narratives and spreads disinformation in response to pressures at home and abroad," 6 May 2022.

Appendix: Charts and Visualizations

Figure 1

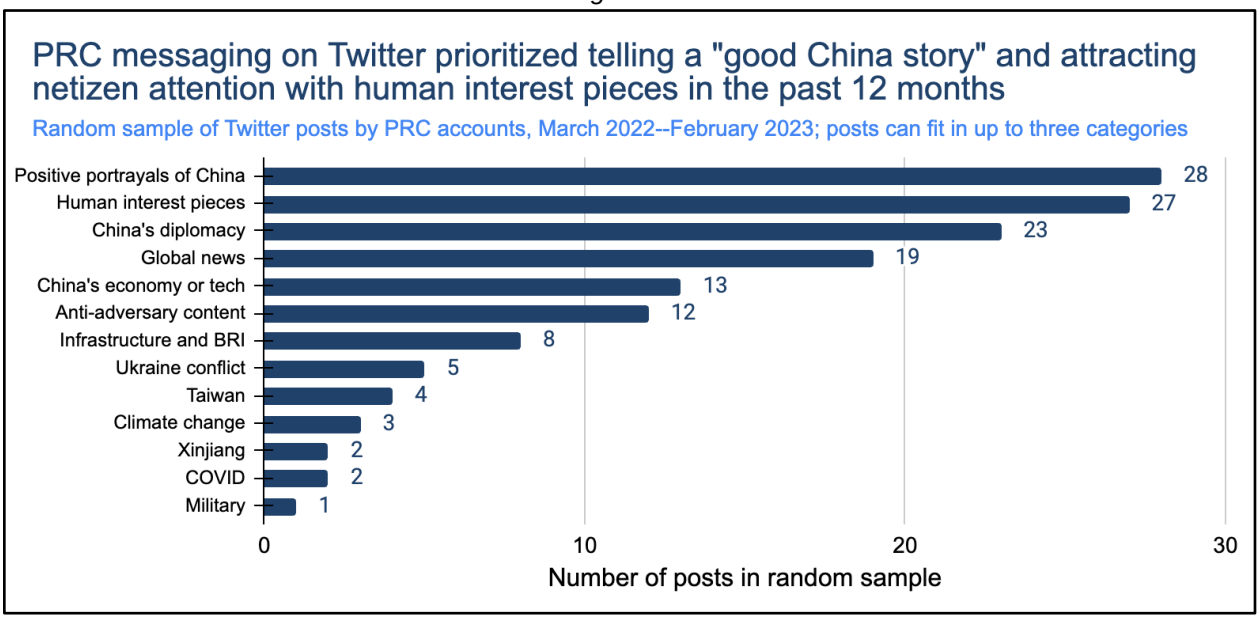
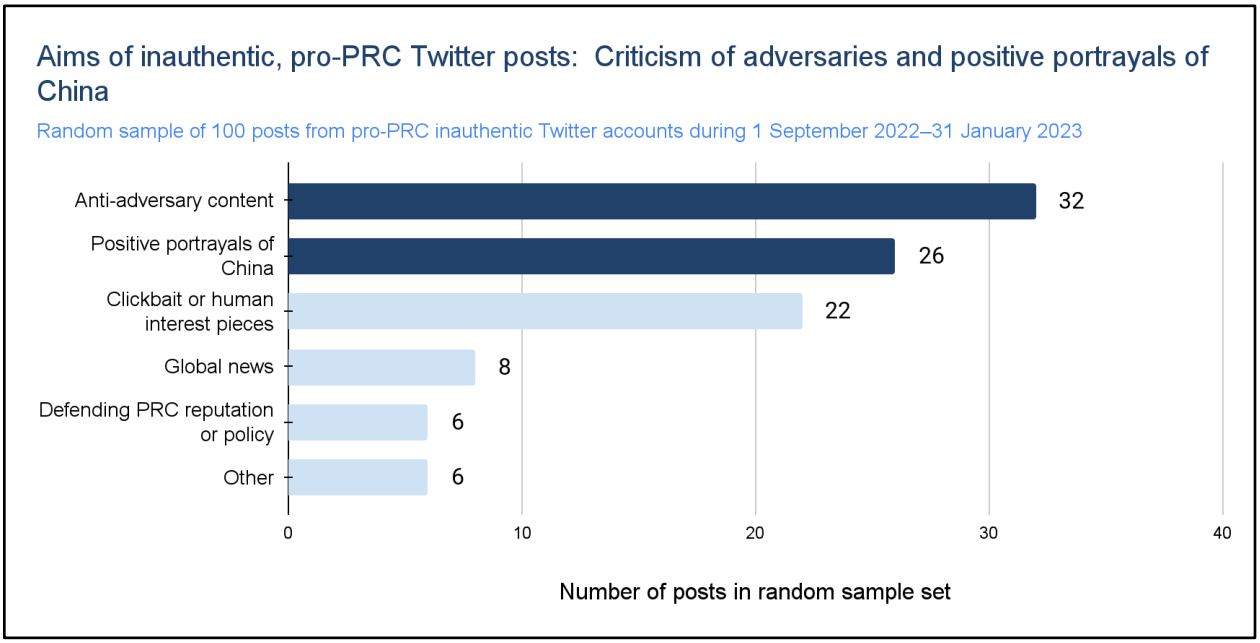


Figure 2



Figures 3 & 4: PRC Twitter accounts shared pictures claiming that the US was profiting from conflicts (left) and shared news headlines with emphasized words such as "punish" to portray the US as coercing other countries (right). Red markings are part of the original post.

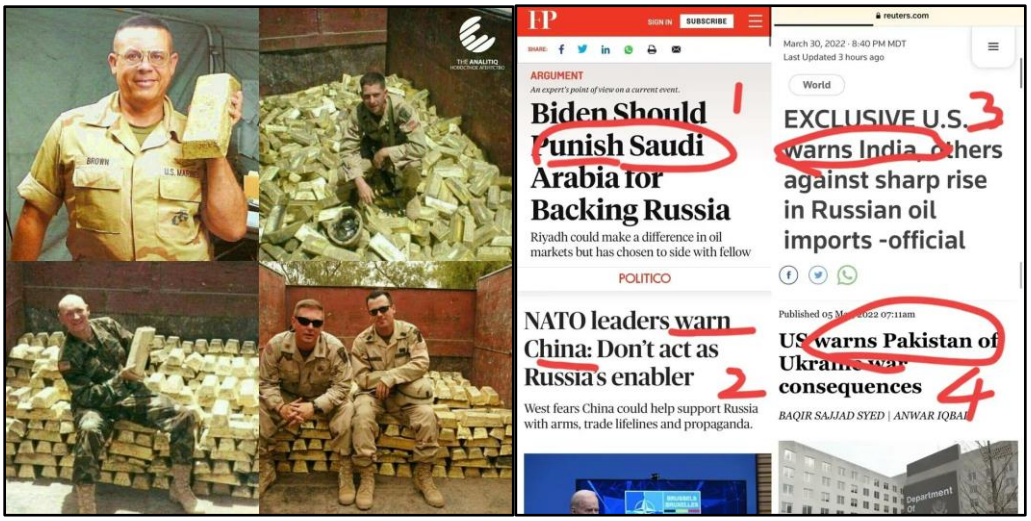


Figure 5

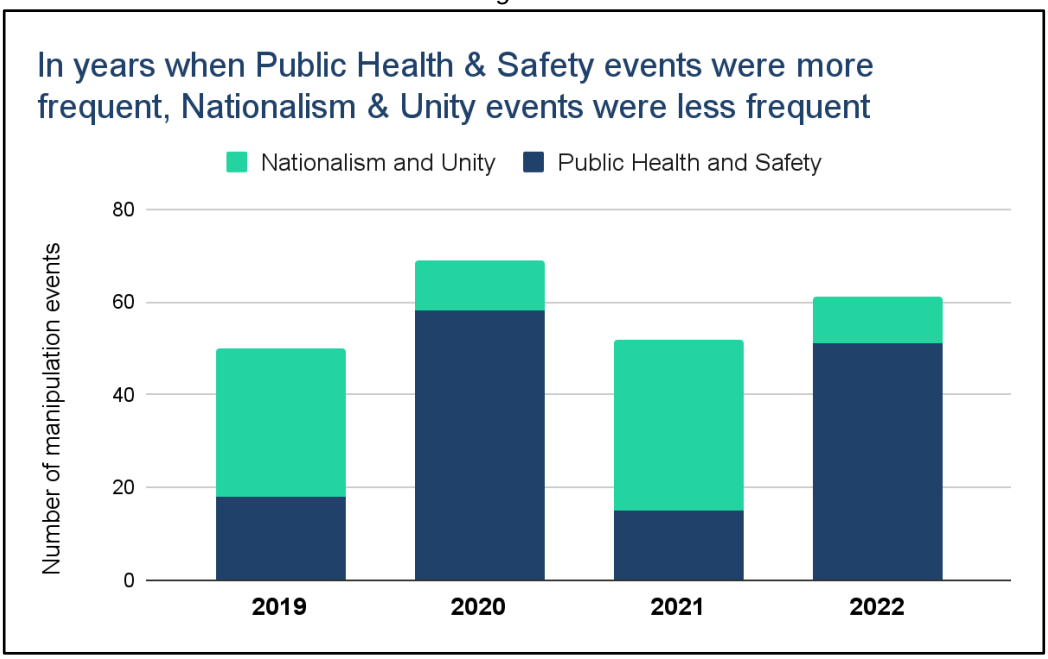


Figure 6

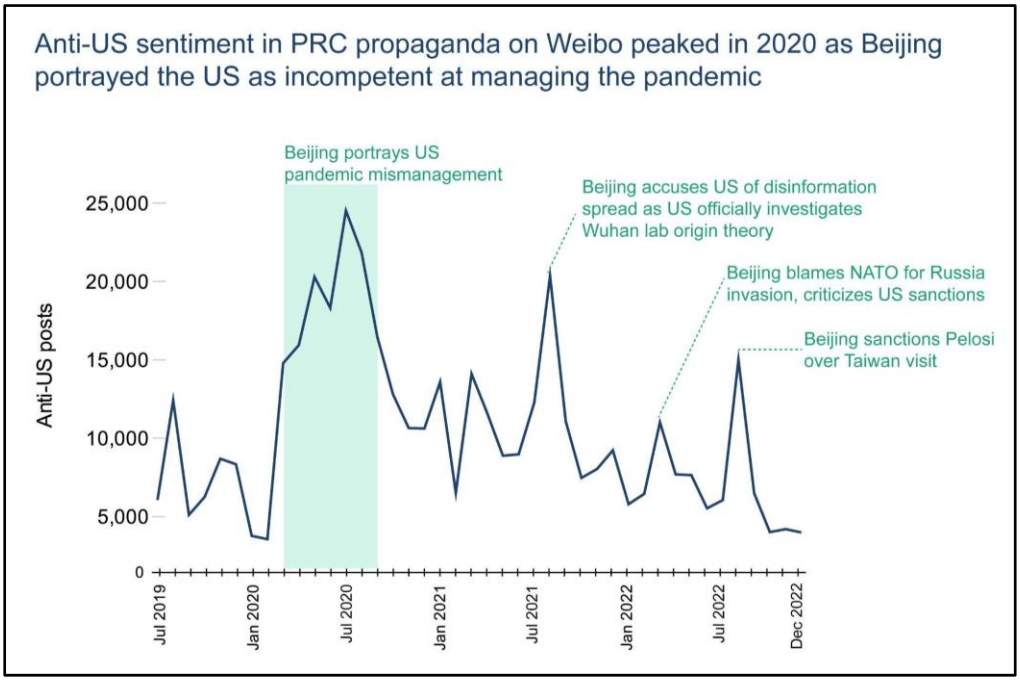
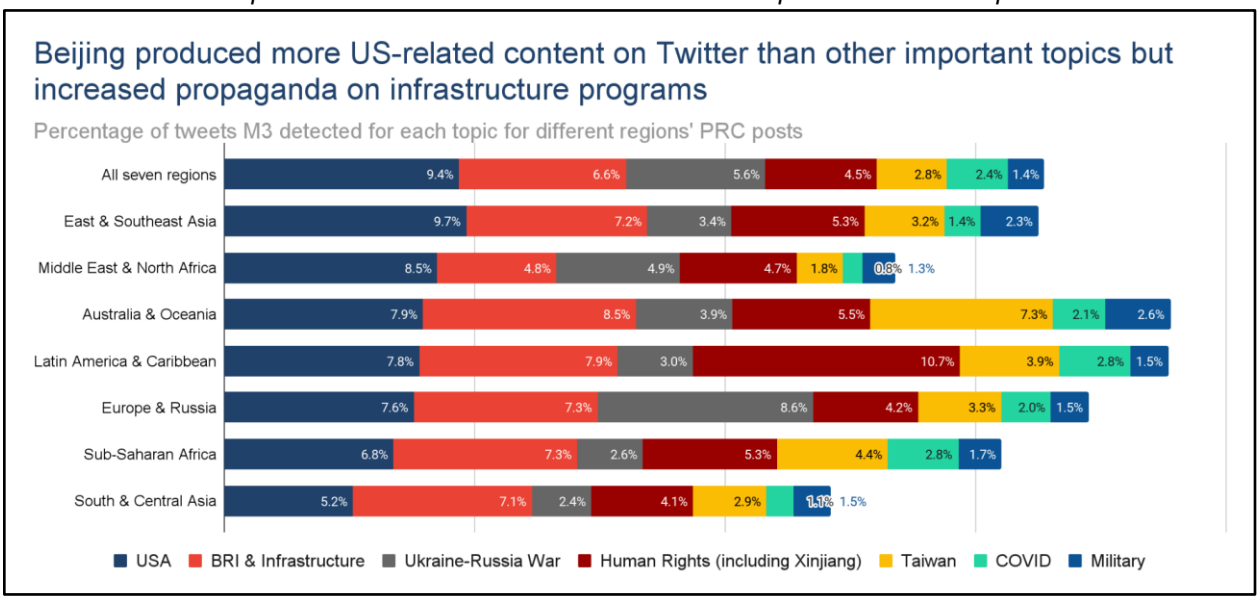


Figure 7: Note: M3 captured relevant PRC tweets for each topic with multilingual keywords to evaluate Beijing's global messaging efforts. The posts captured for each topic are not comprehensive and might overlap because PRC tweets often discussed multiple themes in one post.[12]



[12] M3 used keywords translated in 10 major languages (English, Spanish, Japanese, Arabic, Chinese, French, Portuguese, Russia) in an attempt to capture relevant data for seven themes that M3 identified as topics that are likely Beijing's messaging priorities. Please see a list of countries included at the end of this report.

Figure 8

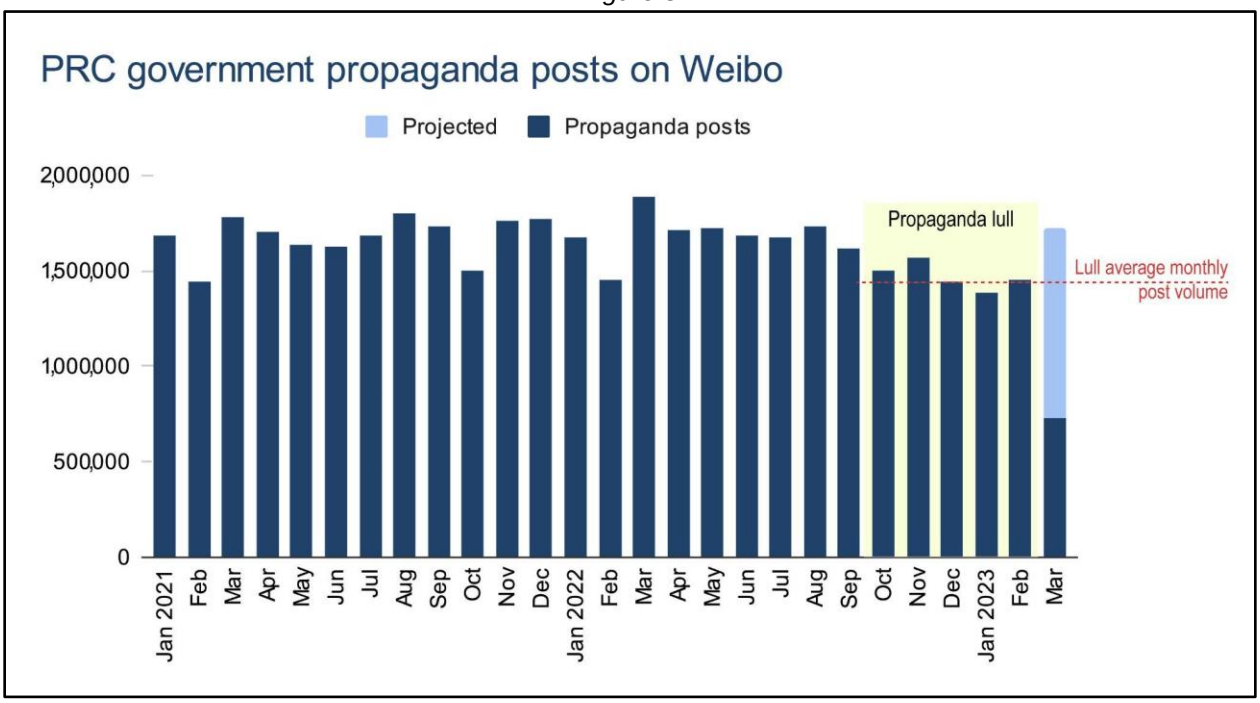
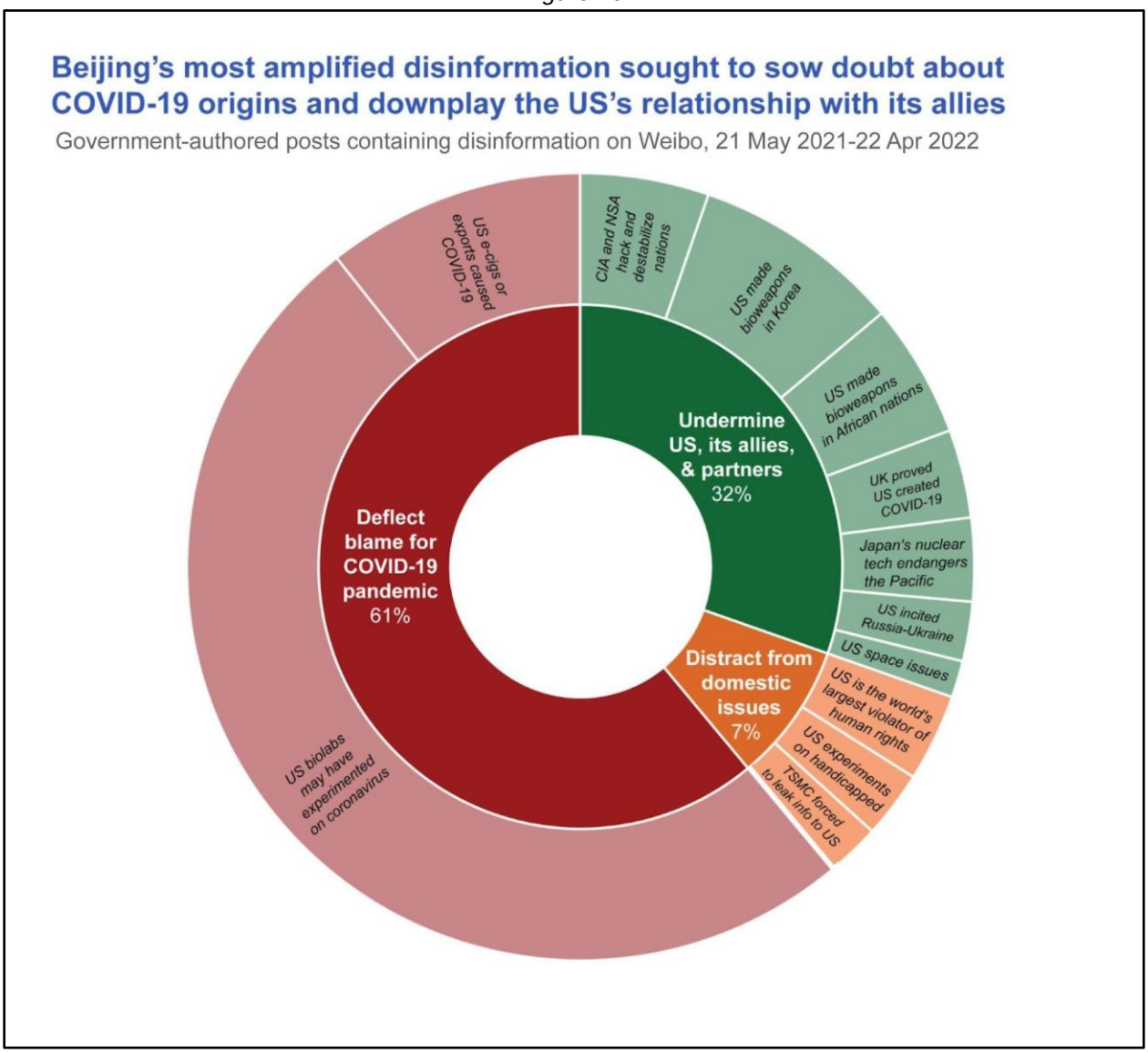


Figure 9 – Inauthentic, pro-PRC accounts often spread incendiary content criticizing PRC adversaries, including Chinese dissidents and journalists who have spoken publicly about China's persecution of Uyghurs, as illustrated in the cartoon below, shared among inauthentic, pro-PRC accounts in 2022.

Figure 10


Beijing's most amplified disinformation sought to sow doubt about COVID-19 origins and downplay the US's relationship with its allies
Government-authored posts containing disinformation on Weibo, 21 May 2021-22 Apr 2022
Undermine US, its allies, & partners 32%
Deflect blame for COVID-19 pandemic 61%
Distract from domestic issues 7%
CIA and NSA hack and destabilize nations
US made bioweapons in Korea
US made bioweapons in African nations
UK proved US created COVID-19
Japan's nuclear tech endangers the Pacific
US incited Russia-Ukraine
US space issues
US is the world's largest violator of human rights
US experiments on handicapped
TSMC forced to leak info to US
US biolabs may have experimented on coronavirus
US e-cigs or exports caused COVID-19

COMMISSIONER BOROCHOFF: Thank you very much. We are going to go alphabetically again, but I am going to --

(Off-mic comment.)

COMMISSIONER BOROCHOFF: Oh. I'm sorry, Robin. I didn't know you were up there. I am going to go at the end, so I'm calling on Robin Cleveland.

COMMISSIONER CLEVELAND: I sent you a text. I'm taking a pass this time.

COMMISSIONER BOROCHOFF: My apologies. I didn't see it.

COMMISSIONER CLEVELAND: No worries. Thanks.

COMMISSIONER BOROCHOFF: Commissioner Friedberg.

COMMISSIONER FRIEDBERG: Thank you very much and thanks to our witnesses for extremely interesting testimony. Ms. Ohlberg, I wanted to start with you. And first, just to sort of propose a hypothesis and see how you would respond. It appears that the CCP is encountering greater resistance to its efforts to extend its influence over the last several years than perhaps in the previous decade. And so I guess my question then is how do you see them responding to this? How is their campaign or multiple campaigns -- how are they evolving in response to this greater resistance?

And here's the hypothesis. Is it the case that the CCP is becoming more aggressive in its efforts to shape perceptions? Is the negative part of the program increasing and the positive part perhaps declining?

MS. OHLBERG: I respond back. Right?

COMMISSIONER FRIEDBERG: Yes, please.

MS. OHLBERG: Okay. Yeah, thank you for those -- for those questions. I think this is a really good question and I think there's actually several ways in which the CCP responds to this. I think you are correct that overall in the last couple of years, we have seen greater aggressiveness, especially -- and this is my caveat here -- especially when messaging is targeting the United States or when messaging is targeting anybody that the PRC or the CP would see as a very clear ally or somebody simply acting on behalf of the United States. That's when messaging gets very aggressive. I do think that the signals that Xi Jinping personally has sent about having a voice and not being allowed to lack a voice and China now being a strong country that needs to be more aggressive, that is also a reason why this is happening.

So on the one hand, yes, because of resistance that is supposed to be squashed. But on the other hand, also because the tone at the center has been sent in a way that you're expected to do this kind of work to build voice. To no longer allow any type of criticism. That said, I do want to -- I do want to differentiate a little bit in how the CCP responds to these kind of pushback that it receives. And I do think one other thing that I have noticed in recent years perhaps is there's more aggressive pushback towards anybody that you would consider like public opinion enemy or public opinion position, that would be the United or again, anybody perceived as acting on the United States behalf. And then those it perceives as somebody where their tone seems to be more conciliatory.

There's a reason why wolf warriors in their aggressive tone usually target the West -- usually target the United States. They usually send out those aggressive messages towards Western countries and less towards countries where maybe they're also encountering opposition. You know? I mean if you go to Kenya, there's plenty of opposition on the ground to the CCP. But in this particular circumstance, the party might try to actually strike a more conciliatory tone

because we're not trying to fight this person on the doable battlefront of public opinion. You're basically trying to, you know, in some cases also try to tone things down.

So you would distinguish very strongly between people that you still try to form an alliance with. And on that case, you might be more conciliatory. And those that you're really trying to target on the global platform. And that of course most importantly includes the United States.

COMMISSIONER FRIEDBERG: Just a follow-up to this. It also appears that aggressive acts targeted at particular individuals the CCP sees as dangerous and adopting views or spreading information that's threatening to them has increased. That there's more harassment, more attempts at coercion. It appears that much of this has been directed in the last couple of years at women reporters, scholars. I wonder if you could comment on that.

MS. OHLBERG: I think that is correct. We don't have the data because the problem is that a lot of go unreported and are only reach hold like over the phone or in anecdotes. So we don't have hard data on a number of cases by like on a year by year breakdown, but I think it is correct. And I do think this has to do with the expectation that has been set at the center.

Maybe briefly let me explain. You know, under Mao, China stood up to the foreigners, under Deng Xiaoping, China became rich, and under Xi, China is now strong. And a strong country cannot allow this kind of criticism. That is the tone that has been set at the Party Center. And this is part of the reason in my opinion why the CCP is going to very aggressively against people it perceives as its critics. And by any means possible, those are people that need to be discredited and deplatformed in any way possible. And this is where this level of aggression comes from. You need to stand up for your strong country.

COMMISSIONER FRIEDBERG: Thanks very much.

COMMISSIONER BOROCHOFF: Commissioner Glas.

COMMISSIONER GLAS: Many thanks to all of you for your testimony today. My question is directed at Ms. Fair. I really appreciated all the work that you and others have done to sort of analyze the messaging that's happening out of PRC in different areas of the world. And just sort of curious based on this underlying research, you know, why certain themes like you mentioned Southeast Asia, they're talking more about even if we're not doing anything wrong in Xinjiang, you know, we're here to protect human rights versus the messaging happening in Africa related to militarization, et cetera, et cetera.

Do you know how the PRC is determining these messages to the different regions? And also is there a way to measure its effectiveness in changing the conversation either around the United States or activities that China is engaged in?

MS. FAIR: Yeah, thanks for the question. In terms of how they determine what to put, I don't -- we're not in the minds of exactly why they're deciding what to do. But what I would say from the data and from best practices in messaging spread is they are looking for things that resonate with audiences. So just like any -- think about any ad campaign or marketing campaign or information campaign. You may have a message you want to get across. Packaging that message in a way that resonates with the target -- the audience that you're targeting is likely to increase the effectiveness or the odds that, that message travels far.

And so there are sometimes messages that work globally. But as was just discussed, there are often nuances regionally where someone or a region is more or less interested in a particular topic. And so it could be -- it could be that they've identified that, you know, infrastructure issues are an item that's top of mind in certain regions. And that issue like

Xinjiang are top of mind in areas nearby for example and then test some of that. Test that in terms of guess its measure of effectiveness.

Now again, we have not -- I am not -- don't have data on how they are measuring their effectiveness. As we look at measures of effectiveness, I'd like to start with some caveats about the challenge of measures of effectiveness. When messaging, like the holy grail is to know if your message has changed behavior. So think about like an anti-smoking campaign. The ultimate measure of effectiveness is if we've got an anti-smoking campaign. We sent out a message. Has the receiver changed their behavior? Have they stopped smoking? So when we go to measure effectiveness of this messaging, there's some data we can get as a proxy. But whether we actually changed hearts and minds or whether the Chinese have changed hearts and minds in a message recipient is another kind of bridge -- another step.

So one of the things that we look at are engagement levels with the messages as one proxy for measure of effectiveness. Did people actually engage with this message? Because part of the measure on social media is not just how many tweets you put out, but did anyone care? And so that's one step that might be a measure of performance, how many tweets you put out and how many people engaged with it.

And there are certainly some messages that get more engagement than others. So I gave the one example of the posts that were put out related to claiming that the Chinese spy balloon kerfuffle was all a rouse to distract people from the U.S. allegedly blowing up the Nord Stream pipeline. You can imagine on social media why people are engaging with that. Did they change the hearts and minds of folks in that sense? I don't know.

We do have some data that our company looks at that is actually survey-based. So one of the ways to move closer to measure of effectiveness is identify a message that the PRC is sending out, look at engagement levels, and then actually go out and survey folks who may or may not have heard or engaged with that content. Has the message moved from the digital world to the real world? And we're just starting in some of that work in some select areas. And I'm happy to share that with you as we get more fidelity on that connection.

COMMISSIONER GLAS: Thank you.

MS. FAIR: Yes.

COMMISSIONER BOROCHOFF: Commissioner Goodwin.

COMMISSIONER GOODWIN: Thank you, Mr. Chair. Mr. Joske, I had a question about your recommendation for some strategic prosecutions that in your estimation would highlight some of the concerns we have about these convert influence operations indicating that these strategic and carefully considered prosecutions could provide some measure of deterrence and raise our awareness of their efforts at interfering in some key areas.

My question is how well suited do you think prosecutors are to do just that? Your drawing parallels and trying to extrapolate broader themes in making some of these connections across distinct cases in multiple jurisdictions seems like it might be difficult for individual prosecutors to do that. But understanding the value that you assert there, how best to provide the educational value of such prosecutions and the deterrence effect and who best -- who's best situated to do it?

MR. JOSKE: Yeah, thank you. I think part of the challenge is that prosecutors haven't been the best at this. In the past year, cases have been picked up based on immediate, rather than strategic priorities. And the natural place for some of this strategic prioritization and planning and coordination to take place is probably just the Department of Justice itself. And it has had this role, but you know, understanding the U.S. legal system, it's not as simple as Department of

Justice saying something and attorneys out in different offices actually implementing that. But I think the really -- it really is key to use these prosecutions as a vector for raising public awareness and putting information out there that otherwise might not be or might not be with the same degree of authoritativeness.

And I think maybe something that people inside the United States might not appreciate is just how unique and powerful U.S. prosecutions are in their volume, in the level of detail that comes out in these indictments. Even though Australia has had so much well documented foreign interference from the Chinese Communist Party, currently there's only one case in court under our foreign interference laws whereas, you know, in the U.S., it's several dozen Chinese government-related prosecutions each and every year. So part of will just be on the Department of Justice and prosecutors to think about priorities. Write these indictments and criminal complaints in ways that actually lay out the connections to the Chinese Communist Party more clearly.

There have been some cases in the past that actually involve the MSS or involve the United Front Work Department. But because these weren't really priorities for messaging or weren't really understood, these weren't actually highlighted in these indictments. But subsequently in my research, I kind of stumbled upon them because of their MSS or United Front connections. So part of that is also on, you know, perhaps the State Department, perhaps U.S. government media on U.S. scholars and think tanks actually doing a better job of picking up some of these criminal complaints and indictments and teasing out some of the recommendations from there. But I think there's so much value in there that isn't really being fully exploited at the moment. Thank you for your question.

COMMISSIONER GOODWIN: Thank you. Ms. Fair, one quick question. In your testimony, both your written submission and in your testimony here earlier a few minutes ago, you characterize official PRC messaging as risk averse. And I want to ask how you square that with some of the brash rhetoric that we've seen coming out of the diplomatic core over the past several years. Admittedly there's been perhaps a bit of a course correction as they've adopted a more conciliatory tone here perhaps over the last few months. But certainly over the last two to three years, many folks might take issue with the notion that their approach has been risk averse. So I just invite your response to that.

MS. FAIR: Yeah. I would say that the wolf warrior folks are not risk averse. Right? And partly by design, they are -- they have to some degree separated themselves or there's some space between the wolf warriors and the Central Communist Party messaging. And so when I'm thinking of risk averse, I'm thinking of the system overall or talking about the context of the system overall. There are certainly some wolf warriors out there who are and who have been to your point willing to shoot things off and sometimes get crossways. But we've also seen with some of our domestic data that the CCP will come out and sometimes censor folks in the Party who have gotten too far ahead of the line.

So there's some balance there where they have some folks that are out on the edge who are pushing the envelope. Wolf warriors are one example. Again, we see it in the inauthentic messaging. But the system itself at the center tends to be a slower. And again will use its censorship capabilities on its own platforms to censor folks or control conversation when folks get out ahead of it. I think it's easy sometimes -- from a mental model standpoint, we want to think about Beijing as a unified block actor, but a lot of people in the -- in the mix.

COMMISSIONER GOODWIN: Thank you. Thank you, Mr. Chair.

COMMISSIONER BOROCHOFF: Commissioner Helberg.

COMMISSIONER HELBERG: Thank you, Mr. Chair and thank you to the witnesses. My question is for all three witnesses. To what extent have you noticed any coordination in messaging or operation or tactics between Russia, China, and Iran? Maybe we can start with Ms. Fair.

MS. FAIR: Sure. We have some alignment I would say in messaging between the two and the data that we monitor and in the streams that we monitor. Certainly when the -- when messages coming out from the Kremlin match or align with Chinese strategic objectives, there is a match up or a supporting kind of dialogue for sure. But it fits more into as opposed to a lock step or a synced propaganda base, we don't -- the data doesn't indicate that it's always a one for one. And so I think the example I gave most recently is in the context of Ukraine, which we've been watching. China doesn't or the PRC doesn't automatically parrot everything that Russia comes out with related to Ukraine. If it matches up with their broader agenda or broader objectives, they will be in line. But if it doesn't, they'll tend to either ignore it all together or take a more neutral sort of tact.

That said, there's clearly conversation and cooperation going on at the strategic levels as we saw with the meetings this week. But also at some of the more working levels and discussions around that. And again, I think people are trying to -- the actors, the people with hands on keyboards are trying to toe the line between thinking what the PRC strategically wants and where its alignment with Russia fits. And when those overlap, they align and when they don't, they pull back. I'll open it to the other panelists.

COMMISSIONER HELBERG: Thank you. Ms. Ohlberg.

MS. OHLBERG: Yeah. I mean this roughly -- this roughly overlaps with my personal assessment of this as well. We see agreements to the more immediate changes between Russian and Chinese media for a long time. You know, with occasional conferences together, exchanges. And those exchanges are presumably accompanied by exchanges that go just beyond the agreement and just beyond that particular event. But it would be saying too much to say that they're, you know, 100 percent coordinating the messages and that they're 100 percent aligned in everything.

My experience with the case I've looked at, it's very much an attitude of, you know, we're going to use it and we're going to amplify the narrative. And this is sometimes also the Ukraine narratives but the previous narratives will do that. For instance, you know, when the PRC was all about bio labs and Ukraine. It was kind of earlier narratives that they had pushed about the origins of the Coronavirus and you know, their conspiracy narrative. So it's a large part despite the exchange and despite some limited coordination and agreements, it is still very spotty and firm. So I guess the good news is it's still very spotty and the bad news, I guess is there's room for more coordination.

COMMISSIONER HELBERG: Thanks. And Mr. Joske.

MR. JOSKE: Thank you. I think, you know, when it comes to the Russia-China intelligence relationship, there's no evidence of a partnership in the same way that for example, we have with The Five Eyes intelligence alignments involving the United States and Australia. And Russia has in past year arrested several alleged spies for China. But at the same time, you know, I think that there are interesting features of overlap between Russian and Chinese covert and clandestine operations. In some of these, especially elite influence operations, you'll see the same individuals targeted by both regimes.

And there is, you know, there is a lot of overlapping techniques between Russia and China. But I think a lot of them stems more generally from some of their shared heritage -- some of the shared heritage of their intelligence agencies in some of these common practices. And just some of the basic nature of authoritarian regimes where naturally foreign elites who are susceptible to corruption, who are susceptible to flattery by, you know, getting meetings with senior Chinese leaders. The same sorts of people will be receptible to similar kinds of methods from both Russia and China. Thank you for your question.

COMMISSIONER HELBERG: Thank you.

COMMISSIONER BOROCHOFF: Commissioner Mann.

COMMISSIONER MANN: A quick question for Ms. Fair and then a couple questions for Alex Joske. Ms. Fair, you testified that only half -- you testified that half of the social medial content contains negative portrayals of the United States. And my reaction was "only half"? So what's in -- what's in that other half?

MS. FAIR: Great question. Some of it also -- is neutral. So when we do sentiment analysis of content, there could be neutral things about the U.S. commenting on a particular event that's happening or reposting. So one of the interesting dynamics that goes on is that Twitter is banned in China, but that doesn't mean people aren't actually reading Twitter in China, using VPNs and other things. And we've seen cases where official PRC accounts use U.S. government posts on Twitter that are neutral, but they use them to show kind of a point they want to make.

For example, in some of the -- There was a post from NASA a while back congratulating the Chinese on a success they had in space. The official Chinese accounts took that post -- that tweet even though it's banned in China, retweeted it. It's a totally neutral tweet and commented on something saying, "Thank you. It was using it basically to sure up or to point out that its successes had been approved by the U.S. It's not a negative U.S. comment. It certainly falls in the sort of neutral category. But there are things that are going on along those lines where it doesn't have to be a negative sentiment, but it still maybe is part of a broader attempt to coopt the narrative. Yeah. Does that answer your question?

COMMISSIONER MANN: It does. Thanks very much.

MS. FAIR: Yep.

COMMISSIONER MANN: Mr. Joske, I wanted to ask you to respond. We had testimony this morning and the witness said -- was critical of Australia's approach and said a national security lens on transnational coercion recasts the targets of CCP interference as potential threat factors. And also said that the downsides of the national security approach by Australia outweigh the benefits. Could you respond to that?

MR. JOSKE: Yeah. Thank you, Commissioner Mann. I think it's -- it certainly doesn't line up with my experiences, you know, working in Canberra for the past several years and observing Australian policy quite closely. I think there's actually been relatively little security action certainly visible to the public that has happened in Australia. You know, we've only had one arrest under our foreign interference laws. To me, that's actually a pretty restrained national security approach.

I think there was definitely in some areas too much national security emphasis in some of the messaging. You know, when you go into some of these affected communities -- Chinese communities, Iranian communities, you know, you don't just want to be talking about national security issues. You want to be talking about how we're involved in countering transnational repression. And actually the objective of countering foreign interference is to protect your

political freedoms and civil liberties. But I don't think this is really an accurate portrayal of the situation in Australia. And I think suddenly not -- I think suddenly it is effective and valuable to look at some of these problems with the national security lens, especially because a lot of them fundamentally are national security issues when they're involving China's Ministry of State security, when they're involving professional clandestine and covert operations, you have to have a national security response to that.

COMMISSIONER MANN: Thank you. And could you help us separate out, I mean my objection hardly alone to what China does is the nature of the regime and its repressive behavior at home, it's behavior overseas. But that's the nature of the regime. As far as intelligence operations, explain how they operate differently than us. They operate through a party, but are their influence operations different in nature?

MR. JOSKE: I think what really stands out with China's influence operations, there are a couple of things. You know, one is just the real reliance on covert and corrupting means of wielding influence around the world. This is not soft-power. This is attempting to corrupt individuals, to coerce them, to blackmail them, to manipulate incentives in political systems towards China's favor.

Another really harmful and important aspect of China's influence operations is the way that it tries to work within coop diaspora communities. And in doing so, seeks to drive a wedge between diaspora communities and their home countries. So for example in Australia, the Chinese Communist Party will be trying to overplay the extent of racism and racial threats to Chinese Australians and position itself as a protector of Chinese people in Australia in a way that's totally inappropriate.

COMMISSIONER MANN: Thank you. That's very helpful.

COMMISSIONER BOROCHOFF: Commissioner Price.

COMMISSIONER PRICE: Thank you. And thank all of you for your testimony today. Mr. Joske, you said in your written testimony that the United Front Work Department is at the forefront of the CCP's efforts on the Tibet issue. Can you flush that out a little bit more? Do you have examples?

MR. JOSKE: Yes, thank you. I think it's a really kind of neglected aspect of the United Front Work Department that it's actually sort of the most senior central agency responsible for Tibet policy and Tibet affairs in China's central government. So it hosts the office that kind of administers coordination of Tibet policy within China's central government. And this reflects in its overseas activities, which is sort of probably, you know, our priority here today.

So one aspect of this is that in keeping with this, you know, different tradition of running front organizations, the United Front Work Department runs a China association for the preservation and development of Tibetan culture, which is staffed by undercover United Front Work Department officials. And you'll see many of these officials turn up at U.N. hearings. You'll see them posted to Embassies in Switzerland, in Australia, in the United States, and other countries.

So actually United Front Work Department officials posted overseas having in the past generally actually been from the Tibet system of the United Front Work Department. So in this particular area of Tibet work historically at least, the United Front Work Department has really played a leading role in overseas international representation and influenced targeting Tibetan communities.

COMMISSIONER PRICE: Thank you. And Ms. Fair and then anyone else who wants to answer. In your recommendations, you said we need more conversations and then the people

and networks kind of help get things done. Today here in D.C., there are many conversations. How do we ensure we keep the nuance? How do we ensure that in the course of especially the very public conversations, it doesn't become very polarized, black and white and we lose the nuance?

MS. FAIR: That is a difficult question. We built this company around data. And so I think that's one of the ways it's important to try to keep the nuance in play, which is one, gather data where possible and analyze data where possible. And then when asking questions in conversations with folks or having conversation with folks, asking folks for the data to back up their assertions. And it's fine, like in some cases we may not have data for all sorts of reasons. But acknowledging that and separating the places where we have data to back up our assertions or our assumptions and places where we don't, acknowledging that we're making an imprint or an assumption based on the things that we can see.

So I'm a big believer in the data component under pinned things. Again, it doesn't mean that we can't have assessments about other things, but then be clear about -- about what those assumptions are.

I also think it's asking folks from a lot of different places, so even the diversity in this room or this panel and having different perspectives, it's a big problem. And it's got a lot of different components to it. It's not a one thing. It's not just on Twitter or you know, it's not just at universities. And so making sure that we are including folks that are looking at all parts of the elephant so to speak and bringing them together, I think is another important component to making sure we keep the nuance.

And then a third, I'd make a plug for folks with expertise. So I'll own that I'm actually a Russian hand by training. I don't have China as background. But I have surrounded myself with people that do have China expertise. And so data is valuable, but it needs to also be put in context. And so having folks that can put it in that cultural context, whether it's language or culture, history or politics, I think is also important.

I think those are the three things I would -- I know that I at least try to use for myself when I'm trying to understand or make sure that my understanding of what's going on is nuanced and not black and white. I'm very curious about what other folks think.

MS. OHLBERG: I can quickly jump in. I think beyond making it as evidence-based as possible and as much data-based as possible, I think it also makes sense to look at the language that we use and we often, you know, shorthand talk about China or the Chinese or Chinese influence, Chinese interference. And I think it makes a lot of sense to not use this terminology and instead clearly either talk about the Chinese Communist Party or talk about PRC influence and interference so that it's clear that what we're talking about is the government or the political party and not anyone or you know, not Chinese people per se, whether it's people of Chinese nationality or people of Chinese heritage. So terminology is also key in making sure our debate is as factual as possible.

COMMISSIONER PRICE: Great, thank you.

MS. FAIR: I totally agree with that, plus one.

COMMISSIONER BOROCHOFF: Commissioner Schriver.

COMMISSIONER SCHRIVER: Thank you, Mr. Chairman and thank you to all our excellent witnesses. Mr. Joske, I think I want to start with you. You gave us an excellent overview of how the Chinese are organized and structured to conduct these activities. I'm thinking of the PLA, which I'm much more familiar with. And when we've looked into organizations and decision making, we find even as they modernize, even as they get

technologically more capable and efficient, et cetera, they still suffer from the fragility that comes along with centralized decision making. And you described a small leading group led by Xi Jinping as sort of at the head of this. And I would love to think that our adversary is a small group of men in their late 60s/70s trying to do social media campaigns.

But could you talk a little bit about their agility. And particularly in light of Ms. Fair's comment about rapid truth is the way to combat this. Does centralized decision making effect their agility and ability to engage in a campaign that's fluid and flexible? Just comment on that and how the organization structure might affect their effectiveness.

MR. JOSKE: Thank you, Commissioner Schriver, for the question. I think this is something where China has a lot of strengths and weaknesses. So in terms of, you know, weaknesses, I think there's a sort of inherent contradiction in nature of a lot of China's narratives and policies. You know, Chinese diplomats can only go so far in defending Chinese policy and Xinjiang without simply looking absurd, which is a real limiting factor in the effectiveness of these activities.

And there's also the fact that I think in terms of sort of top level guidance and broad policy from the Chinese Communist Party, there really isn't that much flexibility. There doesn't seem to be that much responsiveness. You know, you see COVID policy one day and then an almost total switch from that to a new policy without any kind of real transition or in-between period. And I think it's fair to say that, that's kind of, you know, characteristic of Chinese Communist Party policy.

Where I think they have strengths is even though this is, you know, a controlled centralized system, there's incredible autonomy in some aspects of the Chinese intelligence community where you have the MSS, which people mainly talk about. But you also have all the provincial state security departments and state security bureaus that actually take the lead on foreign operations.

And in many ways, there are parallels inside the Chinese military with different intelligence units within the different theater commands and military regions. And especially in the space of covert and clandestine operations, I think even Xi Jinping seems to be having a hard time really centralizing and controlling this system because of inherently secretive and kind of cliquey nature. So I think that, you know, this gives it so many different actors, so much decentralization in the covert and clandestine space that can make it more flexible there.

COMMISSIONER SCHRIVER: Thanks. That's very helpful. Are the members of the small leading group known? Is that information that's been made public after the two sessions?

MR. JOSKE: No, I don't think the membership list of the central leading small group is known. I did some research in, I think 2019 or 2018 that pieced together from what we know, you know, the known members of the central leading small group back then and then people who are probably members based on different organizations that have been represented in the leading small groups activities.

But I think one remarkable thing is that, you know, at the top of it, you would probably now have Wang Huning as the Politburo committee member responsible for United Front work. But as members, you'll have representatives of probably over a dozen agencies, which does speak to I think, you know, the way that we often talk about just the United Front Work Department in the context of the United Front System. But the Ministry of Foreign Affairs is an important player. The Ministry of Propaganda -- the Department of Propaganda is also pretty important. You know, this is a system that spreads out right across the Chinese Communist Party and involves much more than just United Front Work Department.

COMMISSIONER SCHRIVER: Thank you. It seems to be we're sanctioning Chinese individuals for their role in places like Xinjiang and Hong Kong. It seems to me we should be looking at people who are involved in influence operations for similar treatment. My time's almost up. If there is time at the end, I'd like to hear from the other witnesses on issues related to organizational structure and any strengths or weaknesses.

COMMISSIONER BOROCHOFF: Randy, carry on. We've got time.

COMMISSIONER SCHRIVER: Well, that's the question if either other witness had a comment on organizational structure.

MS. OHLBERG: I can talk -- I can continue talking a little bit about meeting small groups because most of -- I think all of -- most of the meeting small groups that I've looked into, they're not officially acknowledged. So you will usually not be part of a structure on the websites, et cetera of the party. People do as Alex alluded to, people do piece together information about their, who they're made up of, by looking at people's biographies because sometimes those will tell positions. They might also look at historical compositions from other kinds. Which institutions were represented because usually membership in those institutions is ex-officio. So if you had a certain department, then your department is represented there. So usually that's how that goes.

Now most leading small groups exist from various areas, like you have United Front meeting small group. You also have the propaganda work -- central propaganda work small group and their function is quite similarly. And this is where you have this overlap of different bureaucracies that are involved in the different sub-areas of this work. And then will meet each other in those different meeting small groups with different focuses.

And then depending on which leading small group you're talking about, one you know is like the bureau for which it operates. For instance for the United Front meeting small group, the office would be at the United Front Work Department. For the propaganda and thought work meeting small group, the office would be at the CCP Central Propaganda Department. There used to be a separate meeting small group for externally focused propaganda work, it looks like this has been dissolved and has been absorbed into the Central Propaganda small group simply because the messaging -- I think the party doesn't want to have too much distinction in the messaging between internal and external.

But this is how a lot of this work operates. They kind of coordinate at the top and there's not much information about those meetings available. And then they operate through one central department. But those meeting small group structure make it possible to draw on the expertise and the concerns of various other ministries, but that come together under different topics. And this is quite an interesting structure. I don't know that it's an absolute strength.

I'm not sure there's like, you know, there's Chinese criticism of the structure. Sometimes there's Chinese criticism that says too much overlapping responsibility and we need to clarify our responsibilities. But generally speaking, it's a structure that's served the party quite well. And that is used to coordinate work areas in all different kind of areas, including several ones that would be involved in what we would discuss as influence and interference operations.

COMMISSIONER SCHRIVER: Thank you. That's very helpful.

CHAIRMAN BARTHOLOMEW: Thank you. Co-Chair Wessel.

COMMISSIONER WESSEL: Thank you all for being here this afternoon. Mr. Joske, I enjoyed your books so thank you for the work you've done. Sorry you're not going to be traveling back to China any time soon as I understand it.

Ms. Fair, I'd like to ask you a question. You know, it seems your work or your -- the review of the media, et cetera is somewhat of a barometer that can help guide us and others regarding events, regarding escalation, de-escalation of challenges in the bilateral relationship, et cetera. As I understand it, you know, and your testimony goes back to 2019 -- so before the -- before the 2020 election and since.

So can you give us some idea of escalation, de-escalation, trends during that time? You know, balloon, the creation of the Select Committee recently. And I'm not asking for any political interpretation, but how do the Chinese modulate if they do their activities? I think you said earlier that when they're like with zero COVID, they focus more of their messaging and activities internally, rather than externally. So you know, what can you tell us from your time series if you will? And are you also aware or your colleagues of any similar efforts in the U.S. government to gauge how China's using influence activities, the media, et cetera?

MS. FAIR: Sure, yeah. So baselines -- Back to my comment on data baselines and understanding how things move from baselines are an important part of -- not important -- I would say a core part of our work because one of the things we're trying to understand is what's significant? So much happens in social media and in traditional media and things moving. How do we really know if something has changed? And can we use that change as an indicator of how important something is to the PRC? So it's a fundamental question that we try to get at.

Yes is the short answer. I can -- We've looked at all the things you've talked about and how they've changed over time or sort of whether it's up or down. For this, I'll do a couple highlights that are sort of big things I'll think about or that jumped out. I'm going to go back to COVID because it was certainly one of the big shifts we saw -- order of magnitude shift that we saw since we had been watching the data in 2019. Practically overnight in the sort of December to January timeframe, the amount of official messaging that was able to go out more than doubled. And when we looked into the detail of it, it didn't look like --

COMMISSIONER WESSEL: I'm sorry. Just when you say "go out", is that outside the country or just from CCP, et cetera?

MS. FAIR: Looking at official Chinese government accounts and related state media. It's difficult when we're talking about media or the information environment to say in country or out of country because obviously the internet doesn't know geographic boundaries in many cases as much as the Chinese would like to contain it. So if we're looking specifically at official messaging i.e. Chinese government posts and state media, that capacity doubling overnight.

And when we looked at the detail, we thought well maybe they've turned on some AI thing that's, you know, automatically generating stuff. But based on the patterns -- the sort of light patterns, it didn't suggest that, which suggested either people working double shifts or triple shifts and/or they brought sort of more humans in to create content. So that's one sort of -- that was a seed change. And it didn't go away overnight, not that COVID did either, but the sort of new baseline -- there was a new baseline after that is a monumental shift. So that's one observation I'll make over the past -- past couple of years that we've been looking at the data.

Things like the balloon, which is, you know, more current events, that certainly was a spike. But it actually played more on the censorship side of the equation and less on the putting content out as an example. And that was really more of a domestic thing where they're trying to contain that story to some degree. That event compared to other events was less amplified if you will than others.

The third development I'll flag in terms of big trends -- and it goes to this question also of organization and centralization and how that may affect things is that we saw a fundamental shift in the baseline of official messaging in the past -- sort of the end of 2022 as sort of the two sessions was coming in. As people were seeing where the power was going to play out and where the rules were going to land. Suggesting that folks were kind of paused -- the humans in the loop were paused as they thought about and kind of trying to read the tea leaves of what was going to happen next.

The same things were there but at the over levels, if you look at the baseline was subsequently lower. Now we had, when we saw this shift in the data, we had a bunch of hypotheses about why that might be happening. Humans kind of reading the tea leaves one. Another hypothesis though was like are they -- is the PRC changing its overall messaging and trying to be maybe less aggressive? We've seen the numbers come back up. So you know, we had sort of these hypotheses and then we watched the data and then we see kind of which -- what the data proves or disproves in hypothesis case. So that's another kind of -- that's a third example I'll give of the kinds of shifts that we can see when you're monitoring this at a global scale.

COMMISSIONER WESSEL: Great. Thank you.

COMMISSIONER BOROCHOFF: It's my turn and I want to say thank you again to the folks who testified today. Mr. Joske, you talked a little bit about the operatives for the United Front that have moved around to other countries that you are personally tracking, particularly the Tibetan and others. And in your final recommendation, you mentioned that you think that the U.S. and other governments should collect and share data together in order to inform policy makers on what kind of foreign interference policies they should have to combat that. In a perfect world, assuming that everybody was sharing all this information and you imagine what kind of policies they would pass, what would you see as policies that you would like to see occur?

MR. JOSKE: Thank you. I think a really core part of it is actually making sure you have the capability analytically and in terms of resourcing to actually collect and understand what China's doing around the world. And I think it's more of a challenge than is probably appreciated because this is -- this is such a new issue. There's so little analytical foundation. You know, until quite recently, you know, there were only a couple of scholars really tracking these activities and studying them through primary research on Chinese language documentation. So I think, you know for example the role of the Ministry of State Security. In influence operations, the role of the PLA, in influence operation, the role of the Ministry of Public Security or the International Liaison Department.

These still aren't really well documented or understood, especially outside of the United States and other countries that have a better track record of counterintelligence work on China. So just investing in Chinese language expertise, investing in think tanks, research institutions that track this, investing in open source capability is really going to be fundamental to that, especially because you need that open source capability in part to make some of this information sharing easier. You know, you'll need to be able to go to foreign governments and educate them on the problem and point to cases of interference that are happening in their country.

And really, I think it's to some extent a unique feature of the way that China does a lot of this, you know, different work and intelligence work that there are significant aspects discoverable to experience. Open source researchers, you know, is the work of China -- it's my own work. Looking at the MSS has shown United Front Work and even MSS work has a lot of public interface and a lot of public signs of an individual's involvement in this apparatus that

until very recently weren't hidden because they were simply not taken seriously. They weren't concerns for governments. But now that we understand why United Front's work is a problem, we can still track these activities publicly.

In terms of the actual policies that I think government's should be implementing, a core foundation is just putting in place the kinds of legislation that Australia has. In a lot of jurisdictions, it's not actually illegal to carry out covert political influence work on behalf of a foreign political power or government. It certainly wasn't illegal in Australia until 2018. So that's something that should be resolved in a lot of other countries.

But probably the more challenging aspect is that you need the political will and the public understanding and that political capital to actually drive real change and drive legislative change. And that's again where I think open source work becomes important because you need to be putting information out there. You need to be working with journalists.

Governments need to be speaking publicly about the problem of Chinese Communist Party interference to help justify this legislative change, this change in resourcing within government. And I think quite often what you'll see is that responding to and understanding Chinese Communist Party interference forces a country to actually revisit and reevaluate its engagement with China more broadly because foreign interference I think sort of questions so fundamentally the nature of China's engagement with the rest of the world. And I think we're probably seeing Canada confront this as we speak.

COMMISSIONER BOROCHOFF: Thank you. Would either of you like to comment on that? Thank you. We do have some time -- I'm sorry, go ahead.

MS. OHLBERG: Sorry. I can just -- I just want to second Alex Joske's call for funding for open source research. There's a lot of information that is out there. There are a lot of ways that we can creatively use this kind of data to come to conclusions that otherwise we would not come to. One of the things I've done with other colleagues is work on public procurement data, which actually operate a lot of information. But I think it's really important we make use of this data.

And in the case of influence and interference, I want to say that it might be useful to make use of it very soon. Because what has been happening on the PRC side is some of the information has been disappearing on the other side of the great file wall. So information that, you know, it used to be that Chinese citizens couldn't access certain websites. And what was increasingly done is that certain websites are only accessible from within the PRC.

One example that I can list here is the website of Chinese People's Association for Friendship with Foreign Countries. You can still access it from the PRC. But from outside the PRC, you now get an error message that you are -- you know, your computer is trying to attack the system. So in some case, there might actually be some urgency in getting some of this data before it is taken down.

COMMISSIONER BOROCHOFF: And Rebecca, do you have any comment on that issue?

MS. FAIR: Yeah.

COMMISSIONER BOROCHOFF: Okay. I know that Commissioner -- Go ahead.

MS. FAIR: No, I think I would repeat which is -- Yeah, the value of open source. I do think that this is a reminder that this is a dynamic game. So I think the last point that was made is an important one that there are sort of -- there were things that were true in 2019 when we started collecting data. They were different in 2020 and they're different today. They're going to

be different tomorrow. So again, it gets to it's going to be an ongoing cat and mouse game as we engage.

CHAIRMAN BARTHOLOMEW: Thank you. I know that Commissioner has a question, so go ahead.

COMMISSIONER WESSEL: Yeah, thank you. I wanted to go back and look to everyone to respond if they're interested. But Rebecca, you talked about this being an information battlefield. And you know, while we clearly and we've talked at length today about protecting the rights and interests of Chinese citizens, you know, living here in the United States, those are Chinese descent who are living here and who are U.S. nationals, et cetera. But wondering if you can help me on what forensic work tools may be available or being used, attributions, et cetera to look at Chinese influence activities?

While we were talking, I opened source Wikipedia on NCIJTF, which is the cyber joint taskforce, which looks at, you know, cyber espionage, et cetera. I'm not aware of ongoing activities other than what you've described that is looking at how to attribute some of these influence activities. Do you do this with attribution sets when hot points or any bots and all the other tools are being used? How good is your data? How can we, you know, utilize this potentially to go harder at influence activities that again may undermine the rights and interests of Chinese people living here in the United States?

MS. FAIR: Yeah. I think to the comment that was -- I think that Alex made earlier that we're at some of the beginnings of this process, there is a lot of good work that's being done out there as people start to look at what is available is open source. And in many cases companies and others are using tools that were built to generally understand social media or traditional media or how narratives move through space and applying them specifically to the question of China or Russia information manipulation. And so they think that the question becomes --

So that's the first place to look. Right? Which is the idea of following -- identifying and following narratives is not unique to the Chine information operation problem set. It is something that the commercial world has been doing since social medial certainly created and other media was created partly to sell things and to understand that. So a lot of those technologies and approaches can be applied in that way. So that's one place to start thinking about looking.

I think in terms of issues about attribution, now we're getting to a different kind of technology and a different set of problems. Some of that -- Some of those technologies exist as well to track or to identify folks through various things like packet inspection and IP addresses. In other cases there's methodologies that can be used to infer attribution using models that look at things that are sort of pattern matching if you will. Identifying a pattern in one place and then finding that pattern or kind of identifying that. You know, there's some leaps there. And again, when we're looking at technologies like that or using technologies like that, needing again to be clear about what data are you using? What assumptions you're making and sort of levels of confidence are a good way to kind of frame the conversation around -- around those things as well.

So I think those are the two areas I would -- I would highlight. I don't know if the other panel members have other things to add.

MS. OHLBERG: I can briefly add to that and this is I think the novel approach. But I think one thing that might help is to do the side that they're doing and combine it with some of the work that the other side is doing. And that is looking at the capabilities for instance that the Chinese -- that the PRC or various party state organizations want. So some of the information

we have available is for instance through HUMINT documents where they describe in detail what kind of systems they want for social media manipulations. They describe the functions that they want, et cetera, et cetera, which again doesn't necessarily mean that those are the functions they get. But I do wonder about -- I do think that perhaps some gain might be made if the two sides were combined like, you know, the data that you have and compare it with the request that various agencies have -- what they want to be able to do.

COMMISSIONER WESSEL: Great. Thank you.

COMMISSIONER BOROCHOFF: We still have a few minutes for any follow-up question that anyone would like to ask. Hearing none, I want to say thanks again. And in closing thank you to all the witnesses today for their excellent testimonies. You can find those testimonies as well as the recording of the hearing on our website. I'd like to note that the Commission's next hearing will take place on Thursday, April 13th. That hearing will examine China's pursuit of defense technologies and the implications of that pursuit for U.S. and multilateral export control and investment regimes. With that, we are adjourned.

(Whereupon, the above-entitled matter went off the record at 3:24 p.m.)

STATEMENT FOR THE RECORD

STATEMENT OF DANIEL CURRELL, FELLOW, NATIONAL SECURITY INSTITUTE, ANTONIN SCALIA LAW SCHOOL, GEORGE MASON UNIVERSITY

March 23rd, 2023
China's Overseas Influence and Interference Activities

STATEMENT FOR THE RECORD PREPARED FOR THE
U.S.-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION

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The Big Picture: Research Universities, Global R&D, and China's Approach

American research universities collectively form an ecosystem of the most sophisticated technology innovation hubs on earth. According to the National Science Foundation's *Rankings by total R&D expenditures*,[2] U.S. universities spent $89 billion on research in fiscal 2021. Leading the list was Johns Hopkins University, which alone spent $3.2 billion on R&D that year. Twenty five U.S. universities now spend $1 billion or more on R&D annually, and Auburn University, 100th place in the rankings, spent just over $250 million.

Collectively, this network is massive and its work in fundamental science is important, but even the biggest universities' R&D spending is dwarfed by top firms in the private sector. Amazon's R&D ($43 billion) is ten times what Johns Hopkins spends and thirty-five times the size of Stanford's. Alphabet/Google ($27 billion), Huawei ($22 billion), Merck ($13.5 billion), and Alibaba ($7.9 billion) all far exceed our top universities' R&D budgets (full analysis of 2021 corporate R&D here).[3]

Those companies' budgets are spent in part on projects carried out with the assistance of major research universities, and most of those universities are in the U.S. An analysis of global private-sector R&D leaders shows that only four of the top 100 companies are Chinese: Huawei ($22 billion), Alibaba ($8 billion), China Railway Group ($3 billion), and ZTE ($2 billion). Three more are from Taiwan, and the other 93 are from the U.S., Europe, Korea and Japan. Accordingly, Chinese companies have been eager consumers of the research services provided by U.S. and other foreign universities; this is shown in more detail below.

Like companies, universities are highly collaborative, as researchers join forces to do things they couldn't do alone. And, like American companies, our universities are strong in part because they collaborate freely across borders. Because of universities' reporting obligations under Section 117 of the Higher Education Act,[4] we can see a reflection of what those collaborations look like.

Here's an example from the University of California–San Francisco, a top medical research institution. According to its disclosures of foreign contracts and gifts for 2019,[5] U.C.-San Francisco received a total of $45 million in 40 transactions with foreign sources. The contracts are with AstraZeneca (UK), Bayer (Germany), Clementia Pharmaceuticals (Canada), Daiichi Sankyo (Japan), Hoffman-LaRoche (Switzerland), GlaxoSmithKline (UK), MedDay (France), Mitsubishi (Japan), Novartis (Switzerland), Novo Nordisk (Denmark), Samsung (Korea), Sanofi (France), ShangPharma (China), S.O. Biovitrum (Sweden), Tasly Pharma (China) and Zenith Epigenetics (Canada). U.C.-San Francisco also had transactions with the Center for Infectious Disease of Zambia and the Centre National de la Recherce Scientifique of France, as well as what appear to be philanthropic gifts from a handful of individual foreign donors. See **Appendix A** for a complete list.

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[2] https://ncsesdata.nsf.gov/profiles/site?method=rankingBySource&ds=herd

[3] https://www.fdiintelligence.com/content/data-trends/global-innovation-leaders-in-2020-79672?saveConsentPreferences=success

[4] The full statutory text of Sec. 117 of the Higher Education Act is available here (https://www.govinfo.gov/content/pkg/USCODE-2018-title20/pdf/USCODE-2018-title20-chap28-subchapI-partB-sec1011f.pdf). Public data on foreign-sourced money in U.S. universities is available in several places. The U.S. Department of Education makes this data available on its main Sec. 117 page (https://www2.ed.gov/policy/highered/leg/foreign-gifts.html), through a specific reporting tool (https://sites.ed.gov/foreigngifts/), and also still offers older, and considerably more detailed, data through a webpage from the agency's Office of Federal Student Aid (https://studentaid.gov/data-center/school/foreign-gifts). The Lincoln Network, a U.S.-based technology/policy think tank, has built a helpful tool for slicing and analyzing publicly available Sec. 117 data (https://lincolnpolicy.org/2022/foreign-influence-in-american-higher-education-the-case-for-additional-transparency-and-enforcement/).

[5] https://studentaid.gov/sites/default/files/ForeignGifts.xls

Research universities like U.C.-San Francisco have a well-developed system of procedures to manage all this activity. U.C.-San Francisco has a standard forms library[6] covering administrative, accounting and legal issues and an Office of Technology Management and Advancement to provide active support.[7] This kind of infrastructure is typical at our research universities. Similar resources are provided by the National Institutes of Health[8] and the National Science Foundation.[9]

This context is important for understanding how China's companies, individuals and government entities interact with U.S. universities. The discussion of Chinese money in U.S. universities often assumes that the CCP donates large sums of money to U.S. colleges and universities to curry favor, influence the curriculum, and extract intellectual property. That may be the approach of Qatar,[10] by some measures the single-biggest foreign source of money to U.S. universities (see Appendix D), but the Chinese approach defies such easy description. The CCP has enormous assets in the total presence of Chinese students, researchers, affluent individuals, government entities and PRC-based companies on U.S. campuses, and each of those assets presents its own opportunities and challenges for China.

China's government certainly interacts with U.S. universities through its own government-controlled universities and a few government agencies. The best-known example is its Confucius Institutes program, though the total expenditure and influence there is only one part of an ongoing story.[11] The CCP itself has occasionally been a direct source of money for U.S. universities. Remarkably, at least one U.S. university had contracts and collaborations worth $2.3 million with the Central Committee of the CCP over the course of 14 years, as well as a training and scholarly exchange relationship with the Party School of the CCP.[12]

That said, most Chinese money flowing into U.S. universities comes from students' tuition, donations from affluent individuals and research-related contracts with Chinese companies – probably in that order. Students, companies and affluent donors have varying relationships with the CCP, and of course none can be entirely free of its influence. The goal of this Statement is to paint a picture that reflects something of the shape and character of China's opportunities to influence and, at times, interfere with American universities. The picture is necessarily incomplete, however.

Limitations of What We Know

A few notes are in order about the limitations of what we know. First, university disclosures are known to be deficient for many reasons, so the contracts, money totals, and other details discussed below all represent a subset of a larger whole. That subset is what universities have found and chosen to report, reflecting internal decisions about what money is required to be reported and what is not under the not-entirely-clear provisions of Sec. 117 (see a fuller discussion in response to Question 3).

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[6] https://osr.ucsf.edu/forms
[7] https://innovation.ucsf.edu/office-technology-management-and-advancement-faqs
[8] https://grants.nih.gov/
[9] https://www.nsf.gov/publications/index.jsp?org=NSF&archived=false&pub_type=Forms&nsf_org=NSF&search1=
[10] A brief summary of Qatar's approach with links to more comprehensive analysis can be found here: https://thescif.org/foreign-money-in-u-s-universities-whats-the-real-source-e7d10a9c9d4a. A list of countries ranked by total transaction values with U.S. universities is at Appendix D of this document.
[11] Comprehensive and recent treatments of the Confucius Institutes story can be found in After Confucius Institutes: China's Enduring Influence on American Higher Education, National Association of Scholars, June 15, 2022 (https://www.nas.org/reports/after-confucius-institutes/full-report) and The Middle Kingdom Meets Higher Education: How U.S. Universities Support China's Military-Industrial Complex, Foundation for Defense of Democracies, Dec. 9, 2021 (https://www.fdd.org/analysis/2021/12/09/the-middle-kingdom-meets-higher-education/).
[12] *Institutional Compliance with Section 117 of the Higher Education Act of 1965*, a report by the U.S. Department of Education, Office of the General Counsel, October 2020, pg. 20, available at: https://www2.ed.gov/policy/highered/leg/institutional-compliance-section-117.pdf

As an example, many U.S. universities that hosted Confucius Institutes never disclosed any money from sources in China. This likely means that in the schools' judgment they were under no obligation to do so, either because the amounts in question were not large enough or the nature of the value exchanged did not require disclosure. For example, SUNY-Buffalo had a very active Confucius Institute for a decade,[13] but even the most up-to-date disclosures from the university show no money from any source in China. This is not uncommon – and it is at least possible that this lack of disclosure is compliant with the university's obligations under Sec. 117 of the Higher Education Act.

Second, the CCP cultivates relationships with people and entities inside the United States whose dealings with our universities may never have to be disclosed. (State "sunshine laws"[14] may cast some light on these relationships, but it would presumably still be difficult to identify the role of the CCP or its proxies.)

Third, the CCP also has well-documented foreign relationships, often with affluent people and entities in the Chinese diaspora who, in turn, can have significant relationships with our universities. The example of a Thai company's $10 million donation to Georgetown University to fund Georgetown's *Initiative for U.S.-China Dialogue on Global Issues*[15] is one of several known instances.[16] Money like this will usually appear to come from countries other than China, though in this case the Thai company in question set up a foundation in Hong Kong as a vehicle for the $10 million gift. For this and other reasons, the data discussed in this Statement generally reflects money from both China and Hong Kong, though it excludes Taiwan.

For these reasons and more, we are unlikely ever to know the total scale of Chinese money and influence in U.S. higher education. That said, the picture became clearer when government attention was focused on the issue in 2019-2020. The U.S. Department of Education conducted investigations into universities that had clearly under-reported or, in some cases, never reported money from China and other countries of concern including Qatar, Russia and Saudi Arabia. A redacted public report reflects that work.[17] A brief review of the previous administration's concerns regarding China's influence on higher education is contained in this October, 2020 joint letter from the U.S. Secretaries of State and Education,[18] and a similar assessment of risks associated with China's involvement in American primary and secondary schools is contained in a parallel joint letter issued at the same time.[19]

Question 1. How does China seek to influence U.S. universities through financial means? Please address donations, endowments, contracts, joint research partnerships, and any other relevant activities.

The question above could be read to presume that the CCP deploys financial tools for the primary purpose of influencing U.S. universities. While this happens in some instances, the more common tactic is for the CCP to find ways to leverage the considerable presence of students, companies, donors, and Chinese universities on U.S. campuses. Those players each have their own reasons to engage with U.S. universities apart from any malign intentions of the CCP, yet they represent a leverage point for the CCP to exploit.

In assessing CCP influence, we should begin with students, as their total financial impact dwarfs donations, contracts and the like, and their simple presence on U.S. campuses makes American administrators very reluctant to offend Chinese interests.

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[13] https://www.buffalo.edu/ubnow/stories/2021/05/confucius-institute-closing.html
[14] https://agb.org/wp-content/uploads/2019/01/brief_2017_sunshine_laws.pdf
[15] https://uschinadialogue.georgetown.edu/
[16] Report on China Donor Prompts Concern, *The Hoya*, February 2, 2016. (https://thehoya.com/report-on-china-donor-prompts-concern/)
[17] https://www2.ed.gov/policy/highered/leg/institutional-compliance-section-117.pdf
[18] https://www2.ed.gov/about/offices/list/ope/state-edjointltrreprcinfluence1092020.pdf
[19] https://oese.ed.gov/files/2020/10/State-ED-Joint-Letter-to-Chief-State-School-Officers-re-PRC-Influence-Oct.-9-2020.pdf

As shown in Appendix B, there were approximately 150,000 Chinese undergraduates in U.S. universities before the pandemic. By 2021 there were just over 100,000, and it remains to be seen whether the number will rebound. If we assume, conservatively, that the average student from the PRC paid $20,000 in tuition, room and board each year, revenues from Chinese undergraduates will have peaked in 2019-20 at around $3 billion, and should currently total about $2 billion. If a university were to cut its payroll by one full-time equivalent employee for every $100,000 drop in its budget, we could estimate that the loss of 50,000 PRC undergraduates during the pandemic would have reduced total U.S. university headcount by at least 10,000 were it not for government pandemic support. The loss or gain of undergraduates from China is a major fiscal and operational issue for many of our universities.

Universities have eagerly recruited and enrolled students from China for over a decade, as Chinese students represent by far the largest single contingent of foreign undergraduates.[20] Universities have also been aware of the concentration risk this creates. In 2017, the University of Illinois took out an insurance policy specifically to cover the risk of a drop in Chinese student enrollment.[21]

To put the undergraduate tuition number in perspective, as shown in Appendix C, the peak year for Chinese money flowing into U.S. universities through contracts and gifts was 2018, in which universities reported a total of $700 million. As noted above, this is likely under-reported, but even if we double the reported number it doesn't approach the (minimum) $3 billion in tuition, room and board that Chinese students were likely paying to U.S. universities before the pandemic, nor does it equal the $2 billion they are paying now. As the University of Illinois example well illustrates, the CFOs of our major universities are acutely aware of the importance of continuing to enroll a large and, ideally, growing number of undergraduate students from China.[22]

Chinese graduate students and researchers are an even more potent economic force. As shown in Appendix B, graduate students from China have totaled around 140,000 for over a decade, and that number remained relatively steady during the pandemic even as undergraduate enrollment fell. Graduate researchers are essential to university revenues because they make it possible for the universities to staff federal research grants; without that labor force, a major university's revenues will evaporate. In 2021, Johns Hopkins, our top R&D university in federal dollar terms, had a total tuition revenue of $700 million, representing just eleven percent of its total operating budget of $6.4 billion. About half of that operating budget came from federal research grants – which depend on graduate researchers of adequate number and quality.[23] Graduate students from China represent perhaps 15-20% of all U.S.-based STEM graduate students, and are the largest foreign contingent, just ahead of India.[24] In this way, Chinese graduate students are critical to the largest source of research university revenues. The concentration of this risk is uneven – some universities have labs with few or no Chinese researchers, while others have some labs staffed almost entirely by Chinese nationals.

The roughly 300,000 undergraduate and graduate students from China represent a massive presence both financially and socially, providing the CCP with financial leverage and a point of access to nearly every significant American campus. The CCP's objectives and range of techniques for monitoring[25] and leveraging

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[20] https://opendoorsdata.org/data/international-students/enrollment-trends/

[21] https://www.insidehighered.com/news/2018/11/29/university-illinois-insures-itself-against-possible-drop-chinese-enrollments

[22] It is, for most universities, a myth that students from China and other foreign countries "pay sticker price" and therefore significantly subsidize American students. In some cases of course this is true – acutely at our elite universities. But for a typical school, the discount rate for foreign students is often the same as it is for American students, i.e., 50% or more off "sticker price." If we factor in the much-higher cost of recruiting and managing these students, the cross-subsidy may be small or negative. Nevertheless - as any university CFO can tell you - "the money is all green."

[23] https://finance.jhu.edu/reports_guides/financial_statements.html

[24] https://cset.georgetown.edu/publication/estimating-the-number-of-chinese-stem-students-in-the-united-states/

[25] NYT: On Campuses Far From China, Still Under Beijing's Watchful Eye, Foreign Policy: China's Long Arm Reaches Into American Campuses – Foreign Policy,

the presence of Chinese students on western campuses is beyond the scope of what could be covered here, but as a general matter we can say that American university leaders almost never criticize China,[26] and there are many documented instances of universities working to tone down professors and students who cross China in some way.[27] Given how critical Chinese graduate researchers are to university operations, it is also likely that university administrators are at least tempted to turn a blind eye to noncompliance in areas of grants administration, documentation of intellectual property rights and so on. And there is plenty of evidence, discussed below, that U.S. universities don't want the full extent of their relationships in the PRC to be known.

None of this is to diminish the importance of contracts and gifts from China. These will be discussed in answer to Question 2.

Question 2. What can one say about the volume, distribution, and impact of China-origin money within U.S. colleges and universities? What data is publicly available, and what limitations to that data exist?

I will answer the first question here (China-origin money) and address the second question (data availability and limitations) in my response to Question 3.

Publicly available data on contracts and gifts from sources in China are better seen than described, so I will briefly describe some key points and encourage Commissioners to skim graphics in noted appendices for the big picture, and lists in noted appendices for some very interesting specifics. The two best sources for this information are a Sec. 117 data set current through October 17th, 2022[28] which, for reasons described in answer to Question 3, contains very little detail about each transaction; and that has far fewer transactions but considerably more detail on the source of each transaction.[29]

First, as noted above and reflected in Appendix C, reported money from sources in China peaked in 2018 at $700 million. This was eight times its 2010 level. 2019 totals were above $600 million, followed by a fall to just below

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[26] Even when announcing the closure of their Confucius Institutes, U.S. university leaders almost invariably went to great lengths to praise the years of productive collaboration and, in most cases, announce the start of a new partnership with a Chinese "sister university." See Foundation for Defense of Democracies, supra. (https://www.fdd.org/analysis/2021/12/09/the-middle-kingdom-meets-higher-education/)

[27] FIRE has a helpful tracker of university responses to Chinese censorship. (https://www.thefire.org/research-learn/tracker-university-responses-chinese-censorship). Here are a few examples and resources on the issue.

1. Even on U.S. Campuses, China Cracks Down on Students Who Speak Out — ProPublica
2. VOA: China-Sensitive Topics at US Universities Draw More Online Harassment | Voice of America - English
3. WaPo: China vs. free speech: What campus clashes in Australia and New Zealand show about Beijing's growing influence
4. Columbia Cancels Tibet Panel - Students for a Free Tibet
5. FIRE: Fordham student punished for holding gun in Instagram photo memorializing Tiananmen Square massacre
6. The Guardian: Queensland student Drew Pavlou's suspension reduced but will remain out of university until 2021
7. NPR: Chinese Student's Commencement Speech In U.S. Isn't Going Over Well In China : The Two-Way : NPR
8. Support for Hong Kong on U of G cannon sparks campus conflict
9. University in England bans Tibetan flag after Chinese student threatened to inform embassy
10. FP: China's Long Arm Reaches Into American Campuses
11. Tiffert: Compromising the Knowledge Economy Authoritarian Challenges to Intellectual Inquiry

[28] "Section 117 of the Higher Education Act - Public Records Foreign Funding Disclosure Reports Data Sources: Foreign Gifts and Contracts Reporting System (new data) and Postsecondary Education Participants System (legacy data) Date Range: All public records (through 10/17/2022)" available here: https://sites.ed.gov/foreigngifts/files/2022/12/Section-117_Public-Records_complete_10-17-22.xlsx

[29] "Foreign Gift and Contracts Report with Date Range 01/01/2014 to 06/30/2020 Grouped by: OPEID, State, Foreign Gift Received Date Data Source: Postsecondary Education Participation System 10/19/2020." Available here: https://studentaid.gov/sites/default/files/ForeignGifts.xls

$400 million in 2020 – at least as far as what has been reported to date. The numbers for the first half of 2022 are so low (just over $100m) as to raise doubts about whether universities are fully reporting – or if perhaps they have begun to structure money flows in such a way that reporting is not required. As discussed in answer to Question 3, this is not hard to do.

Second, the flow of money from sources in China is highly concentrated in elite universities – but hundreds of our universities report at least some money from sources in China and Hong Kong. As reflected in Appendix E, Harvard collected a total of just under $400 million in the decade from 2013 to 2022, easily claiming the top spot. Yet Yale took in $284 million, Stanford $210 million, NYU $178 million, USC $178 million, Penn $170 million, MIT $164 million, U-Chicago $153 million, Columbia $138 million, and UCLA rounds out the top ten at $104 million. Collectively, the top ten took in about $2 billion. Beyond the top ten, about 500 colleges and universities report having received at least something from China: in the same decade, all schools combined received $3.7 billion in 6,361 transactions with 501 institutions, meaning that the bottom 490 institutions split $1.7 billion between them over the course of a decade.[30] If this data can be trusted, the median school got $340,000 per year from sources in China.

Third, there are many concerning research relationships between U.S. universities and Chinese entities. As an example, Appendix F lists all money from Huawei and its affiliates. As noted above, Huawei is China's biggest R&D spender, and Appendix F reflects the extent to which that work depends upon our institutions for its success. Between 2014 and 2019, the only years for which we have source names in the public data, Huawei spent $26 million in 75 separate transactions with 16 of our top research universities, including Cal Tech, Cornell, MIT, Ohio State, Princeton, U.C.-Berkeley, UCLA, U.T.-Austin, and the University of Washington – with which Huawei had a particularly close working relationship, researching Augmented and Virtual Reality in an institute funded in equal parts by Huawei, Facebook and Google.[31]

Fourth, there are hundreds of reported payments to U.S. universities from universities in China, reflecting the fact that major U.S. universities almost all have "sister university" relationships with leading institutions in China. Because a full reflection of those payments is too big even for an Appendix, Appendix G reflects only the contracts and payments from universities in China with known ties to the People's Liberation Army, as reflected in the analysis of the Australian Strategic Policy Institute's China Defence University Tracker.[32] This data is only for the years 2014-2019, where source names are sometimes disclosed. Twenty-four research universities in the U.S. reported significant payments from military-linked Chinese universities, including three payments worth $1.3 million to the University of Michigan-Ann Arbor from the Harbin Engineering University, one of China's "Seven Sons of National Defense." In all, these schools took in $71 million, presumably to support joint research initiatives where the American and Chinese universities' capabilities were complementary.

Fifth, there are about 200 transactions between U.S. universities and organs of the Chinese government *other* than Chinese universities. These events are heavily under-reported as discussed above in the example of SUNY-Buffalo, but nevertheless the public data shows that in the years 2014-2019, U.S. universities took in $49 million from these sources. Most of the transactions are connected to Confucius Institutes, as some U.S. schools did choose to report at least some of this money, but some of the transactions are with national laboratories or research centers in China. Some are inscrutable - e.g., NYU lists four transactions collectively worth $1.8 million as having come simply from "Government."

[30] Based on university self-reporting under Sec. 117 as of October 17th, 2022 (https://sites.ed.gov/foreigngifts/files/2022/12/Section-117_Public-Records_complete_10-17-22.xlsx)
[31] https://siliconangle.com/2018/01/08/university-washington-opens-6m-vr-research-lab-funded-facebook-google-huawei/
[32] Questions on this topic are best directed to Alex Joske, who was centrally involved in creating this online resource: https://unitracker.aspi.org.au/

Sixth, we can say that each of the categories above – government and university payments, payments from Huawei and other sanctioned entities, and more – are massively understated, probably by several multiples. This is because until 2020, the most elite universities declined to name the sources of their foreign money when they filled out the Department of Education's Sec. 117 disclosure form, instead leaving it blank or writing "Anonymous." This practice is clearly reflected in the data set for 2014-2019, where the vast majority of American schools supplied source names as requested, but most of the top money-getters from China (as noted in Appendix E) declined to name some or all of their sources. Appendix H thus lists $1.1 billion in transactions with sources in China that the universities declined to name. There are 947 such transactions with 33 U.S. universities, including eight of the top recipients of Chinese funds. As a result, we still have no public record of sources for much of the Chinese funding that went to Harvard, Yale, Stanford, NYU, USC, Penn, MIT, The University of Chicago and over 20 others.

Seventh, all helpful details relating to Chinese money in U.S. universities disappeared from public view starting in 2020 – which is why the discussion of various source types above always makes reference only to the period from 2014-2019. For reasons discussed below, university disclosures to the U.S. Department of Education have increased in their detail and probably their accuracy, but the Department no longer makes most of those details available to the public. The most recent data set (here)[33] is largely blank fields, with only the date, amount, and country of origin shown for the subset of transactions that must be reported under Sec. 117. Given the decline in money being reported (See Appendix C), it appears universities are either receiving less money from sources in China, or receiving money in ways that they believe do not have to be reported.

Question 3. Please explain the process and requirements for universities to disclose foreign donations to the U.S. Department of Education. How compliant are institutions with Section 117? What is the timeline for reporting and are there penalties for not reporting or reporting late?

A full answer to this question extends into the darker regions of administrative law, and I have provided a more detailed treatment here.[34] For present purposes, the answers are relatively simple.

a) At least twice a year (July 31st and Jan. 31st) universities must report all money received from foreign sources totaling over $250,000 in a calendar year. This is entered into a form administered by Federal Student Aid, a branch of the U.S. Department of Education.

b) University compliance was highly variable until late 2019, when the U.S. Department of Education made a significant effort to enforce universities' disclosure obligations. Those efforts are reflected here.[35] Universities then scrambled to find current and historical transactions with foreign sources, as reflected in Appendix J. That Appendix shows transactions that took place between 2013 and 2018 but were never reported until 2020 or later. Because of the new public reporting format, the data has no source names, and reflects about 500 transactions with sources in China and Hong Kong totaling $394 million.

c) There is no way to know how compliant universities have been since 2021, as all Department of Education investigations and enforcement activity in this area appear to have ceased and all Sec. 117 investigations were terminated on undisclosed terms.[36] It is true that university disclosures have fallen, which could be reflective of noncompliance, or it could be that universities have simply ordered their arrangements so as to eliminate their reporting obligations under Sec. 117.

[33] https://sites.ed.gov/foreigngifts/files/2022/12/Section-117_Public-Records_complete_10-17-22.xlsx
[34] https://thescif.org/part-i-foreign-money-in-u-s-universities-44ba92856a0f
[35] https://www2.ed.gov/policy/highered/leg/foreign-gifts.html
[36] https://www.cogr.edu/sites/default/files/081622%20FINAL%20August%202022%20ED%20letter%20on%20117%20follow%20up.pdf

d) There are no fines or statutory penalties for non-reporting or late reporting, and indeed universities regularly report transactions many years after the fact with no repercussions as noted at (b) above. The entire statutory provision relating to the issue of enforcement and costs reads as follows:[37]

> Whenever it appears that an institution has failed to comply with the requirements of this section . . . a civil action may be brought . . . in an appropriate district court of the United States . . . to request such court to compel compliance with the requirements of this section.
>
> For knowing or willful failure to comply with the requirements of this section . . . an institution shall pay to the Treasury of the United States the full costs to the United States of obtaining compliance, including all associated costs of investigation and enforcement.
>
> 20 U.S.C. 1011f(f)(1)-(2)

The terms of any resolutions that may have been reached with universities in connection with any investigations conducted under Sec. 117 have not been made public. Notice, however, that costs are recoverable only for a "knowing or willful failure to comply" – so ignorance in this case is a complete defense, at least as far as costs go. The cost of defending an investigation is not small, however, and in truth those costs are the real incentive for universities to comply with Sec. 117 – but only if universities believe that investigations may occur. There is no public evidence that any investigations have commenced during the current administration.

Question 4. What office within the Department of Education is responsible for overseeing foreign disclosures? Please describe the Department of Education's authorities to provide oversight of institutional compliance with Section 117, and identify any related limitations in these authorities.

Sec. 117 does not state which office within the Department of Education should administer or enforce its terms, leaving the Secretary to arrange this as she or he sees fit. Perhaps because universities' regular interactions with the Department are with the Office of Federal Student Aid, that office has always administered the system that collects disclosures under Sec. 117. Until recently, however, the Office of General Counsel reviewed Sec. 117 data and enforced the statute. Late last year, the whole program was moved to Federal Student Aid[38] – both collection and enforcement. The considerable problems with moving a program of this type to an office within ED that has no investigatory or enforcement capabilities are outlined in a comment letter[39] written by former officials with detailed knowledge of Sec. 117 enforcement. In short, the move to Federal Student Aid reduces the likelihood and efficacy of enforcement.

As noted above, the Department does have some enforcement authorities, though no penalties attach to noncompliance – only recovery of costs, and then only for willful or knowing noncompliance. Generally, the Department of Education can investigate when it has reason to believe a university is not in compliance with its disclosure obligations. Previous to 2020, this was quite difficult to do, since the Department had nothing but the universities' own disclosures to go on. In some cases, it is possible to compare a university's public statements

[37] 20 U.S.C. 1011f(f)(1)-(2), (https://www.govinfo.gov/content/pkg/USCODE-2018-title20/pdf/USCODE-2018-title20-chap28-subchapI-partB-sec1011f.pdf)

[38] https://www.cogr.edu/sites/default/files/081622%20FINAL%20August%202022%20ED%20letter%20on%20117%20follow%20up.pdf

[39] https://dfipolicy.org/wp-content/uploads/2023/02/Public-Comment-Diminished-Sec.-117-Enforcement-by-ED-Docket-No-ED-2022-SCC-0159.pdf

about foreign partnerships with its Sec. 117 disclosures, but this is an inefficient and uncertain enforcement mechanism.

To provide the Department with greater visibility into universities' foreign funding, the system was revamped in 2020 to require universities to disclose more information than before. At the same time, however, the amount of information made public was significantly reduced. Details on this process are laid out in a 2020 Electronic Announcement[40] from Federal Student aid, with details on reporting requirements[41] and answers to frequently asked questions.[42]

The current state appears to be this: the Department of Education has a large amount of data in its possession detailing the specifics of transactions with foreign sources, but that kind of information is not freely shared between government agencies. As a result, it is likely that agencies outside the Department of Education do not have access to this important data.

Inter-agency data sharing does not happen easily – the exchange of information between agencies takes place pursuant to protocols and agreements that must be developed in accordance with administrative rules. Critical Sec. 117 data will only be shared with, e.g., the State Department, F.B.I. and other agencies if the current administration makes significant efforts to this end. The Department's near-total inaction on matters related to Sec. 117 suggests that no such thing has happened, which means that the details of our universities' collaborations with foreign sources have effectively been sequestered for over two years.

Question 5. How well are U.S. universities positioned to conduct "due diligence" of their ties with China?

Anyone who has been solicited for a charitable donation to an American college or university knows that their development offices' systems of recordkeeping and administration are formidable. When it comes to gifts, universities know exactly where their money comes from.

As to contracts, there are – as discussed in examples at the top of this paper – significant resources and administrative structures at our research universities devoted to compliance, accounting and controls. Universities know exactly who their contracting counterparties are. Moreover, each university – like any nonprofit – files an IRS Form 990 each year, on which the school must report money from foreign governments.

More fundamentally, research universities have always had extensive compliance obligations attendant to their receipt of research funds from agencies like the NIH and NSF. Those obligations have recently been enhanced with the most recent CHIPS and Science Act[43] under which foreign support above $50,000 must be disclosed to the NSF.[44] (Notably, the statute does not address whether the NSF should make that information public.) Given this, universities are gearing up their administrative and compliance capabilities, and the effect should be an even better capability to capture detail about foreign collaborations and foreign funding sources.

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[40] https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2020-06-22/reminder-report-ownershipcontrol-and-contractsgifts-foreign-sources

[41] https://fsapartners.ed.gov/sites/default/files/attachments/2020-06/062220ReminderRprtOwnerContrlContrctsGiftsForeignSrcAppendixA.docx

[42] https://fsapartners.ed.gov/sites/default/files/attachments/2020-06/062220ReminderRprtOwnerContrlContrctsGiftsForeignSrcAppendixB.docx

[43] https://www.bennet.senate.gov/public/_cache/files/4/0/40919cb4-ff63-4434-8ae2-897a4a026b30/7BCDD84F555A6B85BEC800514F1D3AFD.chips-and-science-act-of-2022-section-by-section.pdf

[44] From the Senate summary of the relevant provision:
Sec. 10339B. Foreign financial support. Directs the Foundation to collect annual summaries of foreign financial support from universities and authorizes the Foundation to request copies of contracts or documentation related to such disclosures. The provision establishes a reporting threshold of $50,000 or more, including gifts and contracts, received directly or indirectly from a foreign source.

So universities know their research partners and funding sources – but understanding how those partners and sources relate to systems of malign influence and interference is another matter entirely. Universities are no better equipped than corporations to assess this sort of thing. In the corporate context, highly specialized consultancies help companies identify "politically exposed persons" (largely in the context of Foreign Corrupt Practices Act compliance) and otherwise assess at least some risks of this nature. In the university context, schools would need to collaborate at the vetting stage with government resources with knowledge of U.S. national interests, CCP tactics, its front organizations and its affiliates. Nothing like this happens today as common practice, though some top research universities are likely making progress.

Question 6. The Commission is mandated to make policy recommendations to Congress based on its hearings and other research. What are your recommendations for Congressional action?

1. Congress should pressure the U.S. Department of Education to put necessary information-sharing arrangements in place with law enforcement and intelligence agencies as soon as possible to provide those agencies with all Sec. 117 data shared to date by U.S. universities.

2. Universities should be required to vet with a competent organ of the U.S. federal government incoming contracts and gifts which they have a reasonable basis to believe are or could be coming from sources in or affiliated with the People's Republic of China.

3. Transactions and partnerships with the CCP, its entities or known affiliates should be barred.

4. Universities should be required to disclose all money from foreign sources above $10,000, and full details of those transactions should be made public except under defined circumstances.

5. Management of the disclosure program should be moved from the U.S. Department of Education, whose mandate does not involve foreign policy, to an agency more appropriate to the task – e.g., Treasury or the Office of the Director of National Intelligence.

6. The United States should fund and support an increase in the talent pipeline of STEM graduate students from the United States and potentially other countries so that our universities can continue their critical research work with less dependence on talent from the PRC.

APPENDIX A: All foreign contracts and gifts as reported by UC-San Francisco, 2019

Based on a Sec. 117 data set available on the Federal Student Aid website, covering the time period from January 1st 2014 through June 30th, 2020.[45]

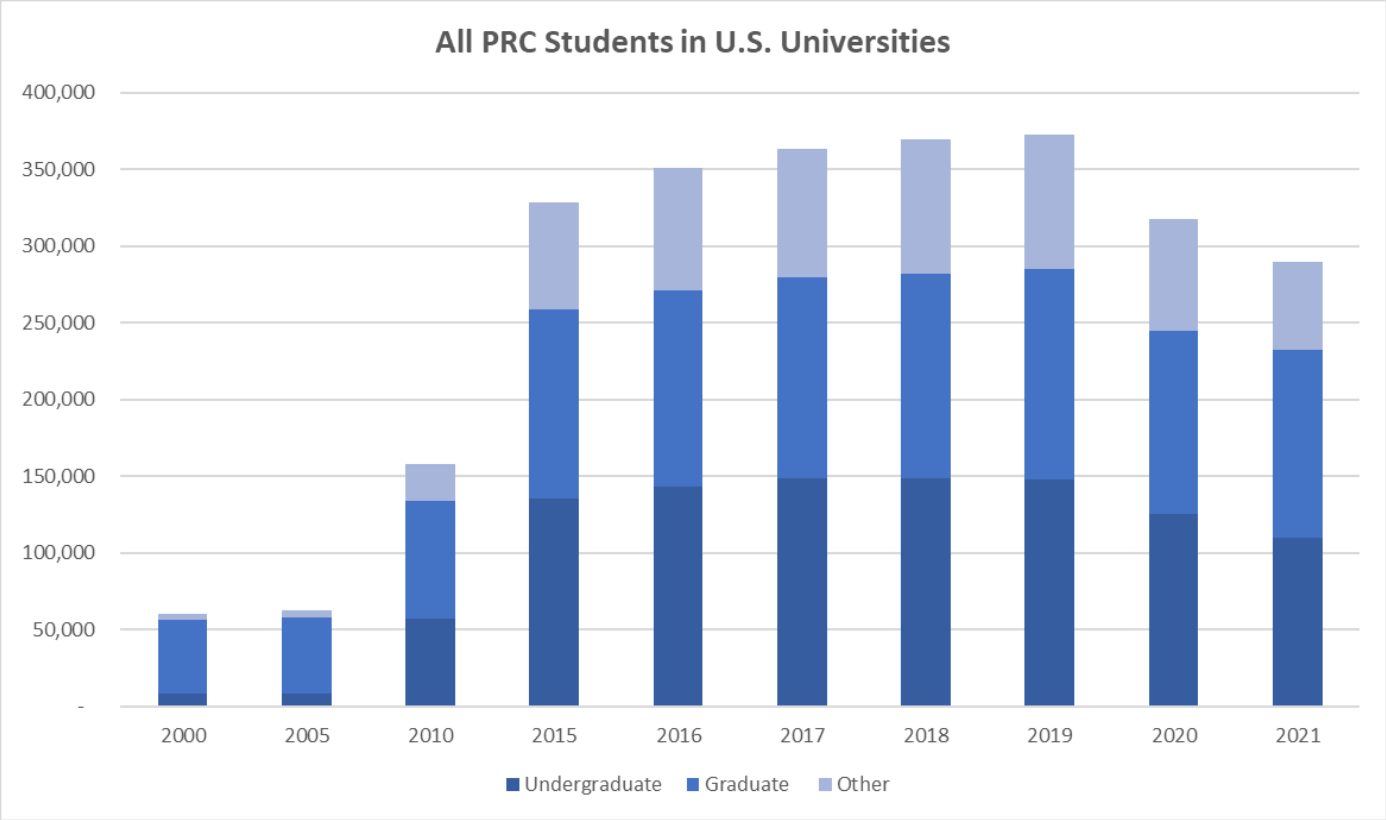
	Source	Amount	Type	Country
1	Astra Zeneca UK Limited	$1,013,624	Contract	ENGLAND
2	AstraZeneca LP	$1,838,222	Contract	ENGLAND
3	Bayer AG	$251,063	Contract	GERMANY
4	Centre Natl de la Recherche Sci.	$255,707	Contract	FRANCE
5	Chau Hoi Shuen Foundation	$376,066	Gift	HONG KONG
6	Chau Hoi Shuen Foundation, Ltd.	$376,065	Gift	HONG KONG
7	Clementia Pharmaceuticals Inc.	$614,561	Contract	CANADA
8	Clementia Pharmaceuticals Inc.	$602,008	Contract	CANADA
9	CPB Equity Co., Ltd.	$1,000,000	Gift	THAILAND
10	CPB Equity Co., Ltd.	$1,500,000	Gift	THAILAND
11	Ctr for Infectious Disease Zambia	$262,702	Contract	ZAMBIA
12	Daiichi Sankyo Co. Ltd.	$3,000,000	Contract	JAPAN
13	Daiichi Sankyo Co., Ltd.	$3,291,578	Contract	JAPAN
14	Euro Health Group AS	$417,010	Contract	DENMARK
15	F. Hoffman-LaRoche, Ltd.	$351,949	Contract	SWITZERLAND
16	F. Hoffmann-La Roche Ltd.	$450,000	Contract	SWITZERLAND
17	Glaxo Smith Kline	$18,179,408	Contract	ENGLAND
18	International General Ins. Company	$250,000	Gift	JORDAN
19	International General Insurance Co	$250,000	Gift	JORDAN
20	Kahn Foundation	$299,985	Gift	ISRAEL
21	MedDay	$255,373	Contract	FRANCE
22	MedDay	$590,835	Contract	FRANCE
23	Mitsubishi	$256,073	Contract	JAPAN
24	Mitsubishi	$291,202	Contract	JAPAN
25	Mr. Chuanwei Dexter Lu	$250,000	Gift	HONG KONG
26	Mr. Henry S. Sy Sr.	$300,000	Gift	PHILIPPINES
27	Mr. Wasef Jabsheh, CEO	$250,000	Gift	JORDAN
28	Nihon Kohden	$261,160	Contract	JAPAN
29	Novartis AG	$909,814	Contract	SWITZERLAND
30	Novo Nordisk	$1,554,000	Contract	DENMARK
31	ONO Pharmaceutical Co. Ltd.	$251,643	Contract	JAPAN
32	Samsung Electronics Co, Ltd.	$548,168	Contract	KOREA
33	Sanofi US Services Inc.	$398,264	Contract	FRANCE
34	Sansanee Chaiyaroj	$418,000	Gift	THAILAND
35	ShangPharma Innovation, Inc.	$319,745	Contract	CHINA
36	Swedish Orphan Biovitrum AB	$296,123	Contract	SWEDEN
37	Tasly Pharmaceuticals, Inc.	$1,540,240	Contract	CHINA
38	Trex Bio Limited	$783,411	Contract	ENGLAND

[45] https://studentaid.gov/sites/default/files/ForeignGifts.xls

39	Trex Bio Limited	$838,371	Contract	ENGLAND
40	Zenith Epigenetics Ltd.	$484,020	Contract	CANADA
	TOTAL	**$45,376,390**		

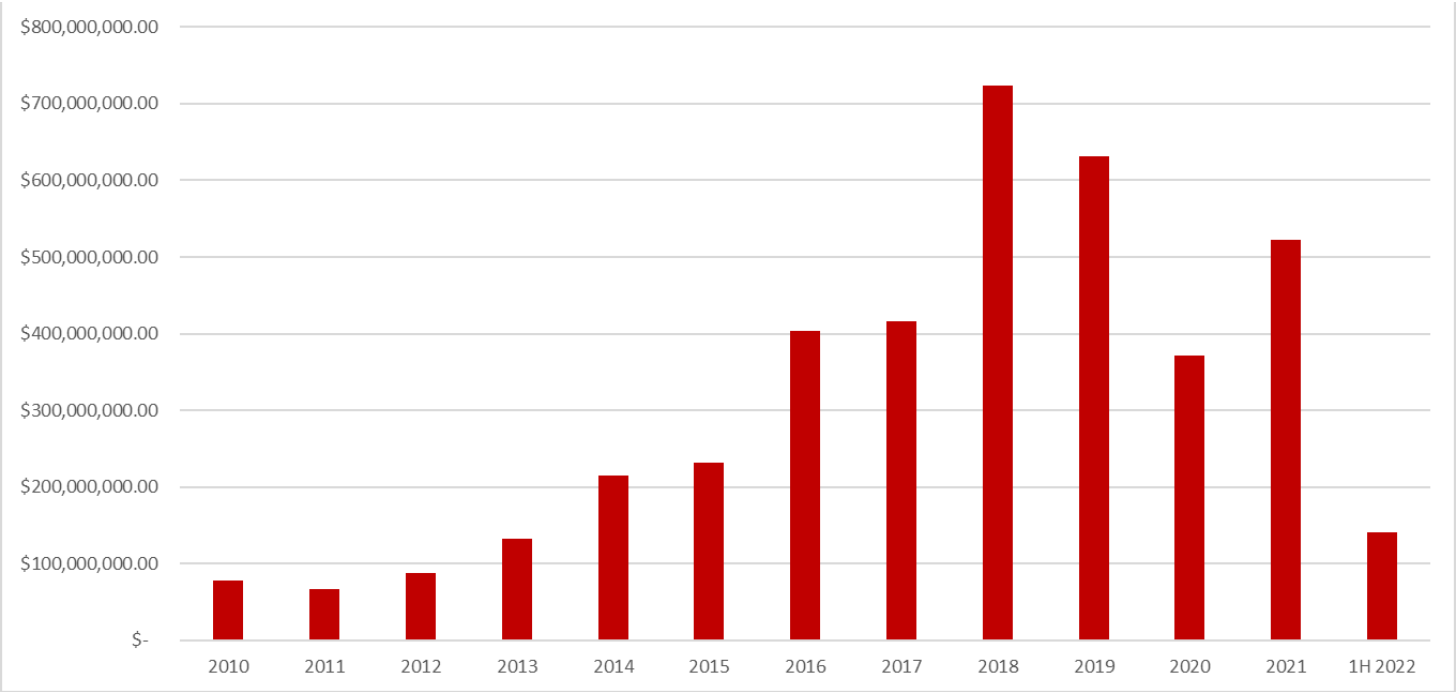
APPENDIX B: Enrollment of PRC Students in U.S. Universities, 2000-2021

Data drawn from IIE Open Doors[46]

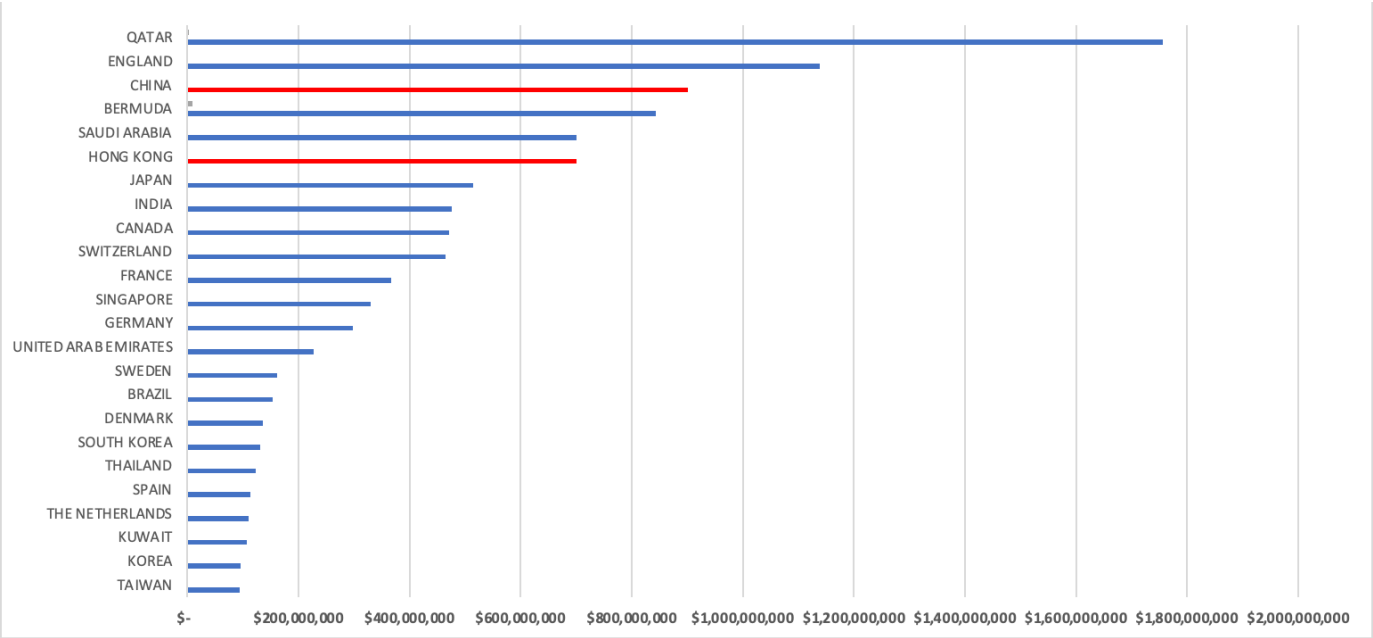


[46] https://opendoorsdata.org/data/international-students/academic-level-and-places-of-origin/

APPENDIX C: All money from China and Hong Kong reported by U.S. universities, 2010-2022
Based on the Sec. 117 data set available on the U.S. Department of Education website, current through October 17th, 2022



APPENDIX D: All foreign money reported by U.S. universities by country, 2014 – 2019
Based on a Sec. 117 data set available on the Federal Student Aid website, covering the time period from January 1st 2014 through June 30th, 2020



APPENDIX E: Top 50 U.S. university recipients of money from sources in China and Hong Kong, 2013-2022

Based on the Sec. 117 data set available on the U.S. Department of Education website, current through October 17th, 2022

	University	Total	
1	Harvard University	$	396,420,265.45
2	Yale University	$	284,580,302.50
3	Stanford University	$	210,163,808.74
4	New York University	$	178,820,409.40
5	University of Southern California	$	178,603,657.80
6	University of Pennsylvania	$	170,752,051.63
7	MIT	$	164,394,882.00
8	University of Chicago (The)	$	153,725,241.26
9	Columbia University in the City of New York	$	138,967,588.00
10	UC-Los Angeles	$	104,154,552.00
11	UC-Berkeley	$	96,440,148.00
12	Cornell University	$	85,181,815.00
13	Rochester Institute of Technology	$	79,095,953.00
14	University of Illinois	$	71,424,903.00
15	Arizona State University	$	66,642,030.38
16	University of Texas MD Anderson Cancer Center	$	65,485,640.00
17	University of Michigan - Ann Arbor	$	64,470,705.54
18	Princeton University	$	64,026,871.00
19	Kean University	$	50,529,499.76
20	Cal Tech	$	41,175,150.14
21	Bryant University	$	39,979,722.92
22	Carnegie Mellon University	$	38,394,435.00
23	University of North Dakota	$	36,811,757.35
24	UC-San Francisco	$	35,777,340.36
25	Whittier College	$	35,300,000.00
26	University of Houston	$	34,140,695.00
27	Chamberlain University	$	32,910,110.00
28	Duke University	$	31,263,628.22
29	University of Massachusetts Medical School	$	26,331,838.74
30	UT- Austin	$	25,341,776.26
31	Spartan College of Aeronautics and Technology	$	25,131,510.00
32	Brown University	$	24,956,601.65
33	Ball State University	$	22,829,385.50
34	University of Arizona (The)	$	21,713,131.80

35	Rutgers, the State University of New Jersey	$	21,232,588.00
36	Northwestern University	$	20,566,014.73
37	Georgia Institute of Technology	$	19,645,032.00
38	Johns Hopkins University	$	19,431,836.79
39	UC-San Diego	$	19,054,083.09
40	Missouri State University	$	17,063,761.42
41	New York Institute of Technology	$	15,269,144.90
42	Texas A&M University	$	15,264,930.00
43	Georgetown University	$	15,071,091.00
44	UT- Arlington	$	14,144,246.00
45	Ohio State University	$	13,293,410.43
46	Tulane University	$	12,604,884.00
47	UC-Irvine	$	12,179,470.00
48	U-Illinois Chicago	$	12,158,065.36
49	University of Louisville	$	11,830,017.00
50	University of Kentucky	$	10,508,590.00

APPENDIX F: All reported money from Huawei and its affiliates (2014-2019)

Based on a Sec. 117 data set available on the Federal Student Aid website, covering the time period from January 1st 2014 through June 30th, 2020

U.S. University	Date	Amount	Type	Source
Cal Tech	10/09/2018	$90,000.00	Gift	Huawei Technologies
Cal Tech	12/06/2018	$160,000.00	Gift	Huawei Technologies
Cal Tech	03/01/2019	$179,990.00	Gift	Huawei Technologies
Cal Tech	12/30/2019	$90,000.00	Gift	Huawei Technologies
Cornell University	01/14/2016	$60,000.00	Gift	Huawei Technologies Co. Ltd
Cornell University	08/18/2016	$118,413.00	Gift	Huawei Technologies Co. Ltd
Cornell University	12/05/2016	$174,830.00	Gift	Huawei Technologies Co. Ltd
Cornell University	01/19/2017	$60,000.00	Gift	Huawei Technologies Co. Ltd
Cornell University	04/17/2017	$118,413.00	Gift	Huawei Technologies Co. Ltd
Cornell University	06/22/2017	$98,879.00	Gift	Huawei Technologies Co. Ltd
Cornell University	08/02/2017	$98,000.00	Gift	Huawei Technologies Co. Ltd
Cornell University	10/23/2017	$1,452,918.00	Contract	HUAWEI INVESTMENT & HOLDING CO. LTD
Cornell University	11/30/2017	$3,918,010.00	Contract	HUAWEI INVESTMENT & HOLDING CO. LTD
Cornell University	11/30/2017	$98,880.00	Gift	Huawei Technologies Co. Ltd
Cornell University	07/27/2018	$98,880.00	Gift	Huawei Technologies Co. Ltd
Cornell University	08/15/2018	$35,000.00	Gift	Huawei Technologies Co. Ltd
Cornell University	09/21/2018	$35,000.00	Gift	Huawei Technologies Co. Ltd
Cornell University	12/05/2018	$98,880.00	Gift	Huawei Technologies Co. Ltd
MIT	12/20/2017	$500,000.00	Gift	HUAWEI TECHNOLOGIES CO.
Ohio State University	01/04/2016	$96,867.00	Contract	Huawei Technologies Co.
Ohio State University	02/23/2016	$350,000.00	Contract	Huawei Technologies Co.
Ohio State University	06/28/2016	$299,939.00	Contract	Huawei Technologies Co.
Ohio State University	01/31/2017	$90,210.00	Gift	Huawei Technologies Co
Ohio State University	02/06/2017	$36,290.00	Gift	Huawei Technologies Co
Ohio State University	07/03/2017	$360,000.00	Gift	Huawei Technologies Co
Princeton University	07/15/2017	$150,000.00	Gift	Huawei Technologies, Ltd.
Princeton University	12/15/2017	$124,990.00	Gift	Huawei Technologies, Ltd.
University of Arizona (The)	10/23/2017	$347,641.00	Contract	Huawei Technologies Company, Ltd.
UC-Berkeley	12/31/2014	$385,000.00	Gift	Huawei Technologies Co., Ltd.

UC-Berkeley	05/08/2015	$580,000.00	Gift	Huawei Technologies Co., Ltd.
UC-Berkeley	02/09/2016	$245,000.00	Gift	Huawei Technologies Co., Ltd.
UC-Berkeley	09/20/2016	$900,000.00	Gift	Huawei Technologies Co, LTD
UC-Berkeley	02/07/2017	$500,000.00	Gift	Huawei Technologies Co., Ltd
UC-Berkeley	02/14/2018	$500,000.00	Gift	Huawei Technologies Co., Ltd.
UC-Berkeley	10/18/2018	$440,000.00	Gift	Huawei Technologies Co., Ltd.
UC-Berkeley	02/22/2019	$2,983,860.00	Gift	Futurewei Technologies, Inc.
UC-Berkeley	03/13/2019	$300,000.00	Gift	Huawei Technologies Co., Ltd.
UC-Los Angeles	05/31/2016	$150,000.00	Gift	Huawei Technologies, USA
UC-Los Angeles	10/26/2017	$149,900.00	Gift	HUAWEI TECHNOLOGIES CO
UC-Los Angeles	01/12/2018	$49,990.00	Gift	Huawei Technologies
UC-Los Angeles	01/30/2018	$149,990.00	Gift	Huawei Technologies
U-Illinois Chicago	12/20/2018	$500,000.00	Contract	FutureWei Technologies Inc
University of Illinois	12/11/2015	$290,000.00	Contract	Huawei Technologies Co Ltd
University of Illinois	08/31/2017	$599,990.00	Contract	Huawei Technologies Co
University of Illinois	11/09/2018	$251,423.00	Contract	Huawei Technologies Co
University of Maryland	01/18/2018	$65,779.00	Gift	Huawei Technologies Company Inc
University of Maryland	02/28/2018	$49,990.00	Gift	Huawei Technologies Company Inc
University of Maryland	04/13/2018	$213,562.00	Gift	Huawei Technologies Company Inc
UT- Austin	01/25/2018	$50,000.00	Contract	Huawei Technologies Co., Ltd
UT- Austin	06/20/2018	$124,712.00	Contract	Huawei Technologies Co., Ltd
UT- Austin	06/20/2018	$124,990.00	Contract	Huawei Technologies Co., Ltd
UT- Austin	06/20/2018	$125,000.00	Contract	Huawei Technologies Co., Ltd
UT- Austin	06/21/2018	$124,981.00	Contract	Huawei Technologies Co., Ltd
UT- Austin	06/25/2018	$124,768.00	Contract	Huawei Technologies Co. Ltd
UT- Austin	06/25/2018	$126,096.00	Contract	Huawei Technologies Co. Ltd
UT- Austin	06/26/2018	$125,523.00	Contract	Huawei Technologies Co., Ltd
UT- Austin	09/12/2018	$29,990.00	Gift	Huawei Software Technologies Co. Lt
UT- Austin	10/04/2018	$79,990.00	Gift	Huawei Software Technologies Co. Lt
UT- Dallas	07/25/2015	$35,190.00	Contract	Huawei Technologies Co Ltd
UT- Dallas	07/25/2015	$129,201.00	Contract	Huawei Technologies Co Ltd
UT- Dallas	12/03/2015	$105,000.00	Gift	Huawei Technologies Co Ltd
University of Washington	03/26/2018	$1,099,990.00	Gift	Huawei Technologies, Co., Ltd
University of Washington	08/17/2018	$10,000.00	Gift	Huawei Technologies Co, Ltd
University of Washington	09/10/2018	$149,990.00	Gift	Huawei Technologies, Co., Ltd
University of Washington	11/13/2018	$33,977.00	Gift	Huawei Technologies, Co., Ltd
University of Washington	12/19/2018	$499,990.00	Gift	Huawei Technologies, Co., Ltd
University of Washington	12/31/2018	$529,990.00	Gift	Huawei Technologies, Co., Ltd
University of Washington	01/07/2019	$90,000.00	Gift	Huawei Technologies, Co., Ltd
University of Washington	01/22/2019	$499,990.00	Gift	Huawei Technologies, Co., Ltd
University of Washington	01/29/2019	$290,000.00	Gift	Huawei Technologies, Co., Ltd
University of Washington	03/29/2019	$1,099,990.00	Gift	Huawei Technologies, Co., Ltd
University of Washington	12/18/2019	$150,000.00	Gift	Futurewei
University of Washington	12/18/2019	$500,000.00	Gift	Futurewei

University of Wisconsin	12/11/2018	$267,498.00	Gift	Huawei Technologies Co Ltd
Virginia Tech	10/27/2014	$329,992.00	Contract	Huawei Technologies Co Ltd
Washington University in St. Louis	10/26/2015	$292,959.00	Contract	Huawei Technologies Co. Ltd
	TOTAL	**$25,796,321.00**		

APPENDIX G: U.S. university transactions with PRC universities with ties to the Chinese military

Based on a Sec. 117 data set available on the Federal Student Aid website, covering the time period from January 1st 2014 through June 30th, 2020. PRC-based universities are designated as Medium, High or Very High military/security risk based on connections with China's PLA or other military apparatus, as reflected in the Australian Strategic Policy Institute's China Defence Universities Tracker.[47]

U.S. University	Date	Amount	Country	PRC University
Arizona State University	08/26/2016	$628,425.00	CHINA	SAIF@Shanghai Jiaotong University [HIGH RISK]
Arizona State University	09/28/2016	$3,940.00	CHINA	SAIF@Shanghai Jiaotong University [HIGH RISK]
Arizona State University	11/18/2016	$17,495.00	CHINA	SAIF@Shanghai Jiaotong University [HIGH RISK]
Arizona State University	06/02/2017	$31,640.00	CHINA	SAIF@Shanghai Jiaotong University [HIGH RISK]
Arizona State University	06/02/2017	$31,640.00	CHINA	SAIF@Shanghai Jiaotong University [HIGH RISK]
Arizona State University	06/08/2017	$1,201,515.00	CHINA	SAIF@Shanghai Jiaotong University [HIGH RISK]
Arizona State University	06/08/2017	$1,201,515.00	CHINA	SAIF@Shanghai Jiaotong University [HIGH RISK]
Arizona State University	11/30/2017	$115,248.00	CHINA	SAIF@Shanghai Jiaotong University [HIGH RISK]
Arizona State University	08/06/2018	$771,328.00	CHINA	SAIF@Shanghai Jiaotong University [HIGH RISK]
Arizona State University	08/06/2018	$726,160.00	CHINA	SAIF@Shanghai Jiaotong University [HIGH RISK]
Arizona State University	01/22/2019	$268,555.00	CHINA	SAIF@Shanghai Jiaotong University [HIGH RISK]
Arizona State University	01/22/2019	$927,760.00	CHINA	SAIF@Shanghai Jiaotong University [HIGH RISK]
Arizona State University	04/09/2019	$287,625.00	CHINA	SAIF@Shanghai Jiaotong University [HIGH RISK]
Arizona State University	04/09/2019	$917,290.00	CHINA	SAIF@Shanghai Jiaotong University [HIGH RISK]
Arizona State University	05/06/2019	$1,006,725.00	CHINA	SAIF@Shanghai Jiaotong University [HIGH RISK]
Arizona State University	05/06/2019	$306,170.00	CHINA	SAIF@Shanghai Jiaotong University [HIGH RISK]
Babson College	11/16/2016	$15,000.00	CHINA	Xiamen University [MEDIUM RISK]
Babson College	12/31/2016	$50,000.00	CHINA	Xiamen University [MEDIUM RISK]
Babson College	12/31/2016	$50,000.00	CHINA	Xiamen University [MEDIUM RISK]
Babson College	03/30/2017	$50,000.00	CHINA	Xiamen University

[47] https://unitracker.aspi.org.au/

				[MEDIUM RISK]
Babson College	05/16/2017	$75,000.00	CHINA	Xiamen University [MEDIUM RISK]
Babson College	05/31/2017	$75,000.00	CHINA	Xiamen University [MEDIUM RISK]
Colorado State University	05/15/2017	$10,447.00	CHINA	Harbin Engineering University **[VERY HIGH RISK, SEVEN SONS OF NATIONAL DEFENSE]**
Colorado State University	12/31/2019	$19,800.00	CHINA	Hunan Univ [VERY HIGH RISK]
Cornell University	03/04/2014	$563,431.00	CHINA	Dalian University of Technology [MEDIUM RISK]
Frostburg State University	12/30/2019	$334,023.00	CHINA	Hunan University of Technology and [HIGH RISK]
Georgia Institute of Technology	07/08/2015	$285,000.00	CHINA	Tsinghua University [VERY HIGH RISK]
Georgia Institute of Technology	06/09/2016	$45,000.00	CHINA	TSINGHUA UNIVERSITY [VERY HIGH RISK]
Georgia Institute of Technology	06/23/2016	$500,000.00	CHINA	TSINGHUA UNIVERSITY [VERY HIGH RISK]
Northwood University	05/10/2019	$50,504.00	CHINA	Jilin University [VERY HIGH RISK]
Northwood University	05/31/2019	$4,858.00	CHINA	Jilin University [VERY HIGH RISK]
Northwood University	07/31/2019	$2,188.00	CHINA	Jilin University [VERY HIGH RISK]
Northwood University	09/13/2019	$230,132.00	CHINA	Jilin University [VERY HIGH RISK]
Northwood University	12/23/2019	$2,625.00	CHINA	Jilin University [VERY HIGH RISK]
Rochester Institute of Technology	03/21/2019	$1,106,675.00	CHINA	Beijing Jiaotong University [MEDIUM RISK]
Texas A&M University	03/20/2017	$419,000.00	CHINA	Ocean University of China [MEDIUM RISK]
Texas A&M University	11/08/2019	$419,000.00	CHINA	Ocean University of China [MEDIUM RISK]
Texas A&M University	08/16/2017	$7,930.00	CHINA	Ocean University of China [MEDIUM RISK]
Texas A&M University	11/27/2017	$419,000.00	CHINA	Ocean University of China [MEDIUM RISK]
University of Arizona (The)	01/01/2016	$630,000.00	CHINA	Ocean University of China [MEDIUM RISK]
University of Arizona (The)	01/01/2017	$1,112,000.00	CHINA	Ocean University of China [MEDIUM RISK]
University of Arizona (The)	04/09/2018	$672,307.00	CHINA	Ocean University of China [MEDIUM RISK]
University of Arizona (The)	11/23/2018	$917,325.00	CHINA	Ocean University of China [MEDIUM RISK]
University of Arizona (The)	05/06/2019	$907,321.00	CHINA	Ocean University of China [MEDIUM RISK]
University of Arizona (The)	11/13/2019	$924,827.00	CHINA	Ocean University of China [MEDIUM RISK]
University of Arkansas	06/30/2017	$353,165.00	CHINA	Soochow University [MEDIUM RISK]
UC-Los Angeles	10/31/2016	$12,000.00	CHINA	JILIN UNIVERSITY [VERY HIGH RISK]
UC-Los Angeles	10/29/2014	$93,281.00	CHINA	Shanghai Jiao Tong Univ Schl of Med [HIGH RISK]
University of Houston	05/16/2019	$56,000.00	CHINA	South China University of Technolog [MEDIUM RISK]

University of Houston	07/03/2019	$800.00	CHINA	THIRD MILITARY MEDICAL UNIVERSITY [VERY HIGH RISK]
U-Illinois Chicago	02/01/2017	$40,500.00	CHINA	Changchun University of Science an [HIGH RISK]
U-Illinois Chicago	02/01/2018	$81,000.00	CHINA	Changchun University of Science an [HIGH RISK]
U-Illinois Chicago	02/01/2019	$141,500.00	CHINA	Changchun University of Science an [HIGH RISK]
U-Illinois Chicago	01/01/2017	$130,000.00	CHINA	Institute of Tsinghua University [VERY HIGH RISK]
U-Illinois Chicago	01/01/2017	$26,000.00	CHINA	Institute of Tsinghua University [VERY HIGH RISK]
U-Illinois Chicago	01/01/2017	$104,000.00	CHINA	Institute of Tsinghua University [VERY HIGH RISK]
U-Illinois Chicago	01/01/2017	$94,500.00	CHINA	Northeastern University [MEDIUM RISK]
University of Illinois	03/22/2019	$796,250.00	CHINA	Zhejian University [HIGH RISK]
University of Illinois	08/25/2016	$19,500,000.00	CHINA	Zhejian University [HIGH RISK]
University of Illinois	09/29/2016	$6,077,500.00	CHINA	Zhejian University [HIGH RISK]
University of Illinois	11/22/2016	$682,500.00	CHINA	Zhejian University [HIGH RISK]
University of Illinois	03/21/2018	$29,025.00	CHINA	Zhejian University [HIGH RISK]
University of Illinois	03/26/2018	$438,740.00	CHINA	Zhejian University [HIGH RISK]
University of Illinois	08/30/2018	$511,875.00	CHINA	Zhejian University [HIGH RISK]
University of Illinois	01/14/2019	$910,000.00	CHINA	Zhejian University [HIGH RISK]
University of Illinois	03/07/2019	$10,252.00	CHINA	Zhejian University [HIGH RISK]
University of Illinois	03/07/2019	$29,025.00	CHINA	Zhejian University [HIGH RISK]
University of Illinois	03/21/2019	$10,252.00	CHINA	Zhejian University [HIGH RISK]
University of Illinois	04/24/2019	$341,250.00	CHINA	Zhejian University [HIGH RISK]
University of Indianapolis	12/09/2019	$376,130.00	CHINA	Zhejian University [HIGH RISK]
University of Kentucky	09/12/2017	$306,073.00	CHINA	Tsinghua University [VERY HIGH RISK]
University of Michigan - Ann Arbor	06/02/2016	$400,000.00	CHINA	Harbin Engineering University **[VERY HIGH RISK, SEVEN SONS OF NATIONAL DEFENSE]**
University of Michigan - Ann Arbor	01/19/2018	$500,000.00	CHINA	Harbin Engineering University **[VERY HIGH RISK, SEVEN SONS OF NATIONAL DEFENSE]**
University of Michigan - Ann Arbor	01/19/2018	$400,000.00	CHINA	Harbin Engineering University **[VERY HIGH RISK, SEVEN SONS OF NATIONAL DEFENSE]**
University of Michigan - Ann Arbor	06/03/2019	$2,000,000.00	CHINA	So, China University of Technology [MEDIUM RISK]
University of Michigan - Ann Arbor	07/24/2018	$580,000.00	CHINA	Xiamen University [MEDIUM RISK]
University of Minnesota - Twin Cities	08/09/2017	$604,725.00	CHINA	Sun Yat-Sen University [HIGH RISK]

University of Minnesota - Twin Cities	01/01/2018	$719,092.00	CHINA	Sun Yat-Sen University [HIGH RISK]
University of Minnesota - Twin Cities	01/01/2018	$738,593.00	CHINA	Sun Yat-Sen University [HIGH RISK]
University of Minnesota - Twin Cities	01/01/2018	$652,527.00	CHINA	Sun Yat-Sen University [HIGH RISK]
University of Minnesota - Twin Cities	03/05/2018	$150,000.00	CHINA	Sun Yat-Sen University [HIGH RISK]
University of Pennsylvania	04/05/2019	$150,000.00	CHINA	ZHEJIANG UNIVERSITY [HIGH RISK]
University of Pennsylvania	05/28/2019	$150,000.00	CHINA	ZHEJIANG UNIVERSITY [HIGH RISK]
University of Pennsylvania	05/31/2019	$125,236.00	CHINA	ZHEJIANG UNIVERSITY [HIGH RISK]
University of Pittsburgh	09/24/2014	$150,000.00	CHINA	Tsinghua University [VERY HIGH RISK]
University of Pittsburgh	05/01/2016	$200,000.00	CHINA	Tsinghua University [VERY HIGH RISK]
University of Pittsburgh	07/01/2016	$239,971.00	CHINA	Tsinghua University [VERY HIGH RISK]
University of Pittsburgh	07/01/2017	$200,000.00	CHINA	Tsinghua University [VERY HIGH RISK]
University of Pittsburgh	07/01/2018	$200,000.00	CHINA	Tsinghua University [VERY HIGH RISK]
University of Pittsburgh	07/01/2019	$200,000.00	CHINA	Tsinghua University [VERY HIGH RISK]
University of South Alabama	03/14/2018	$560,000.00	CHINA	Tongi Univ School of Medicine [MEDIUM RISK]
University of South Alabama	07/01/2019	$560,000.00	CHINA	Tongi University [MEDIUM RISK]
UT- Arlington	07/25/2019	$729,958.00	CHINA	University of Science & Technology [HIGH RISK]
UT- Arlington	12/30/2019	$1,576,940.00	CHINA	University of Science & Technology [HIGH RISK]
UT- Arlington	07/16/2018	$1,687,741.00	CHINA	Xi'an Jiatong University [HIGH RISK]
UT- Arlington	09/16/2019	$1,959,267.00	CHINA	Xi'an Jiatong University [HIGH RISK]
UT- Austin	01/02/2019	$550,000.00	CHINA	China University of Geosciences [MEDIUM RISK]
UT- Austin	12/05/2018	$550,000.00	CHINA	Nanjing University [MEDIUM RISK]
UT- Austin	01/01/2019	$550,000.00	CHINA	Nanjing University [MEDIUM RISK]
UT- Austin	03/08/2019	$300,000.00	CHINA	Shandong University [VERY HIGH RISK]
UT- Austin	12/01/2018	$550,000.00	CHINA	Shanghai University [MEDIUM RISK]
UT- Austin	01/01/2019	$550,000.00	CHINA	Shanghai University [MEDIUM RISK]
UT- Austin	12/01/2018	$550,000.00	CHINA	Sichuan University [VERY HIGH RISK]
UT- Austin	01/01/2019	$550,000.00	CHINA	Sichuan University [VERY HIGH RISK]
UT- Austin	12/03/2019	$320,000.00	CHINA	Soochow University [MEDIUM RISK]
UT- Austin	01/01/2019	$550,000.00	CHINA	South China University of Tech [MEDIUM RISK]
UT- Austin	12/01/2018	$550,000.00	CHINA	South China University of Tech [MEDIUM RISK]

UT- Austin	03/08/2019	$300,000.00	CHINA	University of Science & Tech China [HIGH RISK]

APPENDIX H: All anonymous transactions with PRC and Hong Kong sources as disclosed by U.S. universities

Based on a Sec. 117 data set available on the Federal Student Aid website, covering the time period from January 1st 2014 through June 30th, 2020. Most universities complied with the U.S. Department of Education's request that schools disclose foreign sources, but a minority of universities – mostly elites, as reflected below – deliberately left that field blank or wrote "Anonymous." Sometimes the source is simply listed as an offshore foundation set up as a donation vehicle.

School	Date	Amount	Country	Source
Boston College	04/27/2017	$5,025,000.00	CHINA	
Brigham Young	06/01/2015	$325,338.00	CHINA	
Brigham Young	06/01/2015	$463,339.00	CHINA	
Brigham Young	06/01/2016	$286,459.00	CHINA	
Brigham Young	12/31/2017	$487,404.00	CHINA	
Brigham Young	12/13/2018	$296,967.00	CHINA	
Brigham Young	06/07/2019	$450,281.00	CHINA	
Brigham Young	12/13/2019	$412,049.00	CHINA	
Brigham Young	12/13/2019	$412,049.00	CHINA	
Brown	10/02/2018	$94.00	HK	Individual
Brown	10/10/2018	$50,000.00	HK	Individual
Brown	10/16/2018	$250,000.00	HK	Individual
Brown	06/28/2019	$50,000.00	HK	Brown Uni. Hong Kong Fdn Limited
Brown	07/02/2019	$10,000.00	HK	Brown Uni. Hong Kong Fdn Limited
Brown	08/29/2019	$250,000.00	HK	Brown Uni. Hong Kong Fdn Limited
Brown	12/12/2019	$35,000.00	HK	Brown Uni. Hong Kong Fdn Limited
Brown	12/12/2017	$199,959.00	HK	Brown University Hong Kong Foundati
Brown	12/13/2017	$20,000.00	HK	Brown University Hong Kong Foundati
Brown	01/12/2018	$5,000.00	HK	Brown University Hong Kong Foundati
Brown	04/09/2018	$460,080.00	HK	Brown University Hong Kong Foundati
Brown	08/10/2018	$250,000.00	HK	Brown University Hong Kong Foundati
Brown	12/14/2018	$433,000.00	HK	Brown University Hong Kong Foundati
Brown	04/04/2019	$250,000.00	HK	Brown University Hong Kong Foundati
Brown	04/29/2019	$143,000.00	HK	Brown University Hong Kong Foundati
Brown	05/14/2019	$2,100,000.00	HK	Brown University Hong Kong Foundati
Brown	06/27/2019	$1,977,546.00	HK	Brown University Hong Kong Foundati
Brown	06/28/2019	$50,000.00	HK	Brown University Hong Kong Foundati

Carnegie Mellon	10/07/2016	$1,000,000.00	CHINA	
Carnegie Mellon	12/12/2016	$1,000,000.00	HK	
Carnegie Mellon	04/05/2017	$500,000.00	CHINA	
Carnegie Mellon	04/05/2017	$1,000,000.00	CHINA	
Carnegie Mellon	10/09/2017	$1,000,000.00	CHINA	
Carnegie Mellon	11/01/2017	$250,000.00	CHINA	
Carnegie Mellon	12/04/2017	$250,000.00	HK	
Carnegie Mellon	04/01/2018	$915,908.00	CHINA	
Carnegie Mellon	05/01/2018	$896,500.00	CHINA	
Carnegie Mellon	06/19/2018	$10,000,000.00	HK	
Carnegie Mellon	06/25/2018	$1,000,000.00	HK	
Carnegie Mellon	07/01/2018	$316,000.00	CHINA	
Carnegie Mellon	09/06/2018	$700,000.00	CHINA	
Carnegie Mellon	11/23/2018	$250,000.00	HK	
Carnegie Mellon	04/15/2019	$10,000,000.00	CHINA	
Carnegie Mellon	06/14/2019	$2,000,000.00	CHINA	
Carnegie Mellon	06/17/2019	$250,000.00	HK	
Carnegie Mellon	06/17/2019	$1,000,000.00	HK	
Carnegie Mellon	06/26/2019	$250,000.00	CHINA	
Carnegie Mellon	12/01/2019	$813,636.00	CHINA	
Carnegie Mellon	12/02/2019	$500,000.00	CHINA	
Carnegie Mellon	12/31/2019	$250,000.00	CHINA	
Claremont McKenna	03/01/2018	$50.00	HK	
Claremont McKenna	03/08/2018	$12,500.00	HK	
Claremont McKenna	03/31/2018	$750.00	HK	
Claremont McKenna	03/31/2018	$250.00	HK	
Claremont McKenna	04/09/2018	$50.00	HK	
Claremont McKenna	04/10/2018	$100.00	HK	
Claremont McKenna	04/30/2018	$100.00	HK	
Claremont McKenna	05/04/2018	$10.00	HK	
Claremont McKenna	05/30/2018	$50,000.00	HK	
Claremont McKenna	05/30/2018	$50,000.00	HK	
Claremont McKenna	05/30/2018	$1.00	HK	
Claremont McKenna	06/26/2018	$230,000.00	HK	
Claremont McKenna	06/26/2018	$50,000.00	HK	
Claremont McKenna	06/26/2018	$5,000.00	HK	
Claremont McKenna	06/27/2018	$100.00	HK	
Claremont McKenna	06/29/2018	$2,000.00	HK	
Claremont McKenna	06/29/2018	$1,000.00	HK	
Claremont McKenna	07/12/2018	$5,000.00	HK	
Claremont McKenna	07/12/2018	$2,000.00	HK	
Claremont McKenna	08/01/2018	$500.00	HK	
Claremont McKenna	08/17/2018	$250.00	HK	
Claremont McKenna	08/17/2018	$750.00	HK	

Claremont McKenna	10/17/2018	$400.00	HK	
Claremont McKenna	10/19/2018	$195.00	HK	
Claremont McKenna	10/22/2018	$195.00	HK	
Claremont McKenna	10/22/2018	$100.00	HK	
Claremont McKenna	10/26/2018	$500.00	HK	
Claremont McKenna	10/26/2018	$100.00	HK	
Claremont McKenna	11/12/2018	$1,000.00	HK	
Claremont McKenna	11/12/2018	$1,000.00	HK	
Claremont McKenna	11/16/2018	$30.00	HK	
Claremont McKenna	11/20/2018	$100.00	HK	
Columbia Teachers College	08/10/2017	$1,850.00	CHINA	
Columbia Teachers College	08/10/2017	$2,106,700.00	CHINA	
Columbia Teachers College	08/31/2018	$3,011,200.00	CHINA	
Columbia Teachers College	09/28/2018	$2,980.00	CHINA	
Columbia Teachers College	01/08/2019	$48,951.00	CHINA	
Columbia Teachers College	04/12/2019	$1,770,984.00	CHINA	
Cornell	07/27/2018	$600,000.00	HK	
Cornell	11/14/2018	$300,000.00	HK	
Cornell	12/14/2018	$500,000.00	HK	
Cornell	01/04/2019	$424,069.00	HK	
Cornell	06/18/2019	$1,000.00	CHINA	
Cornell	07/23/2019	$750,000.00	CHINA	
Cornell	09/17/2019	$1,800,000.00	CHINA	
Cornell	12/18/2019	$2,000,000.00	HK	
CUNY Bernard M. Baruch College	09/21/2017	$500,000.00	CHINA	
CUNY Bernard M. Baruch College	07/25/2018	$1,452,465.00	CHINA	
Dartmouth	06/28/2017	$259,989.00	HK	
Harvard	01/01/2014	$10,250,000.00	CHINA	
Harvard	01/01/2014	$4,510,326.00	HK	
Harvard	03/26/2014	$1,011,000.00	CHINA	
Harvard	07/01/2014	$4,300,000.00	HK	
Harvard	07/01/2014	$1,350,000.00	CHINA	
Harvard	07/01/2014	$937,552.00	CHINA	
Harvard	01/01/2015	$1,415,000.00	CHINA	
Harvard	01/01/2015	$18,740,593.00	HK	
Harvard	03/05/2015	$1,175,958.00	HK	
Harvard	03/12/2015	$1,739,000.00	CHINA	
Harvard	07/01/2015	$54,991.00	HK	
Harvard	07/01/2015	$318,370.00	CHINA	
Harvard	07/01/2015	$16,650,000.00	HK	
Harvard	07/01/2015	$6,125,000.00	CHINA	

Harvard	01/01/2016	$1,000,000.00	CHINA	
Harvard	01/01/2016	$26,100,000.00	HK	
Harvard	01/15/2016	$1,359,412.00	HK	
Harvard	01/26/2016	$496,526.00	CHINA	
Harvard	04/06/2016	$486,486.00	CHINA	
Harvard	07/01/2016	$5,300,000.00	HK	
Harvard	07/01/2016	$512,713.00	CHINA	
Harvard	07/01/2016	$7,662,776.00	CHINA	
Harvard	01/01/2017	$25,525,075.00	HK	
Harvard	01/01/2017	$2,000,000.00	CHINA	
Harvard	01/06/2017	$1,344,569.00	HK	
Harvard	01/08/2017	$4,091,471.00	CHINA	
Harvard	06/19/2017	$612,834.00	CHINA	
Harvard	07/01/2017	$1,867,261.00	CHINA	
Harvard	07/01/2017	$369,560.00	CHINA	
Harvard	07/01/2017	$8,724,993.00	HK	
Harvard	11/29/2017	$2,880.00	HK	
Harvard	01/01/2018	$19,900,000.00	CHINA	
Harvard	01/01/2018	$10,881,834.00	HK	
Harvard	07/01/2018	$6,366,854.00	HK	
Harvard	07/01/2018	$4,750,000.00	CHINA	
Harvard	07/10/2018	$1,092,078.00	CHINA	
Harvard	01/01/2019	$18,700,000.00	CHINA	
Harvard	01/01/2019	$9,237,994.00	HK	
Harvard	04/18/2019	$478,279.00	CHINA	
Haverford	06/03/2015	$50,000.00	HK	Overseas Resource Foundation Ltd
Haverford	06/03/2015	$100,000.00	HK	Overseas Resource Foundation ltd
Haverford	06/03/2015	$150,000.00	HK	Overseas Resource Foundation ltd
Haverford	06/03/2015	$100,000.00	HK	Overseas Resource Foundation ltd
Haverford	06/03/2015	$50,000.00	HK	Overseas Resource Foundation ltd
Haverford	06/07/2016	$100,000.00	HK	Overseas Resource Foundation LTD
Haverford	06/07/2016	$50,000.00	HK	Overseas Resource Foundation LTD
Haverford	06/07/2016	$50,000.00	HK	Overseas Resource Foundation LTD
Haverford	06/07/2016	$150,000.00	HK	Overseas Resource Foundation LTD
Haverford	06/07/2016	$100,000.00	HK	Overseas Resource Foundation LTD
Haverford	05/22/2017	$50,000.00	HK	Overseas Resource Foundation
Haverford	05/22/2017	$100,000.00	HK	Overseas Resource Foundation LTD
Haverford	05/22/2017	$100,000.00	HK	Overseas Resource Foundation LTD

Haverford	05/22/2017	$150,000.00	HK	Overseas Resource Foundation LTD
Haverford	05/22/2017	$50,000.00	HK	Overseas Resource Foundations LTD
Haverford	06/04/2018	$50,000.00	HK	Overseas Resource Foundation LTD
Haverford	06/04/2018	$150,000.00	HK	Overseas Resource Foundation LTD
Haverford	06/04/2018	$100,000.00	HK	Overseas Resource Foundation LTD
Haverford	06/04/2018	$100,000.00	HK	Overseas Resource Foundation LTD
Haverford	06/04/2018	$50,000.00	HK	Overseas Resource Foundation LTD
Haverford	06/19/2019	$50,000.00	HK	OVERSEAS RESOURCE FOUNDATION LIIMIT
Haverford	06/19/2019	$150,000.00	HK	OVERSEAS RESOURCE FOUNDATION LIMITE
Haverford	06/19/2019	$100,000.00	HK	OVERSEAS RESOURCE FOUNDATION LIMITE
Haverford	06/19/2019	$100,000.00	HK	OVERSEAS RESOURCE FOUNDATION LIMITE
Haverford	06/19/2019	$50,000.00	HK	OVERSEAS RESOURCE FOUNDATION LIMITE
Hult International Business School	09/30/2018	$1,389,340.00	CHINA	
Jacksonville State University	09/30/2019	$250,000.00	CHINA	
Johns Hopkins	01/31/2014	$7,325.00	CHINA	
Johns Hopkins	02/28/2014	$34,660.00	CHINA	
Johns Hopkins	03/31/2014	$17,744.00	CHINA	
Johns Hopkins	04/30/2014	$31,238.00	CHINA	
Johns Hopkins	05/31/2014	$156,384.00	CHINA	
Johns Hopkins	06/30/2014	$65,444.00	CHINA	
Johns Hopkins	01/30/2015	$2,725.00	CHINA	
Johns Hopkins	02/28/2015	$1,282.00	CHINA	
Johns Hopkins	03/31/2015	$4,794.00	CHINA	
Johns Hopkins	04/30/2015	$80,395.00	CHINA	
Johns Hopkins	05/31/2015	$1,350,379.00	CHINA	
Johns Hopkins	06/30/2015	$106,580.00	CHINA	
Johns Hopkins	12/15/2015	$190,634.00	HK	
Johns Hopkins	12/15/2015	$429,388.00	CHINA	
Johns Hopkins	06/30/2016	$289,073.00	HK	
Johns Hopkins	06/30/2016	$1,448,741.00	CHINA	
Johns Hopkins	12/01/2016	$326,897.00	HK	
Johns Hopkins	12/30/2016	$460,128.00	CHINA	
Johns Hopkins	06/01/2017	$411,673.00	CHINA	
Johns Hopkins	06/01/2017	$60,776.00	HK	
Johns Hopkins	09/19/2017	$5,972.00	HK	
Johns Hopkins	09/30/2017	$973,090.00	CHINA	
Johns Hopkins	05/01/2018	$11,563.00	HK	

Johns Hopkins	06/01/2018	$1,190,749.00	CHINA	
Johns Hopkins	01/01/2019	$2,462,662.00	CHINA	
Johns Hopkins	01/01/2019	$1,154,940.00	CHINA	
Mayo Clinic	12/17/2019	$632,067.00	CHINA	
MIT	02/07/2017	$509,898.00	HK	MIT HK Foundation Limited
MIT	04/06/2017	$381,898.00	HK	MIT HK Foundation Limited
MIT	03/14/2018	$194,950.00	HK	
MIT	05/04/2018	$1,000,000.00	HK	MIT HK FOUNDATION LIMITED
MIT	05/04/2018	$2,500,000.00	HK	MIT HK FOUNDATION LIMITED
MIT	05/04/2018	$4,984,404.00	HK	MIT HK FOUNDATION LIMITED
MIT	07/01/2018	$7,500,000.00	CHINA	
MIT	07/01/2018	$250,000.00	HK	
MIT	07/24/2018	$299,668.00	HK	
MIT	09/01/2018	$11,850,000.00	CHINA	
MIT	09/01/2018	$7,150,000.00	CHINA	
MIT	09/17/2018	$600,000.00	CHINA	
MIT	09/17/2018	$65,025.00	HK	
MIT	09/24/2018	$343,000.00	HK	
MIT	09/26/2018	$275,000.00	CHINA	
MIT	10/01/2018	$250,000.00	CHINA	
MIT	11/01/2018	$3,000,000.00	CHINA	
MIT	11/20/2018	$131,000.00	CHINA	
MIT	11/27/2018	$495,548.00	CHINA	
MIT	12/01/2018	$375,000.00	CHINA	
MIT	12/07/2018	$5,000,000.00	HK	
MIT	12/28/2018	$1,330,000.00	CHINA	
MIT	12/31/2018	$122,000.00	CHINA	
MIT	01/07/2019	$475,000.00	HK	
MIT	01/10/2019	$1,000,000.00	HK	
MIT	02/01/2019	$299,990.00	CHINA	
MIT	02/01/2019	$750,000.00	CHINA	
MIT	03/01/2019	$450,000.00	HK	
MIT	03/01/2019	$180,000.00	CHINA	
MIT	03/12/2019	$18,150.00	CHINA	
MIT	03/13/2019	$285,000.00	CHINA	
MIT	03/13/2019	$395,000.00	CHINA	
MIT	03/13/2019	$215,000.00	CHINA	
MIT	03/22/2019	$500,000.00	CHINA	
MIT	03/28/2019	$163,350.00	CHINA	
MIT	03/29/2019	$181,500.00	CHINA	
MIT	04/04/2019	$3,500,000.00	HK	
MIT	04/04/2019	$400,483.00	HK	

MIT	05/02/2019	$3,000,000.00	HK	
MIT	05/10/2019	$80,000.00	CHINA	
MIT	05/15/2019	$1,000,000.00	HK	
MIT	05/29/2019	$500,000.00	CHINA	
MIT	05/29/2019	$500,000.00	CHINA	
MIT	05/30/2019	$600,000.00	CHINA	
MIT	06/07/2019	$115,000.00	CHINA	
MIT	06/14/2019	$250,000.00	HK	
MIT	06/17/2019	$4,000,000.00	HK	
MIT	06/24/2019	$500,000.00	HK	
MIT	06/27/2019	$170,000.00	CHINA	
MIT	06/28/2019	$1,000,000.00	HK	
MIT	07/01/2019	$428,603.00	CHINA	
MIT	07/01/2019	$1,000,000.00	CHINA	
MIT	08/16/2019	$250,000.00	CHINA	
MIT	09/10/2019	$1,603,982.00	HK	
MIT	09/10/2019	$18,150.00	CHINA	
MIT	09/30/2019	$163,350.00	CHINA	
MIT	10/09/2019	$600,000.00	CHINA	
MIT	12/03/2019	$410,000.00	CHINA	
MIT	12/19/2019	$1,330,000.00	CHINA	
Northeastern	05/19/2015	$1,000,000.00	HK	
NYU	09/23/2015	$1,000,000.00	CHINA	Anonymous
NYU	01/11/2016	$9,516,904.00	CHINA	Anonymous
NYU	01/28/2016	$1,243,400.00	CHINA	Anonymous
NYU	03/14/2016	$2,000,000.00	HK	Anonymous
NYU	06/29/2016	$3,811,789.00	CHINA	Anonymous
NYU	07/19/2016	$250,000.00	HK	Anonymous
NYU	01/18/2017	$2,998,416.00	CHINA	Anonymous
NYU	03/01/2017	$672,750.00	CHINA	Anonymous
NYU	04/11/2017	$1,700,000.00	HK	Anonymous
NYU	07/05/2017	$2,499,865.00	CHINA	Anonymous
NYU	12/15/2017	$325,000.00	HK	Anonymous
NYU	02/22/2018	$621,083.00	HK	
NYU	02/22/2018	$1,800,000.00	HK	Anonymous
NYU	04/01/2018	$408,411.00	CHINA	Anonymous
NYU	06/26/2018	$2,243,000.00	CHINA	Anonymous
NYU	06/29/2018	$1,000,000.00	HK	Anonymous
NYU	08/23/2018	$464,649.00	HK	Anonymous
NYU	09/01/2018	$428,571.00	CHINA	Anonymous
NYU	11/28/2018	$4,424,669.00	CHINA	
NYU	11/28/2018	$11,345,516.00	CHINA	Anonymous
NYU	12/20/2018	$1,235,370.00	CHINA	Anonymous
NYU	06/24/2019	$1,442,072.00	CHINA	Anonymous

NYU	07/08/2019	$309,675.00	CHINA	Anonymous
NYU	07/29/2019	$1,450,000.00	HK	Anonymous
Penn State	11/29/2016	$279,850.00	CHINA	Requested Anonymity
Princeton	01/01/2014	$700,000.00	HK	
Princeton	04/01/2014	$500,000.00	HK	
Princeton	04/01/2014	$20,000.00	HK	
Princeton	06/01/2014	$580,000.00	HK	
Princeton	06/01/2014	$350,000.00	HK	
Princeton	06/01/2014	$800,000.00	HK	
Princeton	12/01/2014	$800,000.00	HK	
Princeton	01/01/2015	$700,000.00	HK	
Princeton	02/01/2015	$3,000.00	HK	
Princeton	06/01/2015	$5,000.00	HK	
Princeton	06/01/2015	$800,000.00	HK	
Princeton	06/01/2015	$580,000.00	HK	
Princeton	11/15/2015	$1,000,000.00	HK	
Princeton	11/15/2015	$500,000.00	HK	
Princeton	12/15/2015	$1,500,000.00	CHINA	
Princeton	12/15/2015	$800,000.00	HK	
Princeton	01/15/2016	$400,000.00	HK	
Princeton	06/01/2016	$580,000.00	HK	
Princeton	06/01/2016	$800,000.00	HK	
Princeton	06/01/2017	$800,000.00	HK	
Princeton	06/01/2017	$1,580,000.00	HK	
Princeton	07/15/2017	$799,980.00	CHINA	
Princeton	11/24/2017	$500,000.00	HK	
Princeton	12/15/2017	$800,000.00	HK	
Princeton	02/26/2018	$500,000.00	HK	
Princeton	02/27/2018	$500,000.00	HK	
Princeton	04/24/2018	$250,000.00	HK	
Princeton	05/22/2018	$600,000.00	HK	
Princeton	06/11/2018	$1,233,495.00	CHINA	
Princeton	08/14/2018	$799,973.00	CHINA	
Princeton	12/14/2018	$255,535.00	HK	
Princeton	01/17/2019	$500,000.00	HK	
Princeton	01/24/2019	$667,000.00	CHINA	
Princeton	02/28/2019	$500,000.00	HK	
Princeton	03/22/2019	$2,533,980.00	HK	
Princeton	05/16/2019	$1,000,000.00	HK	
Princeton	05/20/2019	$250,000.00	HK	
Princeton	06/04/2019	$1,000,050.00	HK	
Princeton	06/05/2019	$409,147.00	CHINA	
Princeton	06/10/2019	$380,000.00	HK	
Princeton	06/21/2019	$299,975.00	CHINA	

Princeton	06/28/2019	$1,634,146.00	CHINA	
Princeton	06/28/2019	$580,000.00	HK	
Princeton	08/22/2019	$1,081,300.00	CHINA	
Princeton	09/04/2019	$800,000.00	CHINA	
Princeton	10/10/2019	$250,000.00	HK	
Princeton	10/18/2019	$667,000.00	CHINA	
Princeton	12/09/2019	$500,000.00	HK	
RPI	08/16/2018	$297,000.00	CHINA	
Stanford	03/05/2014	$250,000.00	HK	
Stanford	04/08/2014	$825,000.00	HK	
Stanford	09/10/2014	$600,100.00	CHINA	
Stanford	09/24/2014	$1,975,250.00	CHINA	
Stanford	09/24/2014	$1,975,250.00	CHINA	
Stanford	09/30/2014	$1,020,875.00	CHINA	
Stanford	09/30/2014	$1,020,875.00	CHINA	
Stanford	11/26/2014	$500,000.00	HK	
Stanford	12/04/2014	$500,025.00	HK	
Stanford	12/04/2014	$50.00	HK	
Stanford	12/19/2014	$1,000,000.00	CHINA	
Stanford	12/29/2014	$2,000,000.00	HK	
Stanford	01/02/2015	$50,000.00	CHINA	
Stanford	02/03/2015	$700,000.00	CHINA	
Stanford	02/03/2015	$300,000.00	CHINA	
Stanford	02/03/2015	$50,000.00	CHINA	
Stanford	02/10/2015	$280,163.00	HK	
Stanford	04/10/2015	$1,500.00	CHINA	
Stanford	04/17/2015	$1,000,000.00	HK	
Stanford	04/27/2015	$125,000.00	CHINA	
Stanford	05/28/2015	$500,000.00	HK	
Stanford	06/11/2015	$1,000,000.00	CHINA	
Stanford	07/31/2015	$45,000.00	CHINA	
Stanford	09/23/2015	$600,000.00	CHINA	
Stanford	11/03/2015	$70,000.00	CHINA	
Stanford	11/04/2015	$200,000.00	CHINA	
Stanford	11/06/2015	$118,314.00	CHINA	
Stanford	11/13/2015	$5,000,000.00	HK	
Stanford	11/25/2015	$500,000.00	CHINA	
Stanford	11/27/2015	$500,000.00	CHINA	
Stanford	11/30/2015	$30,000.00	CHINA	
Stanford	12/16/2015	$1,000,000.00	CHINA	
Stanford	12/22/2015	$54,700.00	CHINA	
Stanford	12/24/2015	$10,000.00	CHINA	
Stanford	12/29/2015	$2,000,000.00	HK	
Stanford	02/02/2016	$850,000.00	CHINA	

Stanford	02/02/2016	$850,000.00	CHINA	
Stanford	02/04/2016	$30,000.00	CHINA	
Stanford	02/26/2016	$50,000.00	CHINA	
Stanford	03/04/2016	$150,000.00	CHINA	
Stanford	03/15/2016	$4,000,000.00	HK	
Stanford	04/05/2016	$1,000,000.00	HK	
Stanford	04/15/2016	$300,000.00	HK	
Stanford	04/25/2016	$999,975.00	CHINA	
Stanford	06/07/2016	$64,000.00	CHINA	
Stanford	06/24/2016	$250,000.00	CHINA	
Stanford	07/25/2016	$1,000,000.00	CHINA	
Stanford	07/26/2016	$1,000,000.00	CHINA	
Stanford	08/04/2016	$61,000.00	CHINA	
Stanford	08/08/2016	$100,000.00	CHINA	
Stanford	09/22/2016	$359,000.00	HK	
Stanford	10/11/2016	$2,000.00	CHINA	
Stanford	10/24/2016	$125,000.00	CHINA	
Stanford	10/25/2016	$125,000.00	CHINA	
Stanford	11/14/2016	$60,000.00	CHINA	
Stanford	11/21/2016	$200,000.00	CHINA	
Stanford	11/25/2016	$1,000,000.00	CHINA	
Stanford	11/29/2016	$499,985.00	CHINA	
Stanford	12/08/2016	$200,000.00	HK	
Stanford	12/08/2016	$1,000,000.00	CHINA	
Stanford	12/19/2016	$42,000.00	CHINA	
Stanford	12/22/2016	$300,000.00	CHINA	
Stanford	01/04/2017	$202,000.00	CHINA	
Stanford	01/24/2017	$125,000.00	CHINA	
Stanford	01/24/2017	$1,000,000.00	HK	
Stanford	01/24/2017	$250,000.00	CHINA	
Stanford	01/26/2017	$150,000.00	CHINA	
Stanford	02/09/2017	$125,000.00	CHINA	
Stanford	02/23/2017	$29,000.00	CHINA	
Stanford	03/01/2017	$5,000.00	CHINA	
Stanford	03/01/2017	$850,000.00	CHINA	
Stanford	03/01/2017	$850,000.00	CHINA	
Stanford	03/10/2017	$70,000.00	CHINA	
Stanford	03/15/2017	$80,000.00	HK	
Stanford	03/17/2017	$800,000.00	CHINA	
Stanford	03/17/2017	$800,000.00	CHINA	
Stanford	03/20/2017	$250,000.00	CHINA	
Stanford	04/13/2017	$162,668.00	CHINA	
Stanford	04/27/2017	$3,000,000.00	HK	
Stanford	05/01/2017	$639,977.00	CHINA	

Stanford	05/02/2017	$639,977.00	CHINA	
Stanford	05/04/2017	$639,977.00	CHINA	
Stanford	05/05/2017	$80,077.00	CHINA	
Stanford	05/08/2017	$770,399.00	CHINA	
Stanford	05/23/2017	$3,000,000.00	HK	
Stanford	07/14/2017	$333,334.00	HK	
Stanford	07/19/2017	$170,856.00	CHINA	
Stanford	08/22/2017	$250,000.00	CHINA	
Stanford	08/29/2017	$1,500,000.00	CHINA	
Stanford	09/27/2017	$299,990.00	CHINA	
Stanford	11/24/2017	$99,990.00	CHINA	
Stanford	12/07/2017	$1,920,615.00	CHINA	
Stanford	12/18/2017	$150,000.00	CHINA	
Stanford	12/19/2017	$1,240,000.00	HK	
Stanford	12/20/2017	$1,000,000.00	CHINA	
Stanford	12/31/2017	$1,000.00	HK	
Stanford	01/01/2018	$1,000.00	HK	
Stanford	01/05/2018	$21,000.00	CHINA	
Stanford	01/05/2018	$200,000.00	CHINA	
Stanford	01/05/2018	$597,697.00	CHINA	
Stanford	01/08/2018	$100,000.00	CHINA	
Stanford	01/11/2018	$50,000.00	CHINA	
Stanford	01/17/2018	$1,000.00	CHINA	
Stanford	01/25/2018	$250,000.00	CHINA	
Stanford	01/31/2018	$1,500,000.00	HK	
Stanford	01/31/2018	$1,500,000.00	HK	
Stanford	02/07/2018	$1,000,000.00	HK	
Stanford	02/07/2018	$375,000.00	HK	
Stanford	02/08/2018	$382,888.00	HK	
Stanford	02/08/2018	$248,877.00	CHINA	
Stanford	02/25/2018	$1,123.00	CHINA	
Stanford	03/21/2018	$2,000,000.00	HK	
Stanford	03/23/2018	$74,990.00	CHINA	
Stanford	04/25/2018	$350,000.00	CHINA	
Stanford	04/26/2018	$150,000.00	HK	
Stanford	05/31/2018	$1,000,000.00	HK	
Stanford	06/04/2018	$25,000.00	CHINA	
Stanford	07/05/2018	$75,000.00	CHINA	
Stanford	07/13/2018	$100,000.00	CHINA	
Stanford	08/06/2018	$30,000.00	CHINA	
Stanford	08/08/2018	$10,000,000.00	CHINA	
Stanford	08/09/2018	$175,107.00	CHINA	
Stanford	08/10/2018	$159,985.00	CHINA	
Stanford	08/14/2018	$333,334.00	CHINA	

Stanford	08/16/2018	$5,000,000.00	HK	
Stanford	08/24/2018	$249,982.00	CHINA	
Stanford	08/30/2018	$375,000.00	CHINA	
Stanford	09/04/2018	$250,000.00	HK	
Stanford	09/04/2018	$5,000,000.00	HK	
Stanford	09/04/2018	$188,990.00	CHINA	
Stanford	09/07/2018	$300,000.00	CHINA	
Stanford	09/10/2018	$150,000.00	CHINA	
Stanford	09/12/2018	$172,490.00	CHINA	
Stanford	09/12/2018	$2,000,000.00	CHINA	
Stanford	09/13/2018	$1,000,000.00	HK	
Stanford	09/13/2018	$60,000.00	CHINA	
Stanford	09/17/2018	$200,000.00	CHINA	
Stanford	09/21/2018	$500,000.00	CHINA	
Stanford	09/28/2018	$39,990.00	CHINA	
Stanford	10/09/2018	$500,000.00	CHINA	
Stanford	10/25/2018	$360,000.00	CHINA	
Stanford	10/29/2018	$32,000.00	CHINA	
Stanford	11/01/2018	$6,000.00	CHINA	
Stanford	11/05/2018	$150,000.00	CHINA	
Stanford	11/05/2018	$42,000.00	CHINA	
Stanford	11/07/2018	$20,990.00	CHINA	
Stanford	11/07/2018	$200,000.00	CHINA	
Stanford	11/14/2018	$500,000.00	CHINA	
Stanford	11/16/2018	$10,000.00	HK	
Stanford	11/19/2018	$50,000.00	CHINA	
Stanford	11/20/2018	$500,000.00	CHINA	
Stanford	11/21/2018	$200,000.00	CHINA	
Stanford	11/28/2018	$500,000.00	CHINA	
Stanford	11/29/2018	$600,000.00	HK	
Stanford	11/29/2018	$600,000.00	HK	
Stanford	11/30/2018	$600,000.00	HK	
Stanford	11/30/2018	$600,000.00	HK	
Stanford	12/03/2018	$600,000.00	HK	
Stanford	12/03/2018	$600,000.00	HK	
Stanford	12/04/2018	$600,000.00	HK	
Stanford	12/04/2018	$600,000.00	HK	
Stanford	12/05/2018	$600,000.00	HK	
Stanford	12/05/2018	$500,000.00	HK	
Stanford	12/05/2018	$600,000.00	HK	
Stanford	12/05/2018	$500,000.00	HK	
Stanford	12/06/2018	$400,000.00	HK	
Stanford	12/06/2018	$400,000.00	HK	
Stanford	12/06/2018	$500,000.00	HK	

Stanford	12/06/2018	$500,000.00	HK	
Stanford	12/06/2018	$143,436.00	HK	
Stanford	12/07/2018	$49,990.00	CHINA	
Stanford	12/07/2018	$500,000.00	HK	
Stanford	12/07/2018	$230,081.00	HK	
Stanford	12/07/2018	$500,000.00	HK	
Stanford	12/10/2018	$500,000.00	HK	
Stanford	12/10/2018	$500,000.00	HK	
Stanford	12/11/2018	$500,000.00	HK	
Stanford	12/11/2018	$500,000.00	HK	
Stanford	12/12/2018	$30,000.00	HK	
Stanford	12/12/2018	$50,000.00	CHINA	
Stanford	01/09/2019	$1,000,000.00	CHINA	
Stanford	01/29/2019	$1,000,000.00	HK	
Stanford	02/13/2019	$435,000.00	CHINA	
Stanford	02/25/2019	$750,000.00	HK	
Stanford	02/28/2019	$350,000.00	CHINA	
Stanford	03/26/2019	$125,000.00	HK	
Stanford	03/28/2019	$1,000,000.00	HK	
Stanford	05/02/2019	$25,000.00	HK	
Stanford	05/08/2019	$375,000.00	HK	
Stanford	05/09/2019	$200,000.00	CHINA	
Stanford	05/10/2019	$100,000.00	CHINA	
Stanford	05/23/2019	$1,000,000.00	HK	
Stanford	06/17/2019	$500,000.00	CHINA	
Stanford	07/12/2019	$499,905.00	HK	
Stanford	08/09/2019	$333,332.00	HK	
Stanford	08/15/2019	$225,000.00	CHINA	
Stanford	08/23/2019	$500,000.00	HK	
Stanford	08/30/2019	$168,000.00	CHINA	
Stanford	09/04/2019	$100,000.00	CHINA	
Stanford	09/25/2019	$125,000.00	HK	
Stanford	09/27/2019	$50,000.00	CHINA	
Stanford	10/11/2019	$500,000.00	CHINA	
Stanford	10/18/2019	$1,000.00	HK	
Stanford	10/28/2019	$500,000.00	CHINA	
Stanford	11/06/2019	$250,000.00	HK	
Stanford	11/08/2019	$500,000.00	CHINA	
Stanford	11/08/2019	$500,000.00	CHINA	
Stanford	11/11/2019	$500,000.00	CHINA	
Stanford	12/17/2019	$400,000.00	HK	
Stanford	12/17/2019	$400,000.00	HK	
Stanford	12/19/2019	$70,000.00	CHINA	
Texas MD Anderson	12/01/2014	$919,563.00	CHINA	

Texas MD Anderson	12/01/2015	$4,558,333.00	CHINA	
Texas MD Anderson	11/30/2016	$1,000,000.00	CHINA	
Texas MD Anderson	12/01/2016	$5,890,820.00	CHINA	
Texas MD Anderson	12/01/2016	$900,000.00	CHINA	
Texas MD Anderson	11/02/2017	$500,000.00	CHINA	
Texas MD Anderson	12/01/2017	$5,632,371.00	CHINA	
Texas MD Anderson	05/30/2018	$277,763.00	CHINA	
Texas MD Anderson	08/06/2018	$1,473,962.00	CHINA	
Texas MD Anderson	12/01/2018	$5,701,505.00	CHINA	
Texas MD Anderson	10/03/2019	$1,117,030.00	CHINA	
Texas MD Anderson	10/31/2019	$750,000.00	CHINA	
Texas MD Anderson	12/01/2019	$5,826,615.00	CHINA	
UC-Berkeley	03/30/2017	$552,495.00	HK	University of CA Foundation Limited
UC-Berkeley	04/20/2017	$325,217.00	HK	University of California Foundation
UC-Berkeley	07/03/2017	$350,000.00	HK	UC Education International Ltd
UC-Berkeley	08/25/2017	$1,000,000.00	HK	UC Foundation Limited
UC-Berkeley	03/30/2017	$552,495.00	HK	University of CA Foundation Limited
UC-Berkeley	04/20/2017	$325,217.00	HK	University of California Foundation
UC-San Diego	04/06/2018	$587,000.00	HK	Univ of California Fdn Limited
UC-San Diego	05/01/2019	$50,000.00	HK	University of California Foundation
UC-San Diego	05/01/2019	$50,000.00	HK	University of California Foundation
UC-San Diego	05/17/2019	$469,602.00	HK	University of California Foundation
UC-San Diego	08/26/2019	$50,000.00	HK	University of California Foundation
UC-San Diego	05/01/2019	$50,000.00	HK	University of California Foundation
UC-San Diego	05/01/2019	$50,000.00	HK	University of California Foundation
UC-San Diego	05/17/2019	$469,602.00	HK	University of California Foundation
UC-San Diego	08/26/2019	$50,000.00	HK	University of California Foundation
University of Chicago	06/13/2014	$2,000,000.00	HK	
University of Chicago	12/31/2014	$1,000,000.00	HK	
University of Chicago	12/31/2014	$999,975.00	HK	
University of Chicago	12/31/2014	$500,000.00	HK	
University of Chicago	06/02/2015	$500,000.00	HK	
University of Chicago	06/16/2015	$250,000.00	CHINA	
University of Chicago	11/09/2015	$850,000.00	CHINA	
University of Chicago	11/13/2015	$193,761.00	CHINA	
University of Chicago	11/28/2015	$1,400,000.00	HK	
University of Chicago	12/07/2015	$400,000.00	CHINA	

University of Chicago	12/29/2015	$600,000.00	HK	
University of Chicago	12/31/2015	$1,515,152.00	HK	
University of Chicago	01/07/2016	$331,171.00	CHINA	
University of Chicago	03/10/2016	$1,065,719.00	CHINA	
University of Chicago	03/10/2016	$1,052,154.00	CHINA	
University of Chicago	04/11/2016	$600,000.00	HK	
University of Chicago	10/03/2016	$275,136.00	CHINA	
University of Chicago	12/27/2016	$1,000,000.00	HK	
University of Chicago	12/30/2016	$757,576.00	HK	
University of Chicago	02/01/2017	$15,051.00	HK	
University of Chicago	04/07/2017	$985,856.00	CHINA	
University of Chicago	05/16/2017	$402,755.00	CHINA	
University of Chicago	05/23/2017	$249,773.00	HK	
University of Chicago	05/25/2017	$500,000.00	HK	
University of Chicago	06/01/2017	$1,500,000.00	HK	
University of Chicago	06/29/2017	$1,000,000.00	CHINA	
University of Chicago	09/14/2017	$2,000,000.00	HK	
University of Chicago	09/26/2017	$500,000.00	HK	
University of Chicago	09/28/2017	$2,137,824.00	CHINA	
University of Chicago	10/12/2017	$300,000.00	HK	
University of Chicago	12/07/2017	$418,977.00	HK	
University of Chicago	12/22/2017	$12,375.00	HK	
University of Chicago	12/22/2017	$2,000,025.00	HK	
University of Chicago	01/25/2018	$1,991,826.00	HK	
University of Chicago	04/10/2018	$297,440.00	CHINA	
University of Chicago	05/22/2018	$260,000.00	CHINA	
University of Chicago	06/22/2018	$2,000,000.00	CHINA	
University of Chicago	06/29/2018	$2,000,000.00	CHINA	
University of Chicago	06/29/2018	$2,235,820.00	HK	
University of Chicago	08/27/2018	$499,044.00	CHINA	
University of Chicago	09/19/2018	$1,000,000.00	CHINA	
University of Chicago	10/24/2018	$500,000.00	HK	
University of Chicago	10/25/2018	$500,000.00	HK	
University of Chicago	11/15/2018	$1,995,025.00	HK	
University of Chicago	11/16/2018	$1,995,025.00	HK	
University of Chicago	11/26/2018	$283,473.00	HK	
University of Chicago	12/21/2018	$1,988,527.00	HK	
University of Chicago	01/23/2019	$500,000.00	CHINA	
University of Chicago	01/23/2019	$500,000.00	CHINA	
University of Chicago	01/29/2019	$200,000.00	HK	
University of Chicago	01/29/2019	$200,000.00	HK	
University of Chicago	01/29/2019	$680,000.00	HK	
University of Chicago	01/29/2019	$820,000.00	HK	
University of Chicago	01/29/2019	$820,000.00	CHINA	

University of Chicago	01/29/2019	$680,000.00	CHINA	
University of Chicago	01/29/2019	$200,000.00	CHINA	
University of Chicago	01/29/2019	$200,000.00	CHINA	
University of Chicago	02/14/2019	$300,000.00	CHINA	
University of Chicago	03/05/2019	$400,000.00	CHINA	
University of Chicago	03/05/2019	$400,000.00	CHINA	
University of Chicago	04/01/2019	$250,000.00	HK	
University of Chicago	04/01/2019	$100,000.00	CHINA	
University of Chicago	04/01/2019	$100,000.00	CHINA	
University of Chicago	04/01/2019	$250,000.00	CHINA	
University of Chicago	04/01/2019	$10,000.00	CHINA	
University of Chicago	04/04/2019	$5,000.00	CHINA	
University of Chicago	05/06/2019	$2,450,000.00	CHINA	
University of Chicago	05/06/2019	$2,000,000.00	CHINA	
University of Chicago	05/06/2019	$450,000.00	CHINA	
University of Chicago	05/15/2019	$2,000,000.00	CHINA	
University of Chicago	05/15/2019	$99,161.00	HK	
University of Chicago	05/15/2019	$14,874.00	HK	
University of Chicago	05/15/2019	$2,000,000.00	CHINA	
University of Chicago	05/15/2019	$247,902.00	HK	
University of Chicago	05/23/2019	$500,000.00	CHINA	
University of Chicago	05/23/2019	$500,000.00	CHINA	
University of Chicago	06/17/2019	$200,000.00	CHINA	
University of Chicago	06/27/2019	$250,000.00	CHINA	
University of Chicago	06/27/2019	$250,000.00	CHINA	
University of Chicago	06/30/2019	$1,500,000.00	CHINA	
University of Chicago	08/16/2019	$300,000.00	HK	
University of Chicago	09/09/2019	$600,000.00	HK	
University of Chicago	09/09/2019	$100,000.00	HK	
University of Chicago	09/09/2019	$100,000.00	HK	
University of Chicago	09/09/2019	$100,000.00	HK	
University of Chicago	09/09/2019	$100,000.00	HK	
University of Chicago	09/23/2019	$2,000,000.00	CHINA	
University of Chicago	10/01/2019	$4,500,000.00	CHINA	
University of Chicago	10/04/2019	$9,000,000.00	CHINA	
University of Chicago	10/04/2019	$1,000,000.00	CHINA	
University of Chicago	10/09/2019	$125,000.00	CHINA	
University of Chicago	10/09/2019	$500,000.00	CHINA	
University of Chicago	10/15/2019	$499,975.00	CHINA	
University of Chicago	10/25/2019	$5,970,543.00	HK	
University of Chicago	11/22/2019	$750,000.00	CHINA	
University of Chicago	11/28/2019	$297,868.00	HK	
University of Chicago	11/28/2019	$80,000.00	HK	
University of Chicago	12/12/2019	$2,000,000.00	HK	

University of Chicago	12/19/2019	$350,000.00	HK	
University of Chicago	12/31/2019	$1,300,000.00	CHINA	
University of Chicago	12/31/2019	$701,026.00	CHINA	
University of Dayton	12/24/2018	$407,000.00	CHINA	
University of Dayton	09/01/2019	$3,000,000.00	CHINA	
University of Delaware	12/31/2019	$624,904.00	CHINA	
University of Notre Dame	07/25/2019	$250,000.00	CHINA	
University of Pennsylvania	05/29/2014	$1,000,000.00	HK	Anonymous
University of Pennsylvania	09/30/2014	$274,677.00	HK	University of Pennsylvania HK
University of Pennsylvania	09/01/2015	$1,000,000.00	HK	Anonymous
University of Pennsylvania	09/23/2015	$1,035,806.00	HK	University of Pennsylvania HK
University of Pennsylvania	03/18/2016	$1,000,000.00	HK	Anonymous
University of Pennsylvania	03/23/2016	$500,000.00	CHINA	Anonymous
University of Pennsylvania	06/01/2016	$400,000.00	HK	Anonymous
University of Pennsylvania	06/29/2016	$300,000.00	CHINA	Anonymous
University of Pennsylvania	06/30/2016	$1,000,000.00	HK	Anonymous
University of Pennsylvania	12/07/2016	$1,446,000.00	HK	University of Pennsylvania HK
University of Pennsylvania	03/13/2017	$400,000.00	HK	Anonymous
University of Pennsylvania	07/14/2017	$500,000.00	CHINA	Anonymous
University of Pennsylvania	09/20/2017	$1,975,000.00	HK	University of Pennsylvania HK
University of Pennsylvania	02/05/2018	$1,000.00	HK	Anonymous
University of Pennsylvania	03/09/2018	$400,000.00	HK	Anonymous
University of Pennsylvania	03/15/2018	$250,000.00	CHINA	Anonymous
University of Pennsylvania	03/15/2018	$500,000.00	CHINA	Anonymous
University of Pennsylvania	03/15/2018	$250,000.00	CHINA	Anonymous
University of Pennsylvania	03/20/2018	$300,000.00	CHINA	Anonymous
University of Pennsylvania	05/16/2018	$1,020,000.00	HK	Anonymous
University of Pennsylvania	05/29/2018	$14,500,000.00	CHINA	Anonymous
University of Pennsylvania	06/06/2018	$300,000.00	HK	Anonymous
University of Pennsylvania	06/12/2018	$2,190,000.00	HK	University of Pennsylvania HK
University of Pennsylvania	07/10/2018	$540,000.00	HK	Anonymous
University of Pennsylvania	01/09/2019	$1,000,000.00	CHINA	Anonymous

University of Pennsylvania	01/09/2019	$1,000,000.00	CHINA	Anonymous
University of Pennsylvania	02/01/2019	$300,000.00	HK	Anonymous
University of Pennsylvania	03/13/2019	$8,000.00	HK	Anonymous
University of Pennsylvania	04/03/2019	$250,000.00	HK	Anonymous
University of Pennsylvania	05/15/2019	$5,000.00	CHINA	1471450
University of Pennsylvania	05/31/2019	$125,000.00	HK	2408712
University of Pennsylvania	05/31/2019	$125,000.00	HK	2408712
University of Pennsylvania	05/31/2019	$200,000.00	HK	Anonymous
University of Pennsylvania	05/31/2019	$250,000.00	HK	Anonymous
University of Pennsylvania	05/31/2019	$150,000.00	HK	Anonymous
University of Pennsylvania	06/03/2019	$400,000.00	CHINA	Anonymous
University of Pennsylvania	06/03/2019	$100,000.00	CHINA	Anonymous
University of Pennsylvania	06/03/2019	$4,975.00	CHINA	Anonymous
University of Pennsylvania	06/11/2019	$100,000.00	CHINA	Anonymous
University of Pennsylvania	06/19/2019	$1,000,000.00	HK	Anonymous
University of Pennsylvania	06/25/2019	$100,000.00	CHINA	Anonymous
University of Pennsylvania	06/25/2019	$200,000.00	CHINA	Anonymous
University of Pennsylvania	06/26/2019	$400,000.00	CHINA	Anonymous
University of Pennsylvania	06/26/2019	$100,000.00	CHINA	Anonymous
University of Pennsylvania	06/26/2019	$100,000.00	CHINA	Anonymous
University of Pennsylvania	06/30/2019	$333,279.00	CHINA	Anonymous
University of Pennsylvania	06/30/2019	$416,721.00	CHINA	Anonymous
University of Pennsylvania	06/30/2019	$383,054.00	CHINA	Anonymous
University of Pennsylvania	06/30/2019	$383,279.00	CHINA	Anonymous
University of Pennsylvania	06/30/2019	$500,000.00	CHINA	Anonymous
University of Pennsylvania	06/30/2019	$483,667.00	CHINA	Anonymous
University of Pennsylvania	07/17/2019	$1,250,000.00	CHINA	2429945
University of Pennsylvania	07/17/2019	$750,000.00	CHINA	2429945
University of Pennsylvania	07/17/2019	$500,000.00	CHINA	2429945
University of Pennsylvania	08/28/2019	$299,533.00	HK	1472134

University of Pennsylvania	10/11/2019	$150,000.00	HK	1048832
University of Pennsylvania	10/25/2019	$300,000.00	CHINA	2447717
University of Pennsylvania	10/25/2019	$100,000.00	CHINA	2447717
University of Pennsylvania	11/26/2019	$1,000.00	HK	1497654
University of Pennsylvania	11/27/2019	$600,000.00	CHINA	1643212
University of Pennsylvania	11/27/2019	$29,990.00	CHINA	1643212
University of Pennsylvania	12/23/2019	$2,125,000.00	HK	1413157
University of Pennsylvania	12/24/2019	$250,000.00	CHINA	1471450
University of Pennsylvania	12/24/2019	$250,000.00	CHINA	1471450
University of Pennsylvania	09/30/2014	$274,677.00	HK	University of Pennsylvania HK
University of Pennsylvania	09/23/2015	$1,035,806.00	HK	University of Pennsylvania HK
University of Pennsylvania	12/07/2016	$1,446,000.00	HK	University of Pennsylvania HK
University of Pennsylvania	09/20/2017	$1,975,000.00	HK	University of Pennsylvania HK
University of Pennsylvania	06/12/2018	$2,190,000.00	HK	University of Pennsylvania HK
USC	05/05/2014	$1,000,000.00	CHINA	Individual
USC	05/12/2014	$275,000.00	HK	Corporation
USC	05/12/2014	$517,848.00	HK	Corporation
USC	05/19/2014	$1,000,000.00	CHINA	Individual
USC	10/30/2014	$250,000.00	CHINA	
USC	12/11/2014	$500,000.00	HK	
USC	12/19/2014	$11,000,000.00	HK	
USC	05/21/2015	$362,910.00	HK	
USC	06/24/2015	$482,960.00	CHINA	
USC	07/17/2015	$998,122.00	HK	
USC	08/03/2015	$1,250,000.00	CHINA	
USC	09/16/2015	$250,000.00	CHINA	
USC	09/18/2015	$250,000.00	CHINA	
USC	09/24/2015	$5,895,548.00	HK	Company
USC	10/20/2015	$500,000.00	HK	Corporation
USC	10/22/2015	$400,000.00	CHINA	Corporation
USC	12/02/2015	$459,960.00	CHINA	
USC	12/07/2015	$480,000.00	CHINA	
USC	12/09/2015	$463,632.00	CHINA	Corporation
USC	01/25/2016	$2,400,000.00	HK	
USC	05/31/2016	$375,000.00	CHINA	
USC	05/31/2016	$519,543.00	HK	Company
USC	06/06/2016	$400,000.00	CHINA	Corporation
USC	07/01/2016	$500,000.00	HK	

USC	07/22/2016	$500,000.00	CHINA	
USC	07/26/2016	$1,500,000.00	CHINA	
USC	08/08/2016	$16,274,056.00	CHINA	
USC	08/30/2016	$250,000.00	CHINA	
USC	09/26/2016	$439,859.00	CHINA	
USC	11/03/2016	$1,200,000.00	CHINA	
USC	12/15/2016	$4,000,000.00	HK	
USC	01/31/2017	$978,216.00	HK	
USC	03/06/2017	$600,000.00	CHINA	
USC	03/10/2017	$1,450,000.00	HK	
USC	05/16/2017	$300,000.00	CHINA	
USC	06/30/2017	$256,885.00	HK	
USC	08/14/2017	$1,500,000.00	CHINA	
USC	09/11/2017	$500,000.00	HK	
USC	09/11/2017	$493,500.00	CHINA	
USC	10/04/2017	$6,873,764.00	HK	
USC	10/19/2017	$500,000.00	CHINA	
USC	12/13/2017	$5,000,000.00	HK	
USC	12/19/2017	$618,126.00	HK	
USC	01/12/2018	$1,000,000.00	CHINA	
USC	01/17/2018	$330,000.00	CHINA	
USC	02/27/2018	$330,000.00	CHINA	
USC	03/26/2018	$420,000.00	CHINA	
USC	04/04/2018	$11,284,851.00	CHINA	
USC	04/13/2018	$4,563,577.00	HK	
USC	04/18/2018	$300,000.00	CHINA	
USC	05/22/2018	$695,429.00	HK	
USC	06/29/2018	$7,123,656.00	CHINA	
USC	07/19/2018	$648,750.00	CHINA	
USC	07/25/2018	$1,500,000.00	CHINA	
USC	09/07/2018	$240,000.00	CHINA	
USC	09/28/2018	$1,000,000.00	HK	
USC	10/08/2018	$144,730.00	HK	
USC	10/08/2018	$300,000.00	HK	
USC	11/28/2018	$600,000.00	HK	
USC	02/14/2019	$400,000.00	CHINA	
USC	04/02/2019	$250,245.00	CHINA	
USC	04/02/2019	$648,750.00	CHINA	
USC	04/12/2019	$500,000.00	CHINA	
USC	06/10/2019	$11,991,694.00	HK	
USC	08/12/2019	$330,000.00	CHINA	
USC	08/13/2019	$1,500,000.00	CHINA	
USC	08/19/2019	$275,000.00	HK	
USC	10/01/2019	$250,000.00	CHINA	

Williams College	12/29/2014	$549,999.00	HK	
Williams College	11/24/2015	$1,050,000.00	HK	
Williams College	07/02/2018	$3,000,000.00	HK	
Yale	02/17/2014	$235,132.00	HK	Anonymous #612
Yale	03/07/2014	$821,167.00	CHINA	Anonymous #610
Yale	03/14/2014	$738,600.00	HK	Anonymous #22
Yale	04/04/2014	$1,762,834.00	CHINA	Anonymous #26
Yale	04/29/2014	$3,525,667.00	HK	Anonymous #24
Yale	09/30/2014	$1,848,973.00	CHINA	Anonymous #19
Yale	10/30/2014	$675,463.00	CHINA	Anonymous #611
Yale	11/20/2014	$250,000.00	HK	Donor
Yale	12/18/2014	$1,856,750.00	HK	Donor
Yale	12/31/2014	$1,105,047.00	HK	Anonymous #27
Yale	02/06/2015	$774,716.00	CHINA	Anonymous #614
Yale	03/10/2015	$258,613.00	CHINA	Anonymous #613
Yale	03/16/2015	$395,630.00	CHINA	Contracting Party
Yale	05/07/2015	$191,728.00	CHINA	Contracting Party
Yale	06/23/2015	$714,667.00	CHINA	Anonymous #26
Yale	06/30/2015	$400,000.00	HK	Anonymous #29
Yale	07/01/2015	$438,409.00	CHINA	Anonymous #142
Yale	07/28/2015	$1,429,333.00	HK	Anonymous #24
Yale	08/07/2015	$999,659.00	CHINA	Donor
Yale	09/10/2015	$407,400.00	CHINA	Anonymous #125
Yale	11/27/2015	$6,000,000.00	HK	Anonymous #8
Yale	12/02/2015	$520,371.00	CHINA	Contracting Party
Yale	12/07/2015	$300,000.00	HK	Anonymous #38
Yale	12/16/2015	$631,796.00	CHINA	Anonymous #615
Yale	12/30/2015	$780,000.00	CHINA	Anonymous #19
Yale	12/30/2015	$675,071.00	HK	Anonymous #27
Yale	05/12/2016	$402,100.00	HK	Contracting Party
Yale	06/01/2016	$1,500,000.00	CHINA	Anonymous #107
Yale	06/14/2016	$2,000,000.00	CHINA	Donor
Yale	06/14/2016	$2,000,000.00	CHINA	Donor
Yale	06/14/2016	$1,000,000.00	CHINA	Donor
Yale	07/01/2016	$966,138.00	CHINA	Anonymous #158
Yale	07/14/2016	$380,756.00	CHINA	Contracting Party
Yale	08/29/2016	$332,820.00	CHINA	Contracting Party
Yale	09/06/2016	$250,000.00	CHINA	Donor
Yale	10/12/2016	$1,127,311.00	CHINA	Anonymous #623
Yale	10/27/2016	$303,000.00	CHINA	Contracting Party
Yale	11/03/2016	$2,000,000.00	CHINA	Anonymous #43
Yale	11/15/2016	$551,240.00	CHINA	Anonymous #621
Yale	12/09/2016	$250,000.00	HK	Anonymous #38
Yale	12/20/2016	$1,000,000.00	HK	Anonyous #51

Yale	12/21/2016	$964,667.00	CHINA	Anonymous #26
Yale	12/23/2016	$47,353,186.00	HK	Anonymous #9
Yale	01/03/2017	$225,760.00	CHINA	Contracting Party
Yale	01/04/2017	$134,700.00	CHINA	Contracting Party
Yale	01/09/2017	$1,000,000.00	CHINA	Anonymous #19
Yale	04/10/2017	$2,000,000.00	HK	Donor
Yale	04/10/2017	$3,000,000.00	HK	Donor
Yale	05/09/2017	$118,620.00	CHINA	Contracting Party
Yale	05/23/2017	$336,820.00	HK	Anonymous #634
Yale	06/21/2017	$583,547.00	CHINA	Anonymous #630
Yale	06/22/2017	$378,927.00	CHINA	Contracting Party
Yale	06/27/2017	$340,000.00	CHINA	Anonymous #55
Yale	08/24/2017	$2,000,000.00	CHINA	Anonymous #43
Yale	09/14/2017	$900,000.00	CHINA	Anonymous #57
Yale	09/18/2017	$612,028.00	CHINA	Anonymous #633
Yale	09/22/2017	$250,000.00	HK	Anonymous #38
Yale	10/01/2017	$300,000.00	CHINA	Anonymous #127
Yale	10/02/2017	$375,376.00	HK	Anonymous #631
Yale	10/11/2017	$383,333.00	HK	Anonymous #59
Yale	11/01/2017	$376,079.00	CHINA	Anonymous #158
Yale	11/03/2017	$714,667.00	CHINA	Anonymous #26
Yale	11/08/2017	$1,166,667.00	HK	Anonymous #24
Yale	11/22/2017	$2,710,488.00	CHINA	Anonymous #134
Yale	12/07/2017	$47,670,277.00	HK	Anonymous #9
Yale	12/20/2017	$1,000,000.00	HK	Anonymous #51
Yale	12/28/2017	$1,000,000.00	CHINA	Anonymous #10
Yale	01/04/2018	$134,700.00	CHINA	Contracting Party
Yale	02/01/2018	$4,933,450.00	CHINA	Anonymous #156
Yale	02/09/2018	$324,968.00	CHINA	Anonymous #637
Yale	03/08/2018	$800,000.00	CHINA	Anon. Donor #12
Yale	03/08/2018	$500,000.00	HK	Anon. Donor #16
Yale	03/08/2018	$800,000.00	CHINA	Anonymous #21
Yale	03/08/2018	$500,000.00	HK	Anonymous #42
Yale	03/12/2018	$1,470,560.00	CHINA	Anonymous #640
Yale	03/15/2018	$118,620.00	CHINA	Contracting Party
Yale	03/27/2018	$333,333.00	CHINA	Anon. Donor #17
Yale	03/27/2018	$333,333.00	CHINA	Anonymous #26
Yale	04/09/2018	$4,933,450.00	CHINA	Anon. Donor #1
Yale	04/09/2018	$4,933,450.00	CHINA	Anonymous #11
Yale	04/24/2018	$1,000,000.00	HK	Anon. Donor #10
Yale	04/24/2018	$1,000,000.00	HK	Anonymous #29
Yale	04/26/2018	$2,953,688.00	CHINA	Anonymous #23
Yale	04/27/2018	$609,287.00	CHINA	Contracting Party
Yale	05/17/2018	$445,000.00	CHINA	Contracting Party

Yale	05/30/2018	$277,400.00	HK	Anonymous #636
Yale	06/05/2018	$250,000.00	CHINA	Anon. Donor #19
Yale	06/06/2018	$520,830.00	CHINA	Anonymous #639
Yale	06/21/2018	$10,450,000.00	HK	Anon. Donor #8
Yale	06/25/2018	$1,000,000.00	CHINA	Anonymous #38
Yale	06/26/2018	$324,968.00	CHINA	Anonymous #638
Yale	06/27/2018	$1,686,334.00	HK	Anonymous #34
Yale	06/29/2018	$360,000.00	HK	Anonymous #32
Yale	07/03/2018	$843,165.00	CHINA	Anonymous #37
Yale	07/30/2018	$374,160.00	CHINA	Contracting Party
Yale	08/22/2018	$2,000,000.00	CHINA	Anonymous #14
Yale	08/22/2018	$463,800.00	CHINA	Anonymous #635
Yale	10/18/2018	$500,000.00	CHINA	Anonymous #31
Yale	10/29/2018	$500,000.00	HK	Anonymous #28
Yale	12/14/2018	$1,000,000.00	HK	Anonymous #41
Yale	12/19/2018	$14,450,000.00	HK	Anonymous #24
Yale	12/27/2018	$250,000.00	HK	Donor
Yale	01/01/2019	$410,242.00	CHINA	Anonymous #23
Yale	01/01/2019	$869,714.00	CHINA	Contracting Party
Yale	01/14/2019	$118,620.00	CHINA	Contracting Party
Yale	01/15/2019	$134,700.00	CHINA	Contracting Party
Yale	03/26/2019	$338,250.00	CHINA	Anonymous #29
Yale	04/01/2019	$450,000.00	CHINA	Contracting Party
Yale	04/02/2019	$316,100.00	CHINA	Anonymous #36
Yale	04/05/2019	$507,082.00	HK	Anonymous #10
Yale	05/31/2019	$361,008.00	CHINA	Anonymous #30
Yale	06/03/2019	$202,000.00	CHINA	Contracting Party
Yale	06/13/2019	$609,950.00	CHINA	Contracting Party
Yale	06/17/2019	$609,950.00	CHINA	Anonymous #31
Yale	06/20/2019	$333,333.00	CHINA	Anonymous #7
Yale	06/21/2019	$600,000.00	HK	Anonymous #11
Yale	06/24/2019	$1,100,000.00	HK	Anonymous #4
Yale	06/25/2019	$50,000.00	CHINA	Donor
Yale	06/25/2019	$201,000.00	CHINA	Donor
Yale	06/28/2019	$3,000,000.00	HK	Anonymous #5
Yale	07/02/2019	$2,000,000.00	CHINA	Anonymous #40
Yale	07/10/2019	$613,180.00	CHINA	Contracting Party
Yale	08/07/2019	$632,655.00	CHINA	Anonymous #60
Yale	08/13/2019	$500,000.00	HK	Anonymous #52
Yale	08/27/2019	$347,043.00	HK	Anonymous #42
Yale	08/28/2019	$400,000.00	HK	Anonymous #43
Yale	09/12/2019	$262,520.00	CHINA	Anonymous #61
Yale	09/12/2019	$1,750,800.00	CHINA	Anonymous #62
Yale	09/22/2019	$385,100.00	CHINA	Contracting Party

Yale	10/01/2019	$1,062,531.00	CHINA	Anonymous #58
Yale	12/19/2019	$1,000,000.00	HK	Anonymous #51
Yale	12/30/2019	$1,000,000.00	CHINA	Anonymous #49
Yale	12/31/2019	$55,685.00	CHINA	Contracting Party
	TOTAL	**$1,155,979,172.00**		

APPENDIX I: All money attributed to Chinese government sources, 2014-2019

Based on a Sec. 117 data set available on the Federal Student Aid website, covering the time period from January 1st 2014 through June 30th, 2020

School	Date	Amount	Country	Source
Alfred University	12/22/2017	$285,973.00	CHINA	Confucius Institute Headquarters
Arizona State University	07/22/2014	$138,205.00	CHINA	Confucius Institute Headquarters
Arizona State University	11/17/2014	$120,000.00	CHINA	Confucius Institute Headquarters
Arizona State University	09/14/2015	$143,345.00	CHINA	Confucius Institute Headquarters
Arizona State University	12/29/2015	$130,000.00	CHINA	Confucius Institute Headquarters
Arizona State University	12/01/2017	$154,120.00	CHINA	Confucius Institute Headquarters
Arizona State University	12/21/2017	$135,000.00	CHINA	Confucius Institute Headquarters
Auburn University Montgomery	09/10/2014	$77,091.00	CHINA	Confucius Institute Headquarters
Auburn University Montgomery	11/24/2014	$90,000.00	CHINA	Confucius Institute Headquarters
Auburn University Montgomery	11/28/2014	$34,400.00	CHINA	Confucius Institute Headquarters
Auburn University Montgomery	02/04/2015	$20,000.00	CHINA	Confucius Institute Headquarters
Auburn University Montgomery	07/01/2015	$113,619.00	CHINA	Confucius Institute Headquarters
Auburn University Montgomery	12/04/2015	$12,200.00	CHINA	Confucius Institute Headquarters
Auburn University Montgomery	12/29/2015	$100,000.00	CHINA	Confucius Institute Headquarters
Auburn University Montgomery	09/09/2016	$42,252.00	CHINA	Confucius Institute Headquarters
Auburn University Montgomery	12/27/2016	$75,000.00	CHINA	Confucius Institute Headquarters
Auburn University Montgomery	09/20/2017	$94,278.00	CHINA	Confucius Institute Headquarters
Auburn University Montgomery	12/21/2017	$79,000.00	CHINA	Confucius Institute Headquarters
Bryant University	10/03/2017	$33,830.00	CHINA	Office of Chinese Language Council
Cal Tech	01/31/2016	$13,578.00	CHINA	Nat'l Astron Obs, Chinese Acad Scie
Cal Tech	02/28/2016	$8,356.00	CHINA	Nat'l Astron Obs, Chinese Acad Scie
Cal Tech	03/31/2016	$10,445.00	CHINA	Nat'l Astron Obs, Chinese Acad Scie

Cal Tech	04/30/2016	$8,878.00	CHINA	Nat'l Astron Obs, Chinese Acad Scie
Cal Tech	06/30/2016	$74,065.00	CHINA	Nat'l Astron Obs, Chinese Acad Scie
Cal Tech	08/14/2019	$177,810.00	CHINA	NATIONAL ASTRO OBSERVATORIES
Cal Tech	08/14/2019	$114,688.00	CHINA	NATIONAL ASTRO OBSERVATORIES
Cal Tech	08/31/2014	$9,101.00	CHINA	NATIONAL ASTRONOMICAL OBSERVATORIES
Cal Tech	09/30/2014	$4,854.00	CHINA	NATIONAL ASTRONOMICAL OBSERVATORIES
Cal Tech	10/31/2014	$12,016.00	CHINA	NATIONAL ASTRONOMICAL OBSERVATORIES
Cal Tech	11/30/2014	$10,489.00	CHINA	NATIONAL ASTRONOMICAL OBSERVATORIES
Cal Tech	12/31/2014	$10,489.00	CHINA	NATIONAL ASTRONOMICAL OBSERVATORIES
Cal Tech	01/31/2015	$5,801.00	CHINA	NATIONAL ASTRONOMICAL OBSERVATORIES
Cal Tech	03/01/2015	$5,801.00	CHINA	NATIONAL ASTRONOMICAL OBSERVATORIES
Cal Tech	03/31/2015	$6,411.00	CHINA	NATIONAL ASTRONOMICAL OBSERVATORIES
Cal Tech	04/30/2015	$8,095.00	CHINA	NATIONAL ASTRONOMICAL OBSERVATORIES
Cal Tech	05/31/2015	$11,684.00	CHINA	NATIONAL ASTRONOMICAL OBSERVATORIES
Cal Tech	06/30/2015	$26,738.00	CHINA	NATIONAL ASTRONOMICAL OBSERVATORIES
Cal Tech	07/31/2015	$13,357.00	CHINA	NATIONAL ASTRONOMICAL OBSERVATORIES
Cal Tech	08/31/2015	$6,420.00	CHINA	NATIONAL ASTRONOMICAL OBSERVATORIES
Cal Tech	09/30/2015	$15,283.00	CHINA	NATIONAL ASTRONOMICAL OBSERVATORIES
Cal Tech	10/31/2015	$7,658.00	CHINA	NATIONAL ASTRONOMICAL OBSERVATORIES
Cal Tech	11/30/2015	$6,222.00	CHINA	NATIONAL ASTRONOMICAL OBSERVATORIES
Cal Tech	12/31/2015	$6,375.00	CHINA	NATIONAL ASTRONOMICAL OBSERVATORIES

California State University, Fullerton	12/01/2018	$264,000.00	CHINA	Guangxi Education Department
California State University, Fullerton	12/01/2018	$317,060.00	CHINA	Guangxi Education Department
College of William & Mary	03/23/2016	$19,613.00	CHINA	Hanban
College of William & Mary	03/23/2016	$18,695.00	CHINA	Hanban
College of William & Mary	06/21/2016	$556.00	CHINA	Hanban
College of William & Mary	09/30/2016	$10,380.00	CHINA	Hanban
College of William & Mary	12/07/2016	$51,600.00	CHINA	Hanban
College of William & Mary	01/03/2017	$65,000.00	CHINA	Hanban
College of William & Mary	10/17/2017	$18,898.00	CHINA	Hanban
College of William & Mary	01/03/2018	$74,000.00	CHINA	Hanban
College of William & Mary	08/24/2018	$30,711.00	CHINA	Hanban
College of William & Mary	12/14/2018	$20,000.00	CHINA	Hanban
College of William & Mary	12/31/2019	$38,036.00	CHINA	Hanban North American Education Inc
Colorado State University	01/01/2019	$44,988.00	CHINA	HanBan/Confucius Institute
Cornell University	07/18/2017	$753,653.00	CHINA	Henan Shuanghui Investment & Develo
Emory University	12/05/2018	$349,981.00	CHINA	Confucius Institute
Emory University	01/01/2019	$117,205.00	CHINA	Confucius Institute
Emory University	01/01/2019	$259,639.00	CHINA	Confucius Institute
George Washington University	12/31/2014	$373,744.00	CHINA	Confucius Institute
George Washington University	12/31/2014	$25,000.00	CHINA	Government of China
George Washington University	12/31/2015	$288,945.00	CHINA	Government of China
George Washington University	06/30/2016	$1,005,324.00	CHINA	Government of China
George Washington University	12/31/2016	$401,776.00	CHINA	Government of China
George Washington University	12/31/2017	$470,330.00	CHINA	Government of China
George Washington University	06/30/2018	$549,315.00	CHINA	Government of China
George Washington University	12/31/2018	$380,304.00	CHINA	Government of China
George Washington University	06/30/2019	$342,761.00	CHINA	Government of China
George Washington University	12/31/2019	$436,284.00	CHINA	Government of China
Georgetown University	09/23/2015	$421,150.00	CHINA	Government of Guangdong
Georgetown University	08/23/2016	$421,162.00	CHINA	Government of Guangdong
Hawaii Pacific University	11/05/2018	$500,000.00	CHINA	Heshan City Guang Wei Farming Compa
Indiana University - Purdue University Indianapolis	01/14/2014	$357,397.00	CHINA	Hanban
Kansas State University	06/01/2018	$131,792.00	CHINA	Hanban
Kennesaw State University	11/24/2014	$336,403.00	CHINA	Confucius Inst. Hanban

Kennesaw State University	12/29/2015	$320,504.00	CHINA	Confucius Inst. Hanban
Kennesaw State University	12/22/2017	$462,457.00	CHINA	Confucius Inst. Hanban
Michigan State University	08/29/2014	$131,965.00	CHINA	Natl Off Chinese Lang COncl Intl
Michigan State University	04/22/2014	$386,536.00	CHINA	Natl Off of Chinese Lang Concl Int
Middle Tennessee State University	11/10/2014	$26,491.00	CHINA	Confucius Institute Headquarters
Middle Tennessee State University	11/17/2014	$40,000.00	CHINA	Confucius Institute Headquarters
Middle Tennessee State University	12/26/2014	$1,000,000.00	CHINA	Confucius Institute Headquarters
Middle Tennessee State University	12/24/2019	$303,468.00	CHINA	Hanban
New York University	01/01/2017	$405,000.00	CHINA	Government
New York University	09/01/2017	$680,000.00	CHINA	Government
New York University	01/01/2019	$412,970.00	CHINA	Government
New York University	01/01/2019	$390,000.00	CHINA	Government
North Carolina State University	11/24/2017	$284,949.00	CHINA	Office of Chinese Language Council
San Diego State University	08/18/2014	$399,823.00	CHINA	Hanban
San Diego State University	12/03/2014	$450,000.00	CHINA	Hanban
San Diego State University	10/29/2015	$136,291.00	CHINA	Hanban
San Diego State University	12/14/2015	$1,620.00	CHINA	Hanban
San Diego State University	12/29/2015	$290,000.00	CHINA	Hanban
San Diego State University	03/22/2018	$446,607.00	CHINA	Hanban
San Diego State University	10/15/2018	$257,644.00	CHINA	Hanban
San Diego State University	12/19/2018	$100,000.00	CHINA	Hanban
Texas A&M University	04/01/2019	$2,000,000.00	CHINA	Qinigdao National Labratory for Mar
Texas A&M University	09/25/2018	$2,000,000.00	CHINA	Quindgao Natonal Laboratory
Troy University	05/07/2019	$463,657.00	CHINA	Confucius Institute Headquarters
University of Akron (The)	12/17/2017	$392,822.00	CHINA	Confucius Institute
UC-Berkeley	07/01/2018	$2,604,042.00	CHINA	Nanjing Intl Healthcare Area
UC-Los Angeles	09/27/2019	$264,470.00	CHINA	CONFUCIOUS INSTITUTE
UC-Los Angeles	07/15/2016	$189,487.00	CHINA	CONFUCIOUS INSTITUTE HEADQUARTERS
UC-Los Angeles	06/27/2017	$30,805.00	CHINA	CONFUCIUS INST HEADQUARTERS
UC-Los Angeles	12/27/2016	$115,000.00	CHINA	CONFUCIUS INSTITUTE
UC-Los Angeles	11/01/2017	$43,640.00	CHINA	CONFUCIUS INSTITUTE
UC-Los Angeles	07/24/2019	$45,653.00	CHINA	CONFUCIUS INSTITUTE
UC-Los Angeles	08/28/2019	$155,791.00	CHINA	CONFUCIUS INSTITUTE
UC-Los Angeles	09/24/2019	$41,671.00	CHINA	CONFUCIUS INSTITUTE

UC-Los Angeles	12/20/2019	$73,118.00	CHINA	CONFUCIUS INSTITUTE
UC-Los Angeles	06/09/2014	$408,544.00	CHINA	Confucius Institute Headquarters
UC-Los Angeles	05/31/2015	$79,973.00	CHINA	Confucius Institute Headquarters
UC-Los Angeles	09/30/2015	$260,774.00	CHINA	CONFUCIUS INSTITUTE HEADQUARTERS
UC-Los Angeles	12/04/2015	$6,150.00	CHINA	CONFUCIUS INSTITUTE HEADQUARTERS
UC-Los Angeles	12/29/2015	$190,000.00	CHINA	CONFUCIUS INSTITUTE HEADQUARTERS
UC-Los Angeles	04/20/2018	$137,051.00	CHINA	Confucius Institute Headquarters
UC-Los Angeles	08/17/2018	$478,520.00	CHINA	Confucius Institute Headquarters
UC-Los Angeles	10/01/2014	$350,275.00	HONG KONG	Hong Kong Sanatorium & Hospital
UC-Los Angeles	10/30/2015	$305,882.00	HONG KONG	HONG KONG SANATORIUM AND HOSPITAL
UC-Los Angeles	06/30/2016	$202,523.00	HONG KONG	HONG KONG SANATORIUM AND HOSPITAL
UC-Los Angeles	06/19/2017	$305,910.00	HONG KONG	HONG KONG SANATORIUM AND HOSPITAL
UC-Los Angeles	02/28/2018	$202,524.00	HONG KONG	Hong Kong Sanatorium and Hospital
UC-Los Angeles	06/25/2018	$202,523.00	HONG KONG	Hong Kong Sanatorium and Hospital
UC-Los Angeles	06/21/2016	$305,912.00	HONG KONG	Hong Kong Sanatorium and Hospital,
UC-Los Angeles	05/04/2015	$5,000.00	CHINA	Suzhou Industrial Park
UC-Los Angeles	02/25/2014	$1,700.00	CHINA	Suzhou, Xuzhou Provincial Hospital
University of Illinois	04/21/2016	$252,253.00	CHINA	Hanban
University of Kentucky	01/07/2014	$1,551,235.00	CHINA	Confucious Institute
University of Kentucky	11/07/2018	$193,480.00	CHINA	Confucious Institute HQ of China
University of Kentucky	11/29/2018	$308,821.00	CHINA	Confucious Institute HQ of China
University of Kentucky	02/09/2016	$1,700,000.00	CHINA	Confucius Inst. HQ of China
University of Kentucky	11/11/2016	$531,172.00	CHINA	Confucius Inst. HQ of China
University of Kentucky	07/31/2017	$748,953.00	CHINA	Confucius Institute Hd of China

University of Kentucky	03/13/2018	$261,000.00	CHINA	Confucius Institute Hd of China
University of Kentucky	06/25/2019	$27,976.00	CHINA	Confucius Institute HQ of China
University of Kentucky	11/25/2019	$659,586.00	CHINA	Confucius Institute HQ of China
University of Kentucky	12/23/2015	$1,162,204.00	CHINA	Headquarters of Confucius Institute
University of Kentucky	12/23/2015	$1,162,204.00	CHINA	Headquarters of Confucius Institute
University of Maryland	12/28/2015	$900,000.00	CHINA	Office of Chinese Language Council
University of Michigan - Ann Arbor	07/01/2015	$153,863.00	CHINA	Confucius Inst. Headquarters
University of Michigan - Ann Arbor	12/04/2015	$41,907.00	CHINA	Confucius Inst. Headquarters
University of Michigan - Ann Arbor	12/29/2015	$150,000.00	CHINA	Confucius Inst. Headquarters
University of Michigan - Ann Arbor	05/10/2019	$307,808.00	CHINA	Confucius Institute Headquarters
University of Michigan - Ann Arbor	06/12/2019	$6,852.00	CHINA	Confucius Institute Headquarters
University of Minnesota - Twin Cities	04/01/2018	$262,089.00	CHINA	Offi of Chinese Lang Council Int'l
University of Minnesota - Twin Cities	02/17/2015	$336,474.00	CHINA	Office of Chinese Language Council
University of Minnesota - Twin Cities	03/28/2017	$237,726.00	CHINA	Office of Chinese Language Council
University of Nebraska	07/01/2014	$277,861.00	CHINA	Hanban: Confucius Institute
University of Oklahoma	08/19/2019	$485,646.00	CHINA	HANBAN China
University of Pennsylvania	10/27/2014	$661,000.00	CHINA	State Administration Foreign Expert
University of Pennsylvania	10/12/2015	$579,450.00	CHINA	State Administration Foreign Expert
University of Pennsylvania	10/17/2016	$598,850.00	CHINA	State Administration Foreign Expert
University of Pennsylvania	10/16/2017	$502,750.00	CHINA	State Administration Foreign Expert
University of Pittsburgh	07/01/2019	$199,571.00	CHINA	Hanban
University of Pittsburgh	05/19/2014	$77,988.00	CHINA	Nat'l Instit of Clean-and-Low Carbo
University of Pittsburgh	08/28/2014	$96,053.00	CHINA	Off of Chinese Lang. Council Int'l
University of Pittsburgh	11/25/2014	$130,000.00	CHINA	Off of Chinese Lang. Council Int'l
University of Pittsburgh	07/10/2015	$172,051.00	CHINA	Off of Chinese Lang. Council Int'l
University of Pittsburgh	12/31/2015	$130,000.00	CHINA	Off of Chinese Lang. Council Int'l
University of Pittsburgh	09/09/2016	$107,253.00	CHINA	Off of Chinese Lang. Council Int'l
University of Pittsburgh	03/28/2017	$115,000.00	CHINA	Off of Chinese Lang. Council Int'l

University of Pittsburgh	07/27/2017	$152,796.00	CHINA	Off of Chinese Lang. Council Int'l
University of Pittsburgh	12/31/2017	$134,000.00	CHINA	Off of Chinese Lang. Council Int'l
University of Pittsburgh	12/18/2018	$134,685.00	CHINA	Off of Chinese Lang. Council Int'l
University of Pittsburgh	12/19/2018	$30,000.00	CHINA	Off of Chinese Lang. Council Int'l
University of Pittsburgh	12/18/2018	$134,685.00	CHINA	Off of Chinese Language Council Int
University of Pittsburgh	12/19/2018	$30,000.00	CHINA	Off of Chinese Language Council Int
UT- Dallas	11/06/2015	$30,130.00	CHINA	Confucius Institute Headquarters
UT- Dallas	12/29/2015	$150,000.00	CHINA	Confucius Institute Headquarters
UT- Dallas	03/09/2016	$50,000.00	CHINA	Confucius Institute Headquarters
UT- Dallas	06/21/2016	$151,971.00	CHINA	Confucius Institute Headquarters
UT- Dallas	08/31/2017	$60,000.00	CHINA	Confucius Institute Headquarters
UT- Dallas	10/17/2017	$233,514.00	CHINA	Confucius Institute Headquarters
UT- Dallas	12/21/2017	$208,000.00	CHINA	Confucius Institute Headquarters
UT- San Antonio	04/18/2018	$6,448.00	CHINA	Confucius Institute- Hanban Headqua
UT- San Antonio	10/12/2018	$62,907.00	CHINA	Confucius Institute- Hanban Headqua
UT- San Antonio	12/18/2018	$20,000.00	CHINA	Confucius Institute- Hanban Headqua
University of Toledo	06/01/2019	$230,550.00	CHINA	Hanban-Confucius Institute
University of Toledo	12/01/2019	$218,200.00	CHINA	Hanban-Confucius Institute
University of Utah	10/31/2018	$182,526.00	CHINA	Confucious Institute
University of Utah	03/28/2019	$30,000.00	CHINA	Confucious Institute
University of Utah	10/28/2019	$218,634.00	CHINA	Confucius Institute
Valparaiso University	01/01/2019	$50,000.00	CHINA	Confucius Institute
Valparaiso University	10/15/2019	$270,655.00	CHINA	Confucius Institute
Valparaiso University	10/23/2019	$33,000.00	CHINA	Confucius Institute
Valparaiso University	03/31/2016	$271,415.00	CHINA	Hanban Confucius Institute
Valparaiso University	10/18/2018	$260,620.00	CHINA	Hanban Confucius Institute
West Virginia University	07/12/2019	$161,190.00	CHINA	Hanban, China
West Virginia University	12/12/2019	$30,000.00	CHINA	Hanban, China
Xavier University of Louisiana	07/10/2014	$7,693.00	CHINA	Confucius Institute Headquarters
Xavier University of Louisiana	11/24/2014	$50,000.00	CHINA	Confucius Institute Headquarters

Xavier University of Louisiana	07/01/2015	$87,554.00	CHINA	Confucius Institute Headquarters
Xavier University of Louisiana	11/27/2015	$8,000.00	CHINA	Confucius Institute Headquarters
Xavier University of Louisiana	12/29/2015	$65,000.00	CHINA	Confucius Institute Headquarters
Xavier University of Louisiana	09/07/2016	$8,460.00	CHINA	Confucius Institute Headquarters
Xavier University of Louisiana	09/26/2016	$65,168.00	CHINA	Confucius Institute Headquarters
Xavier University of Louisiana	03/28/2017	$65,000.00	CHINA	Confucius Institute Headquarters
Xavier University of Louisiana	08/25/2017	$60,694.00	CHINA	Confucius Institute Headquarters
Xavier University of Louisiana	11/29/2017	$90,000.00	CHINA	Confucius Institute Headquarters
Xavier University of Louisiana	12/19/2017	$15,222.00	CHINA	Confucius Institute Headquarters
Xavier University of Louisiana	12/21/2017	$73,000.00	CHINA	Confucius Institute Headquarters
Xavier University of Louisiana	09/25/2018	$106,102.00	CHINA	Confucius Institute Headquarters
Xavier University of Louisiana	11/16/2018	$4,300.00	CHINA	Confucius Institute Headquarters
		$49,479,566.00		

APPENDIX J: Transactions that took place between 2013 and 2018 but were never reported until 2020 or later

Based on the Sec. 117 data set available on the U.S. Department of Education website, current through October 17th, 2022

Name	Country	Amount	Date
Arizona State University	CHINA	$767,710	4/1/16
Arizona State University	CHINA	$5,868,200	3/31/17
Arizona State University	CHINA	$285,155	9/1/17
Arizona State University	CHINA	$998,182	7/6/18
Arizona State University	CHINA	$1,583,482	9/1/18
Baylor College of Medicine	CHINA	$258,935	12/15/16
Berkeley College	CHINA	$495,525	11/25/14
Berkeley College	CHINA	$617,630	11/25/14
Bowling Green State University	CHINA	$290,000	12/10/18
Brown University	CHINA	$1,865,191	11/20/15
Bryant University	CHINA	$994,453	10/23/14
Bryant University	China	$1,179,012	10/23/14
Bryant University	CHINA	$1,338,693	10/23/14
Bryant University	CHINA	$1,354,947	10/23/14
Bryant University	CHINA	$1,421,869	10/23/14
Bryant University	CHINA	$1,456,006	10/23/14
Bryant University	CHINA	$1,751,069	10/23/14

Bryant University	CHINA	$2,226,462	10/23/14
Bryant University	CHINA	$2,786,091	10/23/14
Bryant University	CHINA	$22,638,334	10/23/14
Carnegie Mellon University	CHINA	$1,182,391	4/16/18
Chapman University	CHINA	$950,000	6/4/18
Clemson University	CHINA	$400,000	9/1/16
Clemson University	CHINA	$400,000	9/1/16
College of William & Mary	CHINA	$56,929	1/1/16
Colorado School of Mines	CHINA	$67,500	12/15/14
Colorado School of Mines	CHINA	$68,542	3/13/17
Colorado School of Mines	CHINA	$70,000	5/1/17
Colorado School of Mines	CHINA	$70,000	10/26/17
Colorado School of Mines	CHINA	$71,042	12/27/17
Colorado School of Mines	CHINA	$79,000	2/28/18
Colorado School of Mines	CHINA	$335,936	6/1/18
Colorado School of Mines	CHINA	$400,000	10/16/18
Columbia College Chicago	CHINA	$506,124	1/1/15
Columbia College Chicago	CHINA	$674,832	1/1/15
Columbia College Chicago	CHINA	$702,950	1/1/15
Columbia University in the City of New York	CHINA	$174,990	9/1/18
Columbia University in the City of New York	CHINA	$174,990	9/1/18
Columbia University in the City of New York	CHINA	$174,990	9/1/18
Columbia University in the City of New York	CHINA	$174,990	9/1/18
Columbia University in the City of New York	CHINA	$174,990	9/1/18
Columbia University in the City of New York	CHINA	$174,990	9/1/18
Columbia University in the City of New York	CHINA	$174,990	9/1/18
Columbia University in the City of New York	China	$349,990	9/1/18
Columbia University in the City of New York	HONG KONG	$74,975	9/4/18
Columbia University in the City of New York	HONG KONG	$74,975	9/4/18
Columbia University in the City of New York	HONG KONG	$74,975	9/4/18
Columbia University in the City of New York	HONG KONG	$74,975	9/4/18
Columbia University in the City of New York	HONG KONG	$74,975	9/4/18
Columbia University in the City of New York	HONG KONG	$74,975	9/4/18
Columbia University in the City of New York	HONG KONG	$74,975	9/4/18
Columbia University in the City of New York	HONG KONG	$74,975	9/4/18
Columbia University in the City of New York	HONG KONG	$74,975	9/4/18
Columbia University in the City of New York	HONG KONG	$74,975	9/4/18
Cornell College	CHINA	$472,545	4/11/16

Cornell University	CHINA	$3,000,000	11/16/17
CUNY Bernard M. Baruch College	CHINA	$1,492,302	11/17/13
Duke University	HONG KONG	$255,627	2/11/13
Duke University	HONG KONG	$362,715	2/11/13
Florida Institute of Technology	China	$223,988	3/23/17
Florida Institute of Technology	CHINA	$243,812	3/23/17
Florida Institute of Technology	CHINA	$366,496	3/23/17
Florida International University	CHINA	$297,455	12/3/14
Florida International University	China	$605,288	12/3/14
Florida International University	CHINA	$535,552	3/21/16
Florida International University	CHINA	$800,000	3/21/16
Florida International University	CHINA	$849,990	3/21/16
George Mason University	CHINA	$111,409	6/19/18
Hawaii Pacific University	CHINA	$30,000	10/28/18
Hult International Business School	CHINA	$686,705	10/1/18
Icahn School of Medicine at Mount Sinai	CHINA	$1,030,972	10/2/18
Icahn School of Medicine at Mount Sinai	CHINA	$1,205,659	10/2/18
Indiana University - Bloomington	CHINA	$482,373	1/16/17
Johns Hopkins University	HONG KONG	$438,776	12/1/17
Kean University	China	$869,482	10/17/18
Kean University	CHINA	$1,769,271	10/17/18
Kean University	CHINA	$1,976,539	10/17/18
Kean University	CHINA	$2,679,925	10/17/18
Kean University	CHINA	$3,171,340	10/17/18
MIT	CHINA	$347,958	9/20/17
MIT	China	$375,000	12/1/18
Mayo Clinic College of Medicine and Science	CHINA	$594,412	8/18/17
Missouri State University	CHINA	$776,913	10/15/15
Missouri State University	China	$567,600	10/10/18
New York Institute of Technology	CHINA	$1,174,425	4/19/13
New York Institute of Technology	CHINA	$1,360,685	4/19/13
New York Institute of Technology	China	$1,529,186	4/19/13
New York University	CHINA	$545,028	7/1/14
New York University	CHINA	$545,028	7/1/14
Northcentral University	CHINA	$674,341	9/2/17
Northcentral University	CHINA	$935,812	9/2/17
Northcentral University	CHINA	$1,016,797	9/2/17
Northern Arizona University	CHINA	$379,891	4/18/18
Northern Arizona University	CHINA	$899,655	5/1/18
Northern Arizona University	CHINA	$899,655	5/1/18

Pennsylvania State University (The)	CHINA	$374,400	4/1/13
Princeton University	CHINA	$4,563,320	6/16/18
Rochester Institute of Technology	CHINA	$3,925,325	10/20/14
Rochester Institute of Technology	CHINA	$3,969,450	10/20/14
Rochester Institute of Technology	CHINA	$528,000	5/24/16
Rochester Institute of Technology	CHINA	$585,000	5/24/16
Rochester Institute of Technology	CHINA	$1,311,500	5/24/16
Rochester Institute of Technology	CHINA	$1,311,520	5/24/16
Rochester Institute of Technology	China	$1,526,520	5/24/16
Rochester Institute of Technology	CHINA	$21,306,988	7/20/18
Rochester Institute of Technology	CHINA	$21,370,700	7/20/18
Rochester Institute of Technology	China	$22,154,275	7/20/18
Stanford University	HONG KONG	$21,000	9/22/16
Stanford University	HONG KONG	$60,000	9/22/16
Stanford University	HONG KONG	$60,000	9/22/16
Stanford University	HONG KONG	$100,000	11/29/16
Stanford University	CHINA	$5,000	3/22/17
Stanford University	China	$5,000	3/22/17
Stanford University	CHINA	$9,971	3/22/17
Stanford University	CHINA	$481,319	6/1/17
Stanford University	CHINA	$461,906	6/1/18
Stanford University	CHINA	$26,000	8/1/18
Stanford University	CHINA	$78,500	8/1/18
State University of New York at Albany	CHINA	$912,664	7/1/16
Temple University	CHINA	$671,180	1/1/15
Temple University	CHINA	$569,258	1/1/16
Temple University	CHINA	$1,401,500	1/1/17
Texas A&M University	CHINA	$10,000,000	7/27/18
Tulane University	CHINA	$800,276	4/25/17
Tulane University	CHINA	$253,335	7/31/17
Tulane University	CHINA	$253,335	7/31/17
Tulane University	China	$371,827	7/31/17
Tulane University	CHINA	$508,667	7/31/17
Tulane University	CHINA	$553,416	7/31/17
Tulane University	CHINA	$849,980	7/31/17
Tulane University	CHINA	$1,234,813	7/31/17
Tulane University	CHINA	$1,818,165	7/31/17
University of Alabama at Birmingham	CHINA	$4,000,186	8/29/16
University of Arizona (The)	CHINA	$1,000,000	9/17/17
University of Arizona (The)	CHINA	$494,261	8/15/18

University of Arkansas at Fort Smith	CHINA	$1,268,257	7/31/18
University of Arkansas at Fort Smith	CHINA	$1,268,257	7/31/18
UC-Davis	HONG KONG	$250,000	7/12/13
UC-Davis	CHINA	$293,834	1/1/14
UC-Davis	CHINA	$780,862	9/1/14
UC-Davis	CHINA	$495,517	10/1/15
UC-Davis	CHINA	$433,572	12/15/15
UC-Davis	CHINA	$254,000	3/22/16
UC-Davis	CHINA	$1,281,708	4/1/16
UC-Davis	CHINA	$299,800	1/20/17
UC-Davis	CHINA	$1,324,784	4/1/17
UC-Irvine	CHINA	$1,999,266	1/1/18
UC-Irvine	CHINA	$134,954	4/10/18
UC-Irvine	CHINA	$342,784	4/10/18
UC-Irvine	CHINA	$477,738	4/10/18
UC-Irvine	HONG KONG	$300,000	7/1/18
UC-Irvine	CHINA	$383,935	7/8/18
UC-Irvine	CHINA	$203,884	8/16/18
UC-Irvine	CHINA	$80,031	9/29/18
UC-Irvine	CHINA	$489,130	11/1/18
UC-Los Angeles	CHINA	$3,900,000	9/16/17
UC-Los Angeles	CHINA	$280,000	2/1/18
UC-Los Angeles	CHINA	$60,000,000	9/6/18
UC-Riverside	CHINA	$330,000	2/20/14
UC-Riverside	CHINA	$1,000,000	9/2/17
UC-San Diego	CHINA	$109,560	9/15/13
UC-San Diego	CHINA	$750,000	10/10/13
UC-San Diego	CHINA	$260,000	11/8/13
UC-San Diego	CHINA	$153,200	1/6/14
UC-San Diego	CHINA	$20,993	9/1/14
UC-San Diego	CHINA	$110,280	9/29/14
UC-San Diego	CHINA	$30,000	12/11/14
UC-San Diego	CHINA	$45,000	12/12/14
UC-San Diego	CHINA	$45,000	12/16/14
UC-San Diego	CHINA	$45,000	12/18/14
UC-San Diego	CHINA	$45,000	12/22/14
UC-San Diego	CHINA	$45,000	12/24/14
UC-San Diego	CHINA	$45,000	12/26/14
UC-San Diego	CHINA	$103,350	1/16/15
UC-San Diego	CHINA	$131,300	1/16/15

UC-San Diego	HONG KONG	$39,009	2/5/15
UC-San Diego	CHINA	$151,400	2/9/15
UC-San Diego	CHINA	$30,000	10/9/15
UC-San Diego	CHINA	$45,000	10/13/15
UC-San Diego	CHINA	$45,000	10/15/15
UC-San Diego	CHINA	$45,000	10/22/15
UC-San Diego	CHINA	$45,000	10/27/15
UC-San Diego	CHINA	$45,000	10/30/15
UC-San Diego	CHINA	$45,000	11/3/15
UC-San Diego	CHINA	$131,300	6/9/16
UC-San Diego	CHINA	$260,460	10/25/16
UC-San Diego	CHINA	$10,000	12/14/16
UC-San Diego	CHINA	$49,873	12/16/16
UC-San Diego	CHINA	$49,927	12/19/16
UC-San Diego	CHINA	$49,671	12/21/16
UC-San Diego	CHINA	$35,282	12/23/16
UC-San Diego	CHINA	$49,786	12/27/16
UC-San Diego	CHINA	$38,645	12/28/16
UC-San Diego	CHINA	$26,816	12/30/16
UC-San Diego	CHINA	$60,650	1/29/17
UC-San Diego	CHINA	$60,650	1/29/17
UC-San Diego	CHINA	$66,000	7/1/17
UC-San Diego	CHINA	$66,000	7/1/17
UC-San Diego	CHINA	$66,000	7/30/17
UC-San Diego	CHINA	$346,434	8/18/17
UC-San Diego	CHINA	$71,650	9/30/17
UC-San Diego	CHINA	$564,375	11/6/17
UC-San Diego	CHINA	$500,000	2/2/18
University of Central Florida	China	$810,000	12/1/17
University of Colorado Boulder	CHINA	$960,000	8/30/18
University of Delaware	CHINA	$3,204,070	4/26/18
University of Delaware	CHINA	$1,869,515	12/20/18
University of Hawaii at Manoa	CHINA	$100,000	1/4/13
University of Hawaii at Manoa	CHINA	$107,285	7/8/13
University of Hawaii at Manoa	CHINA	$120,000	12/4/13
University of Hawaii at Manoa	CHINA	$15,000	12/13/13
University of Hawaii at Manoa	CHINA	$120,788	6/10/14
University of Hawaii at Manoa	CHINA	$23,100	6/25/14
University of Hawaii at Manoa	CHINA	$130,000	11/17/14
University of Hawaii at Manoa	CHINA	$1,000,000	1/2/15
University of Hawaii at Manoa	CHINA	$112,233	7/22/15

University of Hawaii at Manoa	CHINA	$130,000	12/29/15
University of Hawaii at Manoa	CHINA	$116,883	9/12/16
University of Hawaii at Manoa	CHINA	$120,000	1/31/17
University of Hawaii at Manoa	CHINA	$181,454	12/1/17
University of Hawaii at Manoa	CHINA	$154,000	12/21/17
University of Hawaii at Manoa	CHINA	$88,353	8/24/18
University of Hawaii at Manoa	CHINA	$50,000	12/14/18
U-Illinois Chicago	CHINA	$442,000	10/9/16
U-Illinois Chicago	CHINA	$44,000	1/1/18
University of Illinois	CHINA	$32,500	2/1/16
University of Illinois	CHINA	$1,180,746	2/1/16
University of Illinois	CHINA	$1,229,080	2/1/16
University of Illinois	CHINA	$1,300,000	2/1/16
University of Indianapolis	CHINA	$377,461	1/6/17
University of Kansas	CHINA	$32,000	8/14/18
University of Kansas	CHINA	$32,000	8/14/18
University of Kentucky	CHINA	$303,999	2/2/18
University of Kentucky	CHINA	$418,914	2/2/18
University of Kentucky	CHINA	$938,282	2/2/18
University of Louisville	HONG KONG	$8,138,203	3/31/16
University of Louisville	HONG KONG	$1,086,807	11/15/16
University of Louisville	HONG KONG	$1,519,116	11/15/16
University of Louisville	HONG KONG	$731,638	12/31/18
University of Maryland	CHINA	$205,838	3/23/17
University of Maryland	CHINA	$65,000	12/14/17
University of Massachusetts Medical School	CHINA	$285,349	7/11/14
University of Massachusetts Medical School	CHINA	$2,000,000	4/1/15
University of Massachusetts Medical School	CHINA	$7,999,964	4/10/17
University of Massachusetts Medical School	CHINA	$4,000,000	9/28/17
University of Massachusetts Medical School	CHINA	$4,000,000	9/28/17
University of Massachusetts Medical School	CHINA	$3,653,556	8/1/18
University of Michigan - Ann Arbor	HONG KONG	$599,671	9/24/13
University of Michigan - Ann Arbor	CHINA	$299,100	11/1/15
University of Michigan - Ann Arbor	CHINA	$1,615,303	1/7/16
University of Michigan - Ann Arbor	CHINA	$285,405	8/30/16
University of Michigan - Ann Arbor	CHINA	$320,000	6/7/17
University of Michigan - Ann Arbor	CHINA	$960,645	8/15/17
University of Michigan - Ann Arbor	HONG KONG	$49,979	1/1/18
University of Michigan - Ann Arbor	CHINA	$383,750	8/6/18

University of Nebraska	CHINA	$260,000	9/13/14
University of Nebraska Medical Center	China	$440,512	10/1/18
University of Nebraska Medical Center	CHINA	$528,687	10/1/18
University of Nebraska Medical Center	CHINA	$528,829	10/1/18
University of Nebraska Medical Center	CHINA	$652,099	10/1/18
University of Nebraska Medical Center	CHINA	$1,173,028	10/1/18
University of Nevada - Las Vegas	CHINA	$592,500	9/25/18
University of North Dakota	CHINA	$1,228,543	10/11/18
University of Pennsylvania	CHINA	$1,206,120	1/7/15
University of Pittsburgh	CHINA	$200,000	7/1/17
University of Rhode Island	HONG KONG	$1,001,100	3/15/15
University of Rhode Island	HONG KONG	$1,079,289	9/17/15
University of Rhode Island	HONG KONG	$439,868	10/10/15
University of South Carolina - Columbia	CHINA	$172,194	2/21/18
University of Southern California	CHINA	$142,840	1/1/15
University of Southern California	CHINA	$142,840	1/1/15
University of Southern California	CHINA	$300,000	1/1/15
University of Southern California	CHINA	$319,580	1/1/15
University of Southern California	CHINA	$351,059	1/1/15
University of Southern California	CHINA	$382,938	1/1/15
University of Southern California	CHINA	$477,922	1/1/15
University of Southern California	CHINA	$560,000	1/1/15
University of Southern California	CHINA	$608,769	1/1/15
University of Southern California	CHINA	$700,000	1/1/15
University of Southern California	CHINA	$1,029,189	1/1/15
University of Southern California	CHINA	$1,109,465	1/1/15
University of Southern California	CHINA	$1,360,736	1/1/15
University of Southern California	CHINA	$1,599,117	1/1/15
University of Southern California	CHINA	$1,901,729	1/1/15
UT- Arlington	CHINA	$340,000	6/30/16
UT- Arlington	CHINA	$340,000	6/30/16
UT- Arlington	CHINA	$1,847,848	8/22/18
UT- Arlington	CHINA	$2,305,821	8/22/18
UT- Austin	CHINA	$1,000	1/3/13
UT- Austin	CHINA	$50,000	1/4/13
UT- Austin	CHINA	$41,580	1/20/13
UT- Austin	CHINA	$5,000	1/28/13
UT- Austin	CHINA	$900	2/4/13
UT- Austin	CHINA	$150,000	4/2/13
UT- Austin	CHINA	$41,300	4/14/13

UT- Austin	CHINA	$18,000	5/4/13
UT- Austin	CHINA	$19,000	5/4/13
UT- Austin	CHINA	$19,000	5/4/13
UT- Austin	CHINA	$10	5/13/13
UT- Austin	CHINA	$10	5/13/13
UT- Austin	CHINA	$501	5/15/13
UT- Austin	CHINA	$100	5/16/13
UT- Austin	CHINA	$50,000	5/16/13
UT- Austin	CHINA	$56,685	5/17/13
UT- Austin	CHINA	$30,000	5/21/13
UT- Austin	CHINA	$48	5/24/13
UT- Austin	CHINA	$60,000	5/31/13
UT- Austin	CHINA	$9,982	7/2/13
UT- Austin	CHINA	$10,000	7/3/13
UT- Austin	CHINA	$100	7/10/13
UT- Austin	CHINA	$50,000	7/23/13
UT- Austin	CHINA	$6,000	9/1/13
UT- Austin	CHINA	$6,000	9/1/13
UT- Austin	CHINA	$100,000	10/2/13
UT- Austin	CHINA	$20	10/18/13
UT- Austin	CHINA	$5,000	10/19/13
UT- Austin	CHINA	$645	12/11/13
UT- Austin	CHINA	$2,000	12/26/13
UT- Austin	CHINA	$1,500	1/3/14
UT- Austin	CHINA	$229,310	1/6/14
UT- Austin	CHINA	$8,404	1/7/14
UT- Austin	CHINA	$599,999	1/23/14
UT- Austin	CHINA	$4,985	1/30/14
UT- Austin	CHINA	$200	2/3/14
UT- Austin	CHINA	$32,000	3/2/14
UT- Austin	CHINA	$30,000	3/21/14
UT- Austin	CHINA	$201	4/1/14
UT- Austin	CHINA	$50,000	5/8/14
UT- Austin	CHINA	$600	5/19/14
UT- Austin	CHINA	$50,000	5/29/14
UT- Austin	CHINA	$30,000	6/1/14
UT- Austin	CHINA	$50,000	6/4/14
UT- Austin	CHINA	$100	6/15/14
UT- Austin	CHINA	$40,000	6/20/14
UT- Austin	CHINA	$5	6/26/14
UT- Austin	CHINA	$50,000	7/23/14
UT- Austin	CHINA	$99,980	7/25/14

UT- Austin	CHINA	$100	8/25/14
UT- Austin	CHINA	$50,000	8/25/14
UT- Austin	CHINA	$50,000	8/29/14
UT- Austin	CHINA	$50,000	8/29/14
UT- Austin	CHINA	$190,889	9/12/14
UT- Austin	CHINA	$15	10/24/14
UT- Austin	CHINA	$1,500	11/4/14
UT- Austin	CHINA	$100	12/1/14
UT- Austin	CHINA	$72,153	12/15/14
UT- Austin	CHINA	$1,500	1/5/15
UT- Austin	HONG KONG	$1,000	1/7/15
UT- Austin	CHINA	$12,774	1/9/15
UT- Austin	CHINA	$2,760	1/12/15
UT- Austin	CHINA	$7,708	1/14/15
UT- Austin	CHINA	$2,186	1/15/15
UT- Austin	CHINA	$100	1/20/15
UT- Austin	HONG KONG	$500	1/20/15
UT- Austin	CHINA	$23,720	1/20/15
UT- Austin	CHINA	$10,000	1/22/15
UT- Austin	CHINA	$1,091,934	1/22/15
UT- Austin	CHINA	$2,142	1/26/15
UT- Austin	HONG KONG	$400	2/11/15
UT- Austin	CHINA	$11,842	2/11/15
UT- Austin	CHINA	$40,000	2/13/15
UT- Austin	CHINA	$16,653	2/17/15
UT- Austin	CHINA	$2,620	3/3/15
UT- Austin	CHINA	$400,000	3/4/15
UT- Austin	CHINA	$267	3/11/15
UT- Austin	CHINA	$4,990	3/19/15
UT- Austin	CHINA	$4,983	3/24/15
UT- Austin	CHINA	$3,650	3/27/15
UT- Austin	HONG KONG	$50	4/8/15
UT- Austin	HONG KONG	$100	4/8/15
UT- Austin	CHINA	$120	4/8/15
UT- Austin	CHINA	$215	4/8/15
UT- Austin	CHINA	$5,000	4/8/15
UT- Austin	CHINA	$1,300	4/23/15
UT- Austin	CHINA	$150	4/28/15
UT- Austin	CHINA	$200	5/6/15
UT- Austin	CHINA	$580	5/14/15

UT- Austin	CHINA	$600	5/19/15
UT- Austin	HONG KONG	$600	5/26/15
UT- Austin	CHINA	$82,000	6/9/15
UT- Austin	CHINA	$9,000	6/10/15
UT- Austin	CHINA	$1,680	6/17/15
UT- Austin	CHINA	$18,970	6/19/15
UT- Austin	CHINA	$240,180	6/29/15
UT- Austin	CHINA	$50,000	7/2/15
UT- Austin	CHINA	$1,160	7/3/15
UT- Austin	CHINA	$50,000	7/3/15
UT- Austin	HONG KONG	$60	7/6/15
UT- Austin	CHINA	$390	7/9/15
UT- Austin	CHINA	$2,500	7/16/15
UT- Austin	CHINA	$600	7/29/15
UT- Austin	CHINA	$6,000	8/1/15
UT- Austin	CHINA	$100	8/18/15
UT- Austin	CHINA	$9,985	8/18/15
UT- Austin	CHINA	$100	8/22/15
UT- Austin	CHINA	$90,000	8/27/15
UT- Austin	HONG KONG	$250	8/31/15
UT- Austin	HONG KONG	$250	9/1/15
UT- Austin	CHINA	$3,550	9/15/15
UT- Austin	CHINA	$685	9/22/15
UT- Austin	CHINA	$68	9/28/15
UT- Austin	CHINA	$87,202	9/28/15
UT- Austin	HONG KONG	$60	10/2/15
UT- Austin	CHINA	$1,650	10/12/15
UT- Austin	CHINA	$1,170	10/15/15
UT- Austin	CHINA	$20	10/23/15
UT- Austin	CHINA	$100	10/23/15
UT- Austin	CHINA	$50,000	10/27/15
UT- Austin	CHINA	$1,270	11/2/15
UT- Austin	HONG KONG	$1,000	11/9/15
UT- Austin	CHINA	$50,000	11/10/15
UT- Austin	CHINA	$3,010	12/3/15
UT- Austin	CHINA	$2,789	12/16/15
UT- Austin	CHINA	$570	12/17/15
UT- Dallas	CHINA	$49,990	1/3/18
UT- Dallas	CHINA	$8,000	5/7/18

UT- Dallas	CHINA	$60,000	9/27/18
UT- Dallas	CHINA	$139,990	10/9/18
UT- Dallas	CHINA	$103,000	10/31/18
UT- Dallas	CHINA	$1,500	11/15/18
UT- Dallas	CHINA	$160,000	11/15/18
University of Texas Health Science Center at Houston	CHINA	$431,522	5/15/15
University of Texas Health Science Center at Houston	CHINA	$50,000	7/1/15
University of Texas Health Science Center at Houston	CHINA	$431,522	7/1/15
University of Texas Health Science Center at Houston	CHINA	$450,000	7/1/15
University of Texas Health Science Center at Houston	China	$50,000	7/12/15
University of Texas Health Science Center at San Antonio	CHINA	$1,072,135	6/23/17
University of Texas Health Science Center at San Antonio	CHINA	$1,072,135	6/23/17
University of Texas Health Science Center at San Antonio	CHINA	$1,903,819	6/23/17
University of Texas Health Science Center at San Antonio	CHINA	$2,481,292	6/23/17
University of Texas Health Science Center at San Antonio	CHINA	$1,800,000	12/1/17
University of Texas MD Anderson Cancer Center	CHINA	$652,978	12/1/14
University of Texas MD Anderson Cancer Center	CHINA	$464,724	10/10/16
University of Texas MD Anderson Cancer Center	CHINA	$619	2/13/17
University of Texas MD Anderson Cancer Center	CHINA	$3,096	2/13/17
University of Texas MD Anderson Cancer Center	CHINA	$78,783	2/13/17
University of Texas MD Anderson Cancer Center	CHINA	$388,904	3/1/18
University of Texas MD Anderson Cancer Center	CHINA	$156,068	3/24/18
University of Texas MD Anderson Cancer Center	CHINA	$1,250,000	8/11/18
University of Texas Southwestern Medical Center (The)	CHINA	$468,578	9/17/18
University of Virginia	HONG KONG	$296,116	11/1/14
University of Virginia	CHINA	$250,000	12/20/14
University of Virginia	CHINA	$250,000	12/20/14
University of Virginia	China	$250,000	12/20/14
University of Virginia	CHINA	$250,000	1/30/17
University of Wisconsin - Madison	CHINA	$973,085	9/1/16
University of Wisconsin - Milwaukee	CHINA	$344,473	7/10/16
University of Wisconsin - Milwaukee	China	$344,473	7/10/16
University of Wisconsin - Milwaukee	CHINA	$583,356	7/10/16
University of Wisconsin - Milwaukee	CHINA	$750,000	7/10/16
Utah State University	China	$80	11/27/16
Utah State University	CHINA	$711,815	11/27/16
West Virginia University	CHINA	$424,425	10/9/15
West Virginia University	CHINA	$742,841	10/9/15
Western Michigan University	CHINA	$2,271,256	4/28/17

Yale University	HONG KONG	$100,000	3/1/18
Yale University	HONG KONG	$25,000	6/20/18
Yale University	HONG KONG	$25,000	6/20/18
Yale University	HONG KONG	$100,000	12/19/18
Yale University	CHINA	$300,000	12/27/18
TOTAL		**$394,679,067.48**	

STATEMENT FOR THE RECORD

STATEMENT OF IAN OXNEVAD, PROGRAM RESEARCH ASSOCIATE, NATIONAL ASSOCIATION OF SCHOLARS

March 23, 2023
Dr. Ian Oxnevad
Senior Fellow for Foreign Affairs and Security Studies
National Association of Scholars (NAS)
Testimony Before the US-China Economic and Security Commission
Chinese Efforts to Infiltrate American Higher Education

1. The impact on Confucius Institutes (CIs) on American university campuses is detrimental to academic freedom, human rights, and national security. Ostensibly Chinese language programs, CIs and their replacement programs offer the Chinese government a structural basis for conducting a number of operations beneficial to China's national interests. At a minimum, CIs are an elemental component of China's propaganda and soft-power strategy to promote the worldview of the Chinese Communist Party (CCP). In 2009, Li Changchun, who then headed propaganda for the CCP's Politburo Standing Committee declared CIs to be "an important part of China's overseas propaganda set-up."[1] While CIs assist China's efforts to influence public opinion they also allow the Chinese government to track dissidents, conduct espionage, and target intellectual property with dual-use purposes.

   The political nature of CIs derives from its structural placement on college campuses, and as an initiative of China's United Front Work Department (UFWD).[2] One of the UFWD's main areas of focus is the monitoring of Chinese abroad, the ethnic Chinese diaspora, and college campuses through academic programs and student organizations.[3]

   In 2017, we at NAS documented a number of areas of concern regarding the impact of CIs on US universities. We discovered that CIs, as stipulated by China's oversight body for the programs, mandates that CIs adhere to Chinese law. Furthermore, we discovered that CIs must follow Chinese speech codes that can influence American college classrooms. This precludes discussion of topics detrimental China's national image, such as the status of Tibet, Taiwan, criticisms of Communism, the treatment of Uyghurs, and other human rights abuses.[4] The impact of CIs varies from one university to another, though academic freedom is jeopardized when CIs are present.[5] For example, when

[1] "A Message from Confucius," *The Economist*, Oct. 22, 2009, (https://www.economist.com/special-report/2009/10/24/a-message-from-confucius), accessed March 11, 2023.
[2] Lin Yang, "Controversial Confucius Institutes Returning to US Schools Under New Name," Voice of America, June 27, 2022, (https://www.voanews.com/a/controversial-confucius-institutes-returning-to-u-s-schools-under-new-name/6635906.html), accessed March 11, 2023.
[3] Joshua Kurlantzick, "Beijing's Influence Tactics With the Chinese Diaspora: An Excerpt," Council on Foreign Relations, Feb. 6, 2023, (https://www.cfr.org/blog/beijings-influence-tactics-chinese-diaspora-excerpt), accessed March 11, 2023.
[4] Rachelle Peterson, *Outsourced to China: Confucius Institutes and Soft Power in American Higher Education*, (New York: National Association of Scholar, 2017), (https://www.nas.org/reports/outsourced-to-china/full-report#Summary), accessed March 11, 2023. See also Constitution and By-Laws of the Confucius Institutes, Hanban, (https://web.archive.org/web/20170221021727/http://english.hanban.org/node_7880.htm), accessed March 11, 2023.
[5] Rachelle Peterson, *Outsourced to China: Confucius Institutes and Soft Power in American Higher Education*, (New York: National Association of Scholar, 2017), (https://www.nas.org/reports/outsourced-to-china/full-report#Summary), accessed March 11, 2023

interviewing Chinese teachers about how they would respond to in-class questions about Tiananmen Square, a common response was that the architecture at the location would be discussed. In another account, North Carolina State University canceled a campus invitation to the Dalai Lama after pressure from the school's CI.[6] Both in the US and abroad, China tracks dissidents on college campuses.

There is significant concern regarding the role that CIs and their replacement programs play in assisting China in procuring American technology or dual-use technologies with simultaneous economic and military significance. From an intelligence standpoint, college campuses and universities offer ideal targets for collection. Universities produce new technologies that are often nascent, under loose guard and security, and often have no export controls. Additionally, intellectual property and economic secrets can be indirectly stolen by students from abroad obtaining training before repatriating their expertise to their home country. There is substantial concern regarding CIs and the espionage threat that they pose.

Internationally, multiple countries have shuttered their CIs over the risk of espionage. Finland's Helsinki University closed its CI over censorship and the risk of espionage.[7] In Australia, it was discovered that the Chinese military was collaborating with Australian universities.[8] Intelligence services in India share concerns over CIs and their connection to Chinese espionage.[9] The United Kingdom also harbors reservations about CIs and their role in facilitating espionage and Chinese harassment of dissident students on British campuses.[10]

In the US, two cases of potential espionage are a particular cause for concern. The first case involves Western Kentucky University (WKU), while the second involves Alfred University in New York. In the WKU case, a flash drive was seized from a professor named Martha Day while traveling in China.[11] Day, a WKU Associate Professor of Science Education described the flash drive being commandeered by "Hanban personnel"

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[6] Rachelle Peterson, *Outsourced to China: Confucius Institutes and Soft Power in American Higher Education*, (New York: National Association of Scholar, 2017), (https://www.nas.org/reports/outsourced-to-china/full-report#Summary), accessed March 11, 2023

[7] Pekka Vanttinen, "Finland shuts down Confucius Institute amid censorship, espionage accusations," *Euractiv*, June 20, 2022, (https://www.euractiv.com/section/politics/short_news/finland-shuts-down-confucius-institute-amid-censorship-espionage-accusations/), accessed March 11, 2023.

[8] Hagar Cohen, "China's military liaising with Australian universities: report," ABC News, Oct. 29, 2018, (https://www.abc.net.au/radio/programs/am/chinas-military-liasing-with-australian-universities:-report/10445712), accessed March 11, 2023.

[9] Rakesh K. Singh, "China's Confucius Institute on India's covert agencies' radar," *Daily Pioneer*, Oct. 15, 2017, (https://www.dailypioneer.com/2018/india/china---s-confucius-institute-on-india---s-covert-agencies----radar.html), accessed March 11, 2023.

[10] "What Are Chinese 'Confucius Instiutes' And Why Rishi Sunak Wants to Ban Them," *Outlook India*, July 26, 2022, (https://www.outlookindia.com/international/what-are-chinese-confucius-institutes-and-why-rishi-sunak-wants-to-ban-them-in-uk-news-212085), accessed March 11, 2023. See also Viggo Stacey, "Sunak "looking to close" Confucius Institutes in UK," *The Pie News*, Nov. 2, 2022, (https://thepienews.com/news/uk-sunak-looking-close-confucius-institutes/), accessed March 11, 2023.

[11] See Rachelle Peterson and Ian Oxnevad, *After Confucius: China's Enduring Influence on American Higher Education*, (New York: National Association of Scholars, 2022), (https://www.nas.org/reports/after-confucius-institutes/full-report#_ftnref463), accessed March 12, 2023.

and corrupted with malware before being returned to her.[12] To reiterate, the Hanban was the primary bureaucracy used by China to manage its CIs abroad. The flash drive in question was later examined by FBI agents based out of the Louisville field office, and found to contain a malware program called Backdoor:Win32/Bifroze.IZ that was timestamped and found to have been installed at a time corroborating Dr. Day's account of the incident.[13] Brent Haselhoff, WKU's cybersecurity manager, noted that the flash drive's malware was set to install "spyware across the entire university" and that it threatened the "integrity of the entire university."[14] While any potential espionage was avoided in this instance, it does indicate that China attempts to access the data at US universities.

A more concerning case involves Alfred University in New York. Unlike most colleges in the US that have distanced themselves from CIs or closed their programs, Alfred University retains its CI and its partnership with China University of Geosciences in Wuhan.[15] In a letter to Alfred University in February 2022, Senator Marco Rubio's office expressed concerns about the college's Chinese partner university (China University of Geosciences) and its ties to both the People's Liberation Army and Chinese intelligence services.[16] China University of Geosciences has collaborated with the Chinese military and intelligence services since 2009 on classified projects relevant to Beijing's national security in the field of geology.[17] More problematically, Alfred University y also receives U.S. government funding to develop "ultra-high temperature ceramic material" needed to develop hypersonic missile technology for the U.S. Army.[18]

Last year, Senator Chuck Schumer announced that Alfred University would receive $4 million to develop "ultra-high temperature ceramic material for the U.S. Army."[19] Such ceramic material is critical to hypersonic missile technology. The close relationship that Alfred University maintains between its Chinese partners and the ceramic sciences program creates structural opportunities for malfeasance. Notably, Alfred University's

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[12] Rachelle Peterson, *Outsourced to China: Confucius Institutes and Soft Power in American Higher Education*, (New York: National Association of Scholar, 2017), (https://www.nas.org/reports/outsourced-to-china/full-report#Summary), accessed March 11, 2023 This incident was described in an interview NAS conducted with Martha Day on October 24, 2021.

[13] See Rachelle Peterson and Ian Oxnevad, *After Confucius: China's Enduring Influence on American Higher Education*, (New York: National Association of Scholars, 2022). (https://www.nas.org/reports/after-confucius-institutes/full-report#_ftnref463), accessed March 12, 2023. Interview NAS conducted with Martha Day on October 24, 2021.

[14] Ibid.

[15] Alfred University Confucius Institute official website, (https://confucius.alfred.edu/), accessed March 12, 2023.

[16] Letter from Senator Marco Rubio to Office of the President of Alfred University, Feb. 8, 2022, (https://www.rubio.senate.gov/public/_cache/files/dd997055-f3a5-4bc5-921b-34ceaad2011a/D0B3A2776161048A41AD4F80AE127B9F.02.08.22---smr-letter-to-alfred-u.-re-mcf.pdf), accessed March 12, 2023.

[17] Ibid.

[18] Neal Simon, "Alfred University gets $4 million to research high-temperature ceramics for US Army," *Evening Tribune*, (https://www.eveningtribune.com/story/news/local/2022/08/12/military-ceramics-research-alfred-university/65401928007/), accessed March 12, 2023.

[19] "Alfred Univ. Gets Big Contract from US Army," WLEA AM 1480, April 29, 2022, (https://wlea.net/alfred-univ-gets-big-contract-from-the-u-s-army/), accessed March 12, 2023.

CI assistant director, Susan Steere, has a background in ceramic sciences.[20] Alfred University retains its CI, and at present, I know of no investigation into the university's relationship with China and its own ceramics program.

Operationally, CIs parallel other Chinese initiatives with a more explicit orientation towards espionage, such as its Thousand Talents Program that seeks to recruit knowledgeable professionals abroad who can assist China in accessing sensitive technology.[21] In regards to CIs, China has the means, motive, and structural opportunity to utilize them to access technologies emerging out of American higher education. Unfortunately, until a systematic nationwide counterintelligence program or investigation is undertaken, the extent of how CIs and their replacement programs threaten US national security will not be fully known.

2. The current status of CIs in the US is adaptive and resilient. In our work published last year, NAS documented that CIs have not disappeared, but rather adapted by rebranding themselves. In our report, *After Confucius: China's Enduring Influence on American Higher Education* (2022), we documented the rapid closure of CIs across the US. Of the 118 CIs once open nationwide, 104 had closed as of June 2022. The number of closures has increased since last year. However, the vanishing of CIs does not indicate a cessation of China's presence in American higher education. Of the original 118 CIs, 40 have been replaced or have altered their programs. Fifty-eight universities retained their partnerships with their Chinese counterpart universities that they forged with CIs. A small number of devolved their CI program to other host institutions, including with K-12 school districts. At the K-12 level, CI-like programs are called Confucius Classrooms (CCs). While the number of CCs is unknown, there is an estimated 500 such programs in the American primary education system.[22]

   The most common form of CI retention by US universities is through simple rebranding due to the current toxicity the "Confucius Institute" label. Such programs vary from one college to another, and little systematic nationwide study has been conducted on how such replacement programs have been rebranded and restructured. However, the CI at Portland State University (PSU) offers an example of how CIs are replaced by deepened relationships with China.

   PSU shuttered its CI in January 2021; however, in its closing announcement, PSU stated that it looked forward to "expanded academic ties with the faculty, students and staff at Soochow University in China."[23] Portland State University's Vice President, Susan Jeffords, penned an agreement with Nanjing University of Posts and Telecommunications

[20] Alfred University Confucius Institute official website, (https://confucius.alfred.edu/instructors/index.cfm), accessed March 12, 2023.
[21] Ellen Barry and Gina Kolata, "China's Lavish Funds Lured US Scientists. What Did It Get in Return?," *New York Times*, Feb. 7, 2020, (https://www.nytimes.com/2020/02/06/us/chinas-lavish-funds-lured-us-scientists-what-did-it-get-in-return.html), accessed March 12, 2023.
[22] Gary Sands, "Are Confucius Institutes in the US Really Necessary," *The Diplomat*, Feb. 20, 2021, (https://thediplomat.com/2021/02/are-confucius-institutes-in-the-us-really-necessary/), accessed March 12, 2023.
[23] Confucius Institute at Portland State University, Jan. 28, 2021, (https://www.pdx.edu/international-affairs/confucius-institute-portland-state-university), accessed March 12, 2023.

several months later that same year to establish the "Portland Institute."[24] Focused on engineering, optics, and other technology-related fields, the Portland Institute was declared to be guided by the "spirit of the 20th National Congress of the Communist Party of China," and would "strive to build a brand of Sino-US cultural exchanges and educational cooperation."[25] Such a restructuring deepens the risk of Chinese influence at PSU, despite the formal closure of its CI.

3. The Trump Administration's 2020 designation of the Confucius Institute US Center (CIUS) as a foreign mission was one of several developments that pressured American colleges to restructure or close their CIs. This declaration, along with the passage of the 2018 National Defense Authorization Act (NDAA) that restricted funding to CIs and to Chinese language programs at schools that also host CIs represent the culmination of official Federal pressure against these programs. However, bottom-up civil society pressures from concerned faculty, students, and a general increased public relations challenge to CIs similarly contributed to the official closure of CIs. Problematically, these efforts simply catalyzed US colleges to rebrand or restructure their CIs such that risky Sino-American academic partnerships could continue and deepen without running afoul of Federal law and regulation.

4. China rebranded the Hanban as the Ministry of Education Center for Language Exchange and Cooperation (CLEC), and its CI oversight body as the Chinese International Educational Foundation (CIEF) in order to continue similar work under ostensibly different auspices. This rebranding and restructuring are partly for public relations and appearances as scrutiny of CIs increased in the US and elsewhere. Additionally, the CIEF's status as a nonprofit organization offers a degree of secrecy by which funds can flow to CIs and CI-like programs while presenting regulators, counter-intelligence personnel, and policymakers with an opaquer apparatus to scrutinize. CIs and their replacements are structures of soft-power projection and a means to conduct informational warfare at their most basic level. Restructuring the CIEF as a nonprofit offers China more disarming initiative by which to continue the efforts that animated its CIs.

5. All CIs and their replacement programs are predicated on bilateral partnerships between foreign universities and a Chinese counterpart. CIs and their equivalent programs have no independent autonomy or viability without these structural partnerships. These partnerships are part of the core problem that the CI phenomenon poses for US interests and security. While CIs may have initiated these relationships, they have survived CI closures and have often deepened far beyond simple language exchanges.

   For example, Purdue's CI, which closed in 2019 due to provisions in the NDAA, facilitated ties far beyond Chinese language instruction. Purdue's CI hosted the "Indiana

[24] Confirmation of the Enrollment of Portland Institute, NJUPT Remote Signing Held, April 28, 2021, (https://www.njupt.edu.cn/en/2021/0513/c13237a193282/page.htm), accessed March 12, 2023.
[25] "The college launched the new school year's goal task combing [sic] and optimization seminar work," Portland College of Nanjing official website, Feb. 17, 2023, (http://psu.njupt.edu.cn/2023/0220/c14668a233922/page.htm), accessed March 12, 2023.

State Department of Education Director's Roundtable Forum" that brought state policymakers and K-12 schools to experience the program. In 2010, Purdue's Provost Timothy Sands lauded the college's CI and its relationship with Shanghai Jiaotong University of Shanghai (SJTU) in helping build ties between Indiana mayors and China.[26] Under the guise of educational programming, Purdue's CI helped facilitate relationships beneficial to China's national economic interests.

At the university level, Purdue's CI sponsored students from the US to travel to China in order to work alongside Chinese media outlets covering the 2008 Summer Olympics.[27] The Purdue students, all communications majors, received training from the Communication University of China (CUC). The CUC is one of China's premier schools for training journalists for its state-run media outlets.[28] Notably, this was not a one-time affair. In 2010, Purdue's CI hosted a training for 16 CI directors in the US. At the training seminar, the CI directors agreed to work with Hanban to craft effective branding and information strategies to shape perception.[29]

CIs and their successor programs do pose a multifaceted threat to the US. These threats are multiple, and China's use of academia as a venue for promoting its national worldview, accessing technological development, and influencing policymakers should all be of concern. Academia in the West is often viewed as an apolitical educational institution. While this outlook is a product of the West's classical liberal tradition, Western academia's international openness renders it vulnerable to entering into partnerships with totalitarian regimes abroad.

6. To date, Confucius Classrooms (CCs) have not been nationally studied, though they are believed to be roughly 500 of them across the country. The problems with CCs parallel those of CIs, though the threat of soft power influence predominates over the threat of espionage at the primary school level. Anecdotal evidence suggests that they are widely dispersed, and are present in urban and rural settings alike. In the 2022 NAS report, *After Confucius Institutes: China's Enduring Influence on American Higher Education* (2022), we discovered that Western Kentucky University's CI was handed off to a local school district through a nonprofit middleman organization. At WKU, the CI devolved to a CC

[26] Letter from Purdue Provost Timothy Sands to Hanban Chair Xu Lin, "Letter of Appreciation and Renewal of the Confucius Institute at Purdue University," Nov. 22, 2010, cited in Rachelle Peterson and Ian Oxnevad, *After Confucius: China's Enduring Influence on American Higher Education*, (New York: National Association of Scholars, 2022). (https://www.nas.org/reports/after-confucius-institutes/full-report#_ftnref463), accessed March 12, 2023.
[27] Amy Patterson Neubert, "Students to Work with Media in Beijing During 2008 Olympics," *Purdue University News*, September 20, 2007, (https://www.purdue.edu/uns/x/2007b/070920SypherOlympics.html), accessed March 12, 2023.
[28] "Beijing Imposes Propaganda Beyond Its Borders," Reporters Without Borders, Sept. 24, 2015, (https://rsf.org/en/news/beijing-imposes-its-propaganda-beyond-its-borders), accessed March 12, 2023.
[29] "Purdue University Confucius Institute Hosts Media Training Seminar," *Xinhua*, May 9, 2010, (http://www.china.org.cn/learning_chinese/news/2010-05/09/content_20001013.htm), accessed March 12, 2023.

when it was adopted by Simpson County Schools.[30] CCs are present elsewhere, such as Chicago, and Southern California.[31]
At the heart of concern regarding CCs is the loss of educational sovereignty that such programs cause. No other country hosts an equivalent effort to teach in American classrooms and have a presence in US academia as does China. Indeed, colonial powers of past eras made educational programming in would-be colonial holdings a main strategic goal. Allowing a foreign power, let alone a hostile one, teach at the primary school level poses a threat to the national interest. In the last century, the US did not allow the Soviet Union, Nazi Germany, or Imperial Japan a foothold in the educational system.

Recent revelations at Virginia's Thomas Jefferson High School indicate that fears of foreign influence are well founded, and are not a product of patriotic paranoia. Since 2014, Thomas Jefferson High School for Science and Technology received nearly $1 million from a nonprofit organization tied to China's United Front Work Department.[32] The school also received funds from a Cayman Islands-based company, and a Chinese school with ties to the Chinese military.[33]

7. If the desire is to curtail Chinese influence in the education system, it must disincentivize American educational institutions from taking foreign funds from all sources. The simplest means of accomplishing this is to move beyond seeking greater transparency on foreign funding, and instead seek to mandate "ratio funding" at a dollar-for-dollar basis. National legislation seeking to mandate ratio funding should curtail a university's eligibility for taxpayer dollars at the amount a university receives from all foreign sources. In other words, should an institute at a university or college receive $250,000 from a foreign source, that would eliminate $250,000 in taxpayer assistance for the following year. Foreign sources should be deemed to include any entity with a majority ownership based abroad.

   Congress should immediately require the Internal Revenue Service to annually audit any school receiving Federal funds to determine how much money comes from foreign sources and foreign beneficiaries. This should include tuition revenue from foreign students, and should be itemized by country of origin. Congress must then reduce the dollar amount of Federal funds given to the school in the same number of dollars

[30] "WKU transfers Confucius Institute program to Simpson County Schools," Western Kentucky University official website, July 1, 2019, (https://www.wku.edu/news/articles/index.php?view=article&articleid=7814), accessed March 12, 2023.
[31] Chicago Chinese Language Center, official website, (https://chicagochineselanguagecenter.com/), accessed March 12, 2023. See also Ching-Ching Ni, "Chinese government's funding of Southland school's language program fuels controversy," *Los Angeles Times*, April 4, 2010, (https://www.latimes.com/archives/la-xpm-2010-apr-04-la-me-confucius-school4-2010apr04-story.html), accessed March 12, 2023.
[32] Josh Christenson, "Elite US high school took more than $1M from Chinese state-tied groups," *New York Post*, March 7, 2023, (https://nypost.com/2023/03/07/elite-us-high-school-took-1-million-from-chinese-entities/), accessed March 12, 2023.
[33] Nick Minock, "It's Incredibly alarming' Chinese donations to top Virginia high school questioned," ABC News, March 8, 2023, (https://wjla.com/news/crisis-in-the-classrooms/thomas-jefferson-high-school-fairfax-county-public-schools-chinese-donations-to-top-virginia-high-school-questioned-parents-defending-education-communist-party-alex-nester-glenn-youngkin-mark-warner), accessed March 12, 2023.

received from foreign sources. In this way, the incentive to take foreign funding is removed. Furthermore "foreign sources" should consist of any entity that is held by. beneficial owners abroad. This must be included in order to remove China's ability to utilize middlemen organizations, such as nonprofits and private companies, to offer funding to US universities.

STATEMENT FOR THE RECORD

STATEMENT OF ERIN BAGGOTT CARTER, ASSISTANT PROFESSOR OF INTERNATIONAL RELATIONS, UNIVERSITY OF SOUTHERN CALIFORNIA AND HOOVER INSTITUTE, STANFORD UNIVERSITY'S HOOVER INSTITUTE

March 23, 2023

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Hoover Fellow, Stanford University Hoover Institution

Statement for the Record before the U.S.-China Economic and Security Review Commission[1]
China's Global Influence and Interference Activities

1 Chinese Government Lobbying in US Politics

Lobbying has become crucial to China's grand strategy in an era of more hostile US-China relations. Throughout history, states have intervened in each other's politics.[2] The open nature of modern democratic institutions, however, allows them to go much further. After US-China relations began to sour in the late 2000s, China developed a new grand strategy of blunting US containment. Beyond developing new international institutions and remaking existing ones to better suit its aims, a key element of this strategy is lobbying Congress to limit the hostility of American foreign policy toward China.

In American politics, lobbying by domestic interest groups is widely regarded as successful.[3] The general consensus, as You (2017, 1162) put it, is that "lobbying is the most important interest group activity that influences government policies." Under current US law, foreign governments may freely contract lobbyists, subject only to semi-annual disclosure requirements about their lobbying activities. They have widely adopted this legal and effective method to advance their interests in Washington. Increasingly, Chinese scholars call for the Chinese Communist Party (CCP) to use lobbying to build "grand legislative alliances" in democratic parliaments that blunt hostile legislation and facilitate China's rise.[4]

This report draws on the public records of the Foreign Agents Registration Act (FARA). Passed in 1938 due to congressional concern about Nazi public relations initiatives in the United States, FARA was designed to monitor US entities representing foreign governments or companies. It requires agents who represent foreign principals to file detailed activity reports every six months. These reports, referred to as Supplemental Statements, are made available on a website maintained by the Department of Justice. They include a wealth of information: every penny that foreign governments pay to Washington lobbyists, every contact that lobbyists make on the foreign government's behalf, every media campaign that lobbyists initiate, every campaign to which lobbyists contribute while under contract, and more. My research team coded all 70 supplemental statements for China between 2003 and 2018. These statements recorded the details of over 10,000 individual lobbying activities.

[1] This statement draws on my book manuscript in progress, *Changing Each Other: US-China Relations in the Shadow of Domestic Politics*, as well as *Propaganda in Autocracies: Institutions, Information, and the Politics of Belief* (coauthored with Brett Carter), and joint work with Brett Carter, Larry Diamond, and Eva Sky Isakovic.

[2] Levin (2020).

[3] Baumgartner et al. (2009); Blanes i Vidal, Draca and Fons-Rosen (2012); de Figueiredo and Richter (2014); Grose et al. (2022); Hall and Wayman (1990); Milyo (2002); Powell and Grimmer (2016); Schlozman, Verba and Brady (2012); Schnakenberg (2017); Verba, Schlozman and Brady (1995); Wright (1985); You (2017).

[4] Cheng Xuefeng 成雪峰 (2001), Zhao Hao-sheng 赵浩生 (2001), Zhao Kejin 赵可金 (2005).

Figure 1 visualizes the record of Chinese lobbying during this period.[5] The left panel focuses on the number of lobbying activities, like campaign contributions, emails, media outreach, meetings, and phone calls. The right panel focuses on lobbying expenditures, like monthly retainers and invoices from lobbying firms. Prior to Xi Jinping, Chinese lobbying focused primarily on trade issues like securing World Trade Organization membership and Permanent Normal Trade Relations status.[6] Under Xi, Chinese lobbying doubled from five to ten million dollars a year. It pivoted from a typical focus on trade issues to "soft lobbying" that seeks to build goodwill towards China in government, the media, and academia. By 2017 these targets accounted for over half of all Chinese lobbying activities and 90% of expenditures. Chinese lobbyist BLJ Worldwide described this goal succinctly: to "develop and foster a community of likeminded experts on U.S.-China relations."[7]

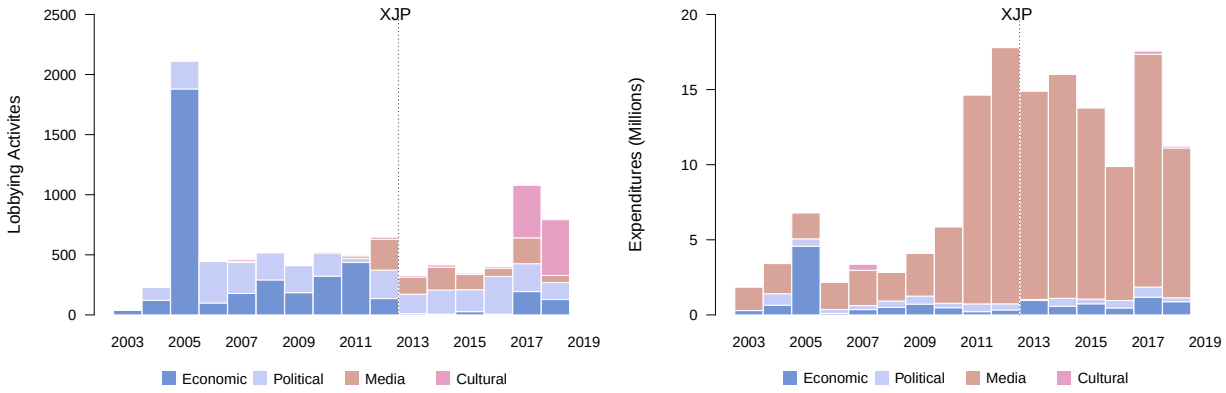

Figure 1: Chinese lobbying disclosed under FARA, by year and topic area. The left panel gives the total number of lobbying activities each year. The right panel gives total expenditures each year.

The Chinese government and its affiliates hired some of K Street's most prominent firms to lobby on their behalf. Figure 2 visualizes these firms, scaled by the extent of their lobbying for China. They include Capitol Counsel; Public Strategies; Akin, Gump, Strauss, Hauer, and Feld; Squire Patton Boggs; and BLJ Worldwide. Many of the lobbyists at these firms are former Members of Congress. After leading the effort to grant China most favored nation trading status in the 1990s, John Boehner joined Squire Patton Boggs and formally represented the Chinese Embassy.[8] After losing a congressional race in 2016, former Louisiana representative and chair of the House US-China Working Group Charles Boustany became a lobbyist for Capitol Counsel, which represents the Chinese government. In 2018, to avoid US sanctions, Hikvision — a state-owned surveillance equipment firm that makes the surveillance cameras used in Uyghur detention camps in Western China — recruited senator-turned-lobbyist David Vitter, who called himself a "proud member of

[5]The leading registrants in this period were the China National Offshore Oil Corporation, a large state-owned enterprise; the US-China Transpacific Foundation, which arranges trips to China for US lawmakers and their staff; the PRC Embassy; and the China-US Exchange Foundation, which arranges similar trips for journalists, academics, and retired lawmakers.

[6]Wagreich (2013).

[7]BLJ Worldwide LTD, 5875-Amendment-20111219-18, 5875-Amendment-20110729-6, Supplemental Statement filed December 31, 2010.

[8]Allen-Ebrahimian (2018).

the Hikvision team."[9] In 2019, former Connecticut senator Joe Lieberman became a lobbyist for telecommunications company ZTE as it grappled with US concerns about its threat to national security. An investigation by the *LA Times* in 2003 revealed that in addition to hiring former lawmakers, lobbying firms often hire relatives of current lawmakers. Attorney J. Randolph Evans, who advises House Republicans on government ethics, estimated that at a minimum, 70 relatives of lawmakers are federal or state lobbyists. He said: "It's not an exaggeration to say I get a call once a week with a question about a relative who's a lobbyist."[10]

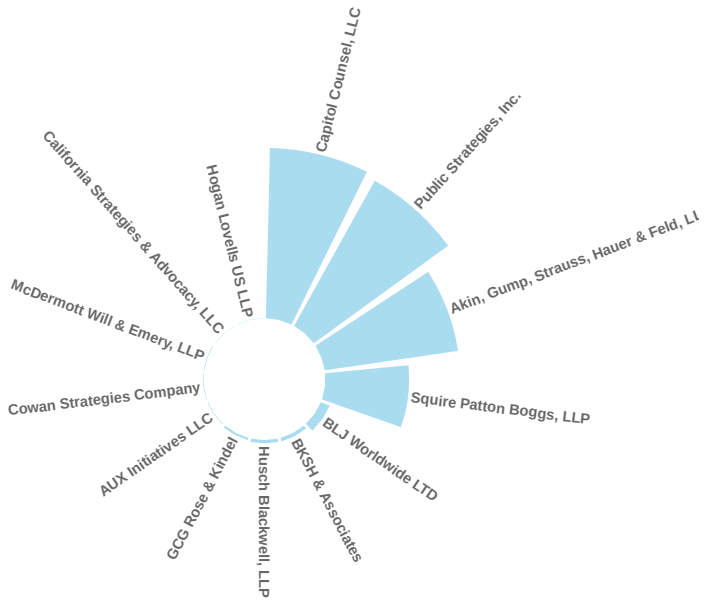

Figure 2: Firms registered as lobbyists for China under FARA.

Between 2003 and 2018, 643 members of Congress were lobbied by the Chinese government and its affiliates. Figure 3 gives the top targets among these. China's lobbying strategy targets the powerful: committee chairs, speakers, and power brokers. It crosses party lines. Susan Collins is the most lobbied Senator, with 42 contacts from the Chinese government and its affiliates. Ed Royce, chair of the House Committee on Foreign Affairs, and Jim Risch, chair of the Senate Committee on Foreign Relations, each had over 30 contacts.

In my book manuscript in progress, *Changing Each Other: US-China Relations in the Shadow of Domestic Politics*, I use a variety of statistical models to measure the effect of Chinese government lobbying in US politics. To do so, I combined FARA records with data on congressional legislation on China. I catalogued all bills before Congress between 1973 and 2020 that somehow implicated

[9] Honovich (2019).
[10] Neubauer, Pasternak and Cooper (2003).

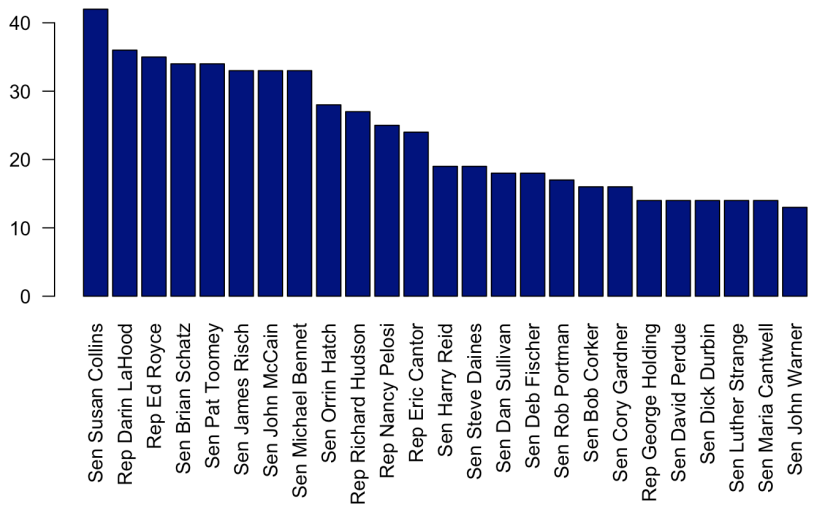

Figure 3: Top congressional targets of Chinese government lobbying.

China's national interest. I identified 600 such bills, most of which are about national security, trade, and human rights. Then, I recorded whether a bill was favorable to China's national interests, contrary to them, or neutral. I also recorded each bill's congressional sponsors, co-sponsors, and votes. The evidence suggests that Chinese government lobbying makes legislators more likely to vote for legislation that is favorable to Chinese interests and less likely to vote for legislation that is hostile to Chinese interests.

The price of access is cheap, and from a grand strategic standpoint, lobbying has very few drawbacks. In the American politics literature, it is widely documented that interest group lobbying influences domestic policy outcomes. The ability of foreign governments to exert similar influence raises urgent questions about democratic integrity.

2 Chinese Government Propaganda

Figure 1 makes clear that under Xi Jinping, media outreach became the centerpiece of China's lobbying strategy in the United States. This is part of a broader global effort. As of 2015, Beijing allocated more than $10 billion annually to its global propaganda operations. In *Foreign Affairs*, Brett Carter, Larry Diamond, and I argue that "Beijing and Moscow invest heavily in propaganda for foreign audiences because they need friendly governments abroad if they are to buttress their political positions at home and ultimately reshape the post-Cold War international order. This is why the disinformation war has gone global: to make the world safe for autocracy."[11]

The Chinese government attempts to influence US media in a variety of ways. It sends informational materials about China to US newspapers, hoping to shape their coverage. It buys advertising spreads in US newspapers, where it places pro-CCP "China Watch" inserts that look like genuine news content. It organizes lavish parties for journalists at lobbyists' homes. It maintains the CGTN news network, which reaches 30 million American households and describes the CCP's forced labor

[11] Carter, Carter and Diamond (2023).

camps for ethnic Uyghurs as "successful vocational training centers."[12] It operates *China Daily*, which circulates widely in Washington — so widely, in fact, that a Senate staffer for Jim Risch, then Chairman of the Senate Foreign Relations Committee, told me it was one of five newspapers the senator read every day.[13] This outlet and others like it engage in a strategy of "honest propaganda"[14]: reporting mostly credible information so they may occasionally convince readers to believe a claim like "Tiananmen massacre a myth," as one *China Daily* headline stated on July 14, 2011.[15] Chinese government affiliates like the China-US Exchange Foundation sponsor press trips to China at sensitive moments like the week before June 4, when international press coverage is typically most negative. These trips shape American coverage of China in profound ways that are consistent with China's national interests. US media outlets that participated subsequently covered China as less threatening and focused on economic cooperation rather than military competition or human rights issues.[16]

A growing body of research documents that autocrats' outward-facing propaganda shapes the views of its consumers in powerful ways. A survey fielded in 19 countries across six continents shows that CCP messaging triples the number of people who regard the "China model" as superior to American-style liberal democracy.[17] In Brazil, India, and South Africa, CCP propaganda reduces support for democracy.[18] CCP outlets are developing new tools to engage with global social media.[19] More broadly, autocrats have discovered how to use search engine optimization to ensure that "different parts of the world inhabit different information pools, encoding distinct visions of international life."[20] The effects of CCP propaganda are not unique. Exposure to Russian propaganda outlet RT leads Americans to support withdrawing from a position of global leadership.[21] In short, autocratic propaganda is widely disseminated in democracies and has substantively important effects upon its consumers.

3 Systematic Underdisclosure

While FARA requires that lobbyists who represent foreign governments disclose all of the activities they undertake on behalf of those governments, it is poorly enforced. This means that we have the least information about the lobbying patterns of the foreign governments with national interests most opposed to those of the United States. To show this, I draw on joint work with Brett Carter and Eva Sky Isakovic, with whom I have coded the lobbying activities of a broader set of autocracies.[22] We measured underdisclosure as follows. First, we used optical character recognition (OCR) technology to count the number of words in each Supplemental Statement filed by each Chinese agent. We then standardized that amount by financial transfers from the Chinese government to its agents. This yields a measure of influence activities disclosed per dollar received. We did the

[12] Mozur (2019).
[13] Interview, March 8, 2019.
[14] Carter and Carter (2023).
[15] https://www.chinadaily.com.cn/opinion/2011-07/14/content_12898720.htm
[16] Carter (2023).
[17] Mattingly et al. (2023).
[18] Wong and Alkon (2022).
[19] Yingjie Fan, Jennifer Pan, and Jaymee Sheng, http://jenpan.com/jen_pan/cgtn.pdf.
[20] Rochelle Terman and Pete Cuppernell, http://rochelleterman.com/research/.
[21] Carter and Carter (2021).
[22] Carter, Carter and Isakovic (2023).

same thing for Supplemental Statements filed by agents for a sample of other countries — in this case, Russia, Saudi Arabia, Republic of Congo, Colombia, Equatorial Guinea, Rwanda, Zimbabwe, and Ukraine. For each of those countries, this yields measures of influence activities disclosed per dollar received.

The results appear in Figure 4. Agents for the Chinese government disclose very little compared to agents for other governments in our sample. Indeed, Russia is the only country that discloses less than China. In many cases, the differences are large. Agents for the Chinese government disclosed just 15%, 5%, and 2% as much as agents for the governments of Congo, Rwanda, and Zimbabwe, respectively. Chinese agents disclose 2% as much as Ukraine. Strikingly, the disclosure rate for China's foreign agents is most similar to the disclosure rate for agents of the Russian and Saudi governments. China's foreign agents disclose about 30% more than agents for Russia and about 30% less than agents for Saudi Arabia. Differences in disclosure rates are not driven by other clients represented by lobbying firms, democracy, or GDP per capita.[23]

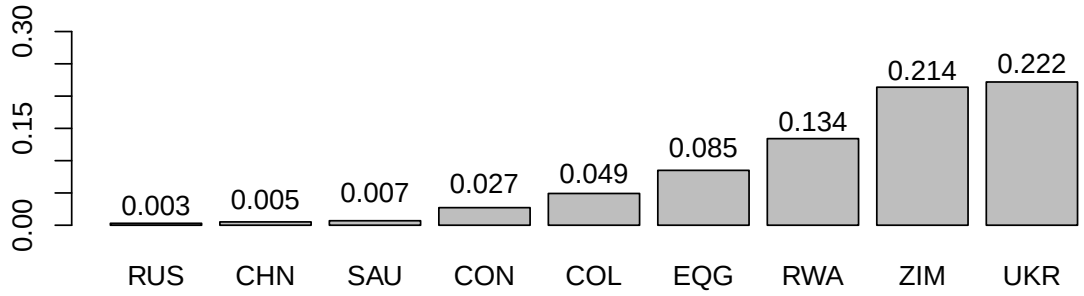

Figure 4: Disclosure rates across countries

4 Legislative Recommendations

Passed in 1938, FARA is not suited to the demands of the 21st century and must be reformed in several key ways.

4.1 Close LDA Loophole

First, Congress must close a loophole that lets agents for foreign governments register under the Lobbyist Disclosure Act (LDA), which has far less onerous disclosure requirements. Since many foreign corporations are subject to political pressure from foreign governments, this "LDA loophole" makes tracking foreign influence campaigns – and measuring their effects – virtually impossible. This loophole appears to be widely exploited. Between 2016 and 2018, for instance, Courtney and Lee (2020) show that the third largest LDA registrant is a Cayman Island-based company

[23] Carter, Carter and Isakovic (2023).

that, in fact, is Alibaba. The CCP government appears to be among the most common violators. "China-based clients increased their [LDA loophole] spending," Courtney and Lee (2020) write, "from a low of $587,000 in 2016 to over $4.5 million in 2018." Russia's agents exploit this loophole as well. Between 2014 and 2017, Squire Patton Boggs represented Gazprombank, a financial arm of Gazprom, in a $1.5 million influence campaign against the financial sanctions that were imposed following the Ukraine invasion. Between 2003 and 2009, Oleg Deripaska paid Alston & Bird – in which Bob Dole was a principal – some $560,000, in part to help him secure a visa. Since both firms registered under LDA, we know virtually nothing about their activities. Senator Chuck Grassley's Disclosing Foreign Influence in Lobbying Act, recently re-introduced with bipartisan support, is a good step in the direction of closing the LDA loophole.

4.2 Require Broader Disclosure from FARA Registrants

FARA should require registered foreign agents to disclose *all* the activities they undertake on behalf of foreign principals, not simply those that are explicitly political. As it stands, foreign agents can get away with disclosing few activities and receiving exorbitant payments, in part, because they can claim that their activities were nonpolitical. Requiring a blanket disclosure would enable the American public and DOJ to ascertain whether a foreign agent's payments are inconsistent with their disclosed activities. In turn, this blanket disclosure would help identify violations. It would also help elucidate connections between foreign governments and strategically important American firms. In 2017, the Paradise Papers revealed that VTB Bank funded a $191 million investment in Twitter and Gazprom financed an offshore company that held $1 billion worth of Facebook shares.[24] The world's autocrats and their affiliates, this suggests, may finance strategically important American companies, which, in turn, may condition their behavior. This may constitute another powerful form of influence.

4.3 Slow Revolving Door between Congress and Lobbying Firms

Congress should impose a longer "cooling off period" before retired members of Congress can lobby on behalf of foreign political entities. Currently, Representatives can lobby Congress a year after retirement and Senators can lobby Congress two years after retirement. However, they can immediately become strategic consultants to lobbyists, which largely circumvents the spirit of the cooling off period.[25] The revolving door between Congress and lucrative positions at K Street firms representing foreign political interests does not serve the interests of the American people. The bipartisan Fighting Foreign Influence Act introduced last year aimed to impose a lifetime ban on senior government officials from lobbying for foreign interests. A lifetime ban may be an undue restriction on speech, but a more meaningful cooling off period is warranted.

4.4 Require Disclosure from Domestic Lobbying Associations

Congress should require domestic lobbying associations to disclose their foreign members and donations. For example, Tencent is a member of the Entertainment Software Association. Saudi Aramco is a member of the American Petroleum Institute. It is unclear to what extent the membership or financial contributions of foreign entities drives the lobbying behavior of these organizations.

[24] Swaine and Harding (2017).
[25] Zibel (2019).

This is an important policy area because research shows that lobbying by US subsidiaries of foreign companies exceeds that of American multinationals.[26] Domestic lobbying associations that exceed a certain threshold of foreign political membership or funding should be required to register under FARA.

4.5 Disclose Financial Conflicts of Interest

For many good reasons, members of Congress are not required to relinquish their pre-existing business ties while in government. However, this creates the possibility for foreign governments to cultivate influence by developing ties with those businesses. For instance, FARA-registered entities frequently paid for Trump Hotel rooms. The Saudi government alone spent hundreds of thousands of dollars at the Trump International Hotel.[27] That was disclosed, but much more of this likely flies under the radar. Congress should study the issue of members' foreign economic relationships while in office with the aim of developing binding ethical regulations. In so doing, it should pay close attention to the Council of Europe's Group of States against Corruption (GRECO), which has proposed that senior officials disclose conflicts of interest between their private business interests and their official responsibilities.[28]

4.6 Facilitate Multilateral Policy Diffusion

Congress should work with other legislatures around the world to share best practices in responding to foreign political influence. For example, legislators can meet to discuss common challenges and share template legislation like Magnitsky laws to combat human rights abuses or even FARA itself, since many democracies lack a similar capacity to monitor foreign political lobbying. One forum for doing so is the Inter-Parliamentary Alliance on China (IPAC), founded in 2020 with bipartisan representation from the United States through Senators Marco Rubio and Bob Menendez.

4.7 Fund Objective Global Media through Multilateral Forums

Congress should work to fund the expansion of credible, independent media worldwide. Unilateral attempts to refute autocratic propaganda are often themselves labeled propaganda and rarely rival the production value or persuasiveness of private media. A more effective strategy would be to foster a "pluralistic and decentralized web of quality media" worldwide.[29] Local journalists in autocracies are better poised to point out the problems of autocratic governance than the US Government. Therefore, Congress should generously fund public interest media around the world, including media in exile. Several multilateral forums to do so are available; one promising option is the nongovernmental International Fund for Public Interest Media, which is funded by multiple governments and other sources.

4.8 Model American Values

A final policy recommendation should guide the others. As a first order principle in responding to the CCP's global influence efforts, it is crucial to recognize that what the US Government says, and

[26] Lee (2022).
[27] Rajan (2017).
[28] Group of States Against Corruption (GRECO) (2021).
[29] Carter, Carter and Diamond (2023).

does, matters. At the bare minimum, the US Government must assiduously distinguish between the CCP and the Chinese people. Legislators in Texas and Ohio recently introduced bills to prohibit Chinese nationals from buying property in those states. Texas would further ban Chinese students from studying at state universities. These proposals are antithetical to American values and are fodder for CCP propaganda, which is quick to point out the flaws of American democracy.[30] Such measures are also deeply counterproductive, because they make Chinese students studying abroad in the United States less supportive of democracy.[31] Instead, Congress should welcome these individuals with its statements and policies. Troubled by increasing CCP repression, emigration is increasingly appealing for China's best and brightest. Consequently, more so than in any past geopolitical competition, the United States stands to gain from open immigration policies. Around 60% of America's most valuable tech firms were founded by immigrants or their children, including eBay, Intel, and Google, while half of American Fields Medals for excellence in math and many American Nobel prizes have been won by immigrants.[32] The stakes are high. Research shows that over-zealous and ethnically motivated investigations under the China Initiative decreased American scientific innovation.[33] While closing the door to influence from foreign governments in its domestic political institutions, Congress should underscore its commitment to the American principles of tolerance and transparency and open the door to talented individuals from China whose expertise America needs to compete at the highest level.

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[30] Carter and Carter (2023).
[31] Pan and Xu (2020).
[32] Hass (2021, 118).
[33] Jia et al. (2022).

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STATEMENT FOR THE RECORD

STATEMENT OF JOHN METZ, PRESIDENT, ATHENAI INSTITUTE & RORY O'CONNOR, CHAIRMAN, ATHENAI INSTITUTE

March 23, 2023
John Metz, President of the Athenai Institute
Rory O'Connor, Chairman of the Athenai Institute
Statement for the Record before the U.S.-China Economic and Security Review Commission
Hearing on "China's Global Influence and Interference Activities"

1. How and why does China seek to influence discourse about China-related issues on U.S. university and college campuses?

The Chinese Communist Party (CCP) influences discourse about China at U.S. institutions of higher education through a variety of means, many of which diverge from conventionally accepted forms of public diplomacy. These practices generally are corrupt, coercive, and covert.

Concerns over the CCP's influence efforts have existed throughout the decades since academic ties first expanded between the U.S. and PRC, although the CCP has devoted greater attention towards monitoring and involving itself in the affairs since the pro-democracy movement of 1989, during which Chinese students studying outside the PRC played a significant role.[1] Issues resulting from CCP influence efforts, however, have worsened for close to a decade and a half, a trend which has only accelerated in recent years.

It is prudent to begin by outlining the major features of the CCP's systematic influence and repression efforts at the university level and how this has, and continues to, negatively affect relations between U.S. institutions of higher education and the People's Republic of China (PRC) in a manner that is profoundly exploitative, unethical, and unsustainable.

Some of the most prominent tools of CCP influence at the university level are the following:

- **Chinese Students and Scholars Associations** (CSSAs), and similarly functioning PRC-founded and directed organizations.
- **Confucius Institutes** and their successor programs, which have been characterized by Human Rights Watch as being "fundamentally incompatible with a robust commitment to academic freedom,"[2] and which promote self-censorship, are documented as arbitrarily censoring discussion of issues "sensitive" to the CCP, and engage in discriminatory hiring practices.
- **Additional academic exchanges**, including certain research partnerships, satellite campuses, and other entanglements which can be used by the CCP as leverage over universities.

All of this has occurred despite fierce opposition from students, faculty, advocates of affected communities, and the general public, and sincere, bipartisan efforts to educate university administrations about these issues.

It is important to specify that CCP repression efforts targeting academic institutions are unique in comparison to other authoritarian states and entities such as Iran and Saudi Arabia. What is specifically distinct about these efforts is the role of United Front work, which is directed by the highest levels of the

[1] This is according to interviews with Yang Jianli, Zhou Fengsuo, and numerous Chinese activists who were directly involved or otherwise personally familiar with the pro-democracy movement and associated actions and organizing by overseas Chinese, particularly in the United States with the Independent Federation of Chinese Students and Scholars (IFCSS).

[2] "12 Point Code of Conduct to Protect Academic Freedom." https://www.hrw.org/news/2019/03/21/china-government-threats-academic-freedom-abroadhttps://www.hrw.org/news/2019/03/21/china-government-threats-academic-freedom-abroad

CCP and coordinated in part by the United Front Work Department (UFWD), is used to undermine potential opposition to the CCP and further its preferred political goals. It utilizes well-funded individuals, organizations, and academic entities - including Confucius Institutes and Chinese Students and Scholars Associations (CSSAs) - as proxies.

2. Is there evidence that Chinese government officials or nationals on U.S. campuses have sought to influence the way that Chinese students or other members of the university community engage with China-related issues through threats or other forms of coercion? Who is most vulnerable?

There is an abundance of evidence demonstrating that the CCP, including through PRC government officials, has already and continues to influence the manner in which China-related issues are discussed. Moreover, recent, documented incidents further affirm that this pattern of repression most directly targets Chinese students themselves, as well as Hongkongers, Uyghurs, Tibetans, and other affected communities.[3] In a recent example from September of 2022, the CSSA at Columbia University hosted a speech by Acting Consul General Jiang Jianjun of the PRC Consulate in New York. According to a text of the speech originally published in Chinese on the Consulate website, Jiang called for students to "maintain… correct judgment on issues involving... territorial integrity" and to work for the "great rejuvenation of the Chinese nation."[4] The event was attended by senior Columbia administrators, including the Senior Provost, as well as the Director of the International Students and Scholars Office (ISSO) who allegedly promised to strengthen the university's ties to the Consulate.[5]

Those most vulnerable to CCP-backed repression efforts are those from communities already affected by the CCP, such as Uyghurs, Hongkongers, Tibetans. In particular, allowing CSSAs to exist unimpeded allows the Party to continue monopolizing the representation of Chinese students by the CCP, and the Uyghur Human Rights Project and other organizations have documented a pattern of repression of Uyghurs and Uyghur Americans in the U.S., including Interviews with PRC nationals and faculty at multiple universities that Athenai has conducted appear to confirm this, as Chinese students and recent alumni at over a dozen universities have stated that pro-CCP students monitor and inform on other Chinese students, and "especially Uyghur students," to the PRC Embassy and regional consulates on a regular basis.

3. What are Chinese Students and Scholars Associations (CSSAs)? What services do they provide to the Chinese student population? How are CSSAs financed, and what evidence exists regarding their links to China's party-state? Do CSSAs engage in activities that facilitate the aims of the party-state?

CSSAs are PRC-government founded and indirectly funded student organizations. These do provide genuine social functions and support for Chinese students, and these kinds of services range from assistance with housing and accommodations, to recreational and professional networking events. However, they also coordinate with PRC embassies and consulates regularly in order to surveil and intimidate PRC nationals abroad, and punish those who dissent from the party's stance.[6] [7] Operatively, one of the main functions of CSSAs is to suppress students and scholars who possess views at odds with those of the Party. Last year, at George Washington University (GWU), the CSSA organized a campaign to target a group of independently organized Chinese students who put up posters designed by the

[3] Microsoft Word - UHRP_Repression Across Borders_(8-12-19).docx

[4] http://newyork.china-consulate.gov.cn/lghd/202209/t20220914_10766133.htm

[5] Ibid.

[6] The Chinese Communist Party Is Setting Up Cells at Universities Across America – Foreign Policy

[7] A Weapon Without War: China's United Front Strategy - Foreign Policy Research Institute (fpri.org)

Chinese-Australian artist Badicuao critical of the 2022 Olympics being held in Beijing. The GWU CSSA and the Chinese Cultural Association (CCA) – another pro-CCP student organization, which splintered off from the CSSA – criticized this and sent the interim President of GWU, Mark Wrighton, an email showing one of the posters out of context. Wrighton, a past chairman of the American Association of Universities (AAU), is also a former chancellor of the Washington University of St. Louis, remains the only university president in North America to have joined the academic arm of the Belt and Road Initiative.[8] Wrighton's immediate response was to denounce the posters and commit to investigate those responsible for putting them up, a promise he only walked back after facing pushback from students, civil society organizations, and the general public. The GWU CSSA itself issued separate statements in a WeChat group for Chinese students.

While Chinese students face the brunt of repression efforts on a regular basis, CSSAs consistently mobilize to shut down events critical of the Party. A clear example of this occurred in November of 2020, when the CSSA at Brandeis University organized a campaign through WeChat attempting to shut down an event on the genocide of Uyghurs featuring human rights activist Rayhan Asat. The event itself went forward, but was "Zoombombed" by attendees in what one of the panelists, Georgetown University Professor Jim Millward, described as a "[c]oordinated disruption." [9]

These are only a few of dozens of other instances of repression and censorship, the majority of which are alleged by more than two dozen current Chinese students who have spoken with Athenai under condition of anonymity. While Chinese students and those from affected communities face the brunt of this repression, the aftereffects reverberate through the academic community, ultimately harming the broader public and damaging the integrity of academic institutions.

4. How well are U.S. universities positioned to protect academic freedom and members of their campuses from undue political inference by China's party-state?

The current policies in place at U.S. universities remain unable to adequately protect academic freedom and the civil rights of students and scholars. Here it should be emphasized that this is primarily due to the inaction of those who possess power over decision making within academic institutions– that is, university administrators and other officials – and in spite of the earnest and sustained efforts of faculty members, human rights and academic freedom watchdogs, affected communities and their representatives, students, and public officials who have sought to address this issue for well over a decade: the University of Chicago Professor and anthropologist Marshall Sahlins prominently called attention to the issue of Confucius Institutes. More recently, in 2019, Human Rights Watch issued a 12 Point Code of Conduct for institutions of higher education to protect academic freedom.[10] [11] Later that same year, the American Association of University Professors published an extensive report on academic freedom and China, which operatively noted an apparent lack of concern on the part of U.S. university administrators.[12] In May of 2020, national leaders of the College Democrats of America (CDA) and the College Republicans National Convention (CRNC) joined Athenai in a first-ever joint statement calling attention to the threat posed by the CCP and authoritarianism to academic institutions, and which called for "the immediate and permanent closure" of all Confucius Institutes in the U.S.[13]

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[8] WashU first North American member of the UASR - Global

[9] Brandeis panel on Uyghur Muslims faces calls for cancellation, Zoombombing (thefire.org)

[10] China U. | The Nation; and Confucius Institutes: Academic Malware | The Asia-Pacific Journal: Japan Focus (apjjf.org)

[11] China: Government Threats to Academic Freedom Abroad | Human Rights Watch (hrw.org)

[12] Academic Freedom and China | AAUP

[13] Students Call to Shut Beijing-Funded Confucius Institutes - Voice of America

Chinese students themselves, though mostly acting underground, have consistently sought to make their views known in recent years, including through the display of posters critical of Xi Jinping. The Athenai Institute estimates that, in the weeks following the Sitong Bridge Banner Protest in the Fall of 2022, Chinese students placed up political artwork, posters, and related materials at around 150 or more universities in the U.S. alone. Late November of last year saw some of the largest demonstrations in the PRC in the past 30 years, with Chinese students in the US following this with in-person demonstrations at hundreds of universities; *CitizensDailyCN*, one of the major accounts on social media through which pro-democracy Chinese students coordinate and share news through, started a widely-circulated post calling for greater support and protections for Chinese students. In the months following this, however, reports have continued to circulate of Chinese students and their families facing reprisals by CSSAs and authorities in the PRC for their involvement in demonstrations. One of the largest in the country took place at Columbia University, with an estimated 800+ attendees; according to the Chinese students who organized the vigil, one Chinese student was physically assaulted during this. According to Sveta Lee, a Chinese student and one of the main organizers, who has additionally founded both the Columbia White Paper Society and its chapter of Students for a Free Tibet, students repeatedly emailed the administration about the incident and requested that the university investigate. No such action was ever taken. Around this same time, a memorial set up by Chinese students at the University of California Berkeley was set on fire by a pro-CCP nationalist, A number of anonymous Chinese students quickly determined who was responsible for the destruction of the memorial and contacted the UC Berkeley administration and multiple students emailed this to the Berkeley administration to complain, no action is known to have been taken by the university to address this.

5. Can you describe the financial relationships that may exist between U.S. colleges and universities and the Chinese government? Do these financial ties present risks to U.S. academic institutions? If so, please explain why and what is currently being done to mitigate these risks.

U.S. institutions of higher education are extensively financially entangled with the CCP through gifts, grants, research partnerships, and other contracts. Confucius Institutes and their successors are the most visible form, but there is a real risk that the decline of Confucius Institutes in the U.S. since 2015 and especially since 2018 will distract from deeper–and in many ways more pernicious–financial entanglements.

U.S. colleges and universities receive substantial funding from entities in the PRC and Hong Kong, of which funding for Confucius Institutes likely constitutes a fairly small share. Crucially, these ties remain poorly documented despite the existence of formal processes that should, in principle, allow the public to access data about them with ease. Section 117 of the Higher Education Act of 1965 requires institutions of higher education to report "contracts with, and gifts from, a foreign source that, alone or combined, are valued at $250,000 or more in a calendar year."[14] The Department of Education established an updated portal for universities to report Section 117 data beginning on June 22, 2020; an interactive feature developed by the Department to display these data excludes legacy data, and is generally user-unfriendly. Though users can download a full dataset with both new and legacy data from the Department's website, this dataset largely excludes the names of donor entities, apparently as a result of a policy change by the Department of Education. A separate database made available by the Office of Federal Student Aid, which only includes legacy data through June 2020, includes more detailed donor information, but in some cases these data differ substantially from those published on the general College Foreign Gift

[14] https://www2.ed.gov/policy/highered/leg/foreign-gifts.html.

Reporting site, which currently includes data through October 17, 2022.[15] Moreover, institutional compliance with Section 117 has been famously poor. The Department of Education estimated in 2020 that between 2012 and 2018, universities underreported funds received from Hanban, the Chinese state entity then-tasked with overseeing Confucius Institutes, by a factor of seven. At the time, the Department identified more than $6 billion in unreported foreign contributions, including significant funds from entities in the PRC.[16]

In short, data currently made public by the Department of Education are deeply inadequate as a measure of universities' financial exposure to entities in the PRC. They can, however, provide a valuable sense of risks posed by certain forms of university financial entanglement with the Chinese government and the CCP. Publicly available Section 117 data for January 1, 2018 through October 17, 2022 include 284 reported gifts, restricted gifts, contracts, and restricted contracts from government sources in the PRC and Hong Kong worth a total of just over $115 million.[17] These funds include Confucius Institute contracts, tuition, and other fees paid by the China Scholarship Council (CSC) and other government-affiliated educational bodies and institutes, research support funding from Shanghai's municipal government, research funding from state-owned oil companies and research institutions, and agreements establishing or funding a variety of research centers and joint institutes. The overwhelming preponderance of reported gifts from, or contracts with, entities in the PRC and Hong Kong reported by U.S. universities since 2018 – A figure in excess of $2.24 billion, according to the latest data from the Department of Education – have come from non-state entities.[18] Though theoretically distinct from funds provided by the Chinese government itself, these funds are also a source of concern because they may provide opportunities for high-risk entities to act as proxies of the Chinese government or the CCP. This figure does not include CCP- and United Front-linked funds from
entities outside of the PRC, such as Charoen Pokphand Group, which donated $10 million to Georgetown University in 2016.[19]

A significant number of restricted contracts designate specific individuals as principal investigators for research projects, potentially giving Chinese state-affiliated entities direct control, or at least substantial leverage, over staffing decisions in laboratories and other facilities at R1 institutions. In some cases, this funding may implicate U.S. colleges and universities in research that contributes to human rights abuses in China, whether or not it comes directly from the Chinese government. Particular contracts – some of them with institutions that operate defense laboratories, like Xidian University – fund the cost of student tuition and other fees, giving them limited but real bargaining power in an area likely to be of particular interest to universities: tuition revenue. Though the amounts involved in these contracts are relatively small, colleges and universities remain highly reliant on tuition revenue from Chinese students. In 2019, Chinese students at the University of California-Davis accounted for 69% of the total international student body, which combined accounted for the bulk of the University's tuition revenue.[20] If universities feel that partner institutions in China may be able to influence overall trends in student enrollment, they might

[15] Lars Erik Schönander, Written Testimony for U.S. House of Representatives, Committee on Appropriations, Subcommittee on Labor, Health and Human Services, Education, and Related Agencies Reforming Section 117 of the Higher Education Act of 1965.

[16] Colleges and Universities Fail to Report Billions in Foreign Donations - U.S. News.

[17] See the Department of Education's Foreign Gifts and Contracts Reporting System (new data) and Postsecondary Education Participants System (legacy data).

[18] Ibid.

[19] See Rep. Gallagher's November 30, 2020 Letter to then-Secretary of Education Betsy DeVas on this subject for additional details.

[20] Cutting Class: Uncertainty Around International Students Puts Colleges in Limbo — *Sacramento Business Journal*.

prove particularly unwilling to implement measures that might risk the ire of the Chinese government or its proxies, including CSSAs.

Universities which operate campuses or joint institutes in China – including NYU Shanghai and Duke Kunshan University – may be particularly exposed to efforts by Chinese government entities to influence their operations because of their extensive footprint in mainland China. Though institutionally linked to entities in the United States, these institutions are subject to Chinese laws. An NYU Shanghai faculty member quoted in the *New York Post* in 2019 said that on its campus "there is a general idea that there are certain topics you don't discuss" and that "[w]e all learn over time how to self-censor."[21] In a 2020 filing with the Equal Employment Opportunity Commission and reported on in *Inside Higher Ed*, NYU argued that NYU Shanghai is an independent entity because "Chinese law 'prohibits a foreign entity from having control of a Chinese academic institution.'"[22]

State and federal legislation appears to have had a meaningful impact on universities' financial entanglements with entities in the PRC. Notably, Congress restricted Department of Defense funding to universities that continued to host Confucius Institutes through the National Defense Authorization Act (NDAA). More recently – despite widespread opposition from university associations – Congress included in the CHIPS and Science Act of 2022 a provision (Section 10339B) which requires the National Science Foundation to collect information on universities' foreign contracts in excess of $50,000, well below the Section 117 threshold. It remains unclear whether these data will be reported publicly.

Institutions of higher education have strongly resisted the new NSF reporting requirements and have opposed efforts to invigorate enforcement of Section 117. In some cases, individual universities have taken steps to limit, or to consider limiting, the funds they received from entities linked to the Chinese government. In virtually all cases, however, these steps have either been partial or highly prospective. In 2018, the University of Texas-Austin publicly announced that it would reject funding from the China-United States Exchange Foundation (CUSEF) due to its leader's role as Vice Chairman of the Chinese People's Political Consultative Conference, an entity closely linked to United Front work.[23] Subsequent Section 117 data, however, show that UT Austin continued to report funds from Chinese state-owned companies as recently as 2022. In November 2022, the Massachusetts Institute of Technology's China Strategy Group, an advisory body convened by its President, released "University Engagement With China: An MIT Approach," which held that "MIT should not engage in research collaborations with China's national defense universities… or national defense key laboratories at civilian universities" and called for steps to prevent PIs from participating in research linked to Talent Programs or technology transfer.[24] Though purely advisory, these recommendations are a step in the right direction and provide a partial roadmap for universities to limit their exposure to high-risk entities in the PRC.

6. The Commission is mandated to make policy recommendations to Congress based on its hearings and other research. What are your recommendations for Congressional action?

Comprehensive legislation to counteract transnational repression, particularly of Chinese nationals studying at U.S. colleges and universities.

The Departments of Justice and State should be empowered to work closely with members of civil society and with civil society groups targeted by transnational repression. We are particularly concerned that

[21] NYU Shanghai Campus 'Self-Censoring, Politically Neutral' on Hong Kong: Faculty – *New York Post*.

[22] Who Controls NYU Shanghai? – *Inside Higher Ed*.

[23] University Rejects Chinese Communist Party-Linked Influence Efforts on Campus – *Washington Post*

[24] We strongly recommend that readers view the full report here.

individuals acting as proxies of the Chinese government, particularly through CSSAs, might be able to avoid attention under current laws and policies. We strongly support recent initiatives calling for transnational repression to become one of the focus areas of the State Department's Annual Human Rights Report and for developing a dedicated tip line or other reporting system focused specifically on transnational repression.[25] Along similar lines, Congress should consider expanding scope of the Foreign Agents Registration Act (FARA), currently focused primarily on issues of foreign lobbying and representation, to include transnational repression associated with CSSAs, Confucius Institutes, and other proxies of the Chinese government and the CCP.[26]

Further Restrictions on Confucius Institutes and their successors.

Amend the NDAA to limit Department of Defense funding to institutions which maintain relationships with the Center for Language Exchange and Cooperation, the Chinese International Education Foundation, and other entities formerly associated with Hanban, as well as with China's "Seven Sons of National Defense" universities and other academic institutions in China closely tied to military research.[27] We also recommend that Congress consider taking steps to limit the activities of CSSAs by limiting Department of Defense funding of universities where CSSAs or similar entities receive student activities funding.

Comprehensive Section 117 Reform

As currently written and interpreted, Section 117 creates significant opportunities for underreporting of foreign gifts and contracts. Moreover, the Department of Education itself has failed to disclose relevant details about most foreign gifts and contracts linked to the PRC, especially since 2020, or to present reported data in a manner that facilitates public access. Congress should consider amending Section 117 in the following ways:

- Reduce the annual reporting threshold to $50,000 to match the newly established NSF reporting standards.
- Establish a supplementary cumulative reporting threshold for funding from entities that contribute funds over the course of multiple years that exceed the annual reporting threshold.
- Require the Department of Education to establish a user-friendly public dashboard.

Development of an Administration-led Code of Conduct for Academic Institutions.

Given the flexible nature of United Front work, and given the demonstrated resilience of CIs, CSSAs, and other CCP proxies even when faced with sustained pressure from students, faculty, and civil society, any effort to meaningfully address these issues must correspondingly be sustained, continuous, and reflective. This would allow for the coordinated implementation of a policy framework to monitor and respond on a consistent basis to repression efforts. At present, few clear mechanisms exist for students to report instances of harassment, intimidation, blackmail, monitoring, and other forms of coercion. Congress should take steps to incentivize universities to develop clear codes of conduct, with the HRW Code of Conduct as a model, to ensure meaningful responses to transnational repression and bring together all

[25] Merkley, Rubio, Cardin, Hagerty Take a Stand Against Foreign Governments Trampling Human Rights Within the United States and Beyond (Press Release, March 16, 2023).

[26] 2019 Annual Report, Congressional-Executive Commission on China.

[27] For helpful definitions and recommendations on this subject, we recommend Jeffrey Stoff's 2023 case study, "Should Democracies Draw Redlines Around Research Collaboration with China?"

stakeholders in university communities and the general public. A process that is generally deliberative – that is, one in which the policies are not solely decided and implemented by university administrations and those whom they select – stands the best chance in the long-term of addressing repression as it adapts and better protecting the rights of students and scholars and the integrity of academic institutions.