HB 1209: Foreign Adversary Threat Assessment Senate State and Local Government Committee April 3, 2025 Testimony Provided by Rep. SuAnn Olson

Madam Chairwoman and members of the committee, please note that HB 1209 is being presented with an amendment that is more of a technical correction. On the House side, the money was taken out of the bill so the words, "ONE-TIME FUNDING" on page 1, line 4, should have been removed as well.

The need for this bill evolved over time as I, and members of the interim ag committee, heard various testimonies regarding the threat posed by foreign adversaries, now referred to as "foreign countries of concern" by CFIUS (Committee on Foreign Investment in the US). The overriding theme from much of that testimony was that no single department of state government had the resources and skills to research and address the multiple ways our state can be threatened by foreign adversaries. Several members of the committee had discussions with contractors who have the security clearances and knowledge to conduct a study of the risks to North Dakota and the original bill would have required a study by contractors to conduct a deep threat assessment.

After Gov. Kelly Armstrong took office, he appointed newly retired Major General Alan Dohrmann as his Chief Operating Officer. This appointment brings new skills and oversight by the Governor's office that just wasn't possible before. I worked with the Governor's office on the bill and the amendments on the House side were provided by the Governor's office. The responsibility for the very same deep threat assessment that the original bill called for is now being assigned to the Department of Emergency Services which is reportable to the Governor. Major General Dohrmann thinks that the study can be accomplished inside their current budget so there is no fiscal note.

Section 1.1 of the bill lists five items that the Department of Emergency Services will look at in their risk assessment.

Section 1.2 requires a written report outlining findings and recommendations that must be completed by July 1, 2026.

Section 1.3 requires the Department of Emergency Services to present its findings and recommendations to legislative management by September 1, 2026.

Members of the committee, North Dakota is a high-value target for our adversaries. We are an agriculture, energy and military powerhouse. All three of these areas are important to national security as well as to North Dakota's security. Knowing where vulnerabilities are is the first step in creating good policy that addresses weaknesses. I urge you to pass HB 1209.

Thank you.

25.0393.03001 Title. Prepared by the Legislative Council staff for Representative S. Olson March 11, 2025

Sixty-ninth Legislative Assembly of North Dakota

## PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

## **ENGROSSED HOUSE BILL NO. 1209**

Introduced by

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Representatives S. Olson, Frelich, Marschall, Osowski, Rohr, Hoverson, Motschenbacher Senators Enget, Paulson, Weston

- A BILL for an Act to provide for a legislative management report relating to a foreign adversary
  threat assessment conducted by the department of emergency services.
- 3 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:
- SECTION 1. DEPARTMENT OF EMERGENCY SERVICES FOREIGN ADVERSARY

  THREAT ASSESSMENT REPORT—ONE-TIME FUNDING LEGISLATIVE MANAGEMENT

  REPORT.
- 7 1. The department of emergency services shall:
  - a. Identify sectors and industries most vulnerable to foreign adversarial influence, including critical infrastructure, technology, agriculture, energy, and academia;
    - Assess foreign adversarial influence beyond land acquisition, including strategic investments, partnerships, and other forms of economic, educational, and political influence;
  - Evaluate existing investments and activities to determine compliance with federal, state, and local laws;
  - d. Identify sectors in which foreign adversarial influence is often unmonitored or under reported; and
  - e. Propose broad mitigation strategies relating to identified risks and vulnerabilities
    to enhance the state's ability to manage foreign adversarial influence while
    supporting economic growth and security.

## Sixty-ninth Legislative Assembly

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- By July 1, 2026, the department of emergency services shall produce a written report
   outlining its findings and recommendations. The report must:
   a. Provide a detailed analysis of the foreign adversary threats and vulnerabilities
  - a. Provide a detailed analysis of the foreign adversary threats and vulnerabilities specific to the state;
  - Identify critical risks across sectors, including infrastructure, security, academia,
     and economic investments;
  - Provide sector specific mitigation recommendations designed to reduce vulnerabilities in infrastructure, academic institutions, economic investments, and other prominent sectors in the state; and
  - d. Include a proposal providing for the establishment of a state intelligence unit and the structure, roles, and operational procedures required for continuous monitoring of foreign adversary threats by the state intelligence unit.
  - 3. Before September 1, 2026, the department of emergency services shall present the recommendations in the report under subsection 2, and any proposed legislation necessary to implement the recommendations, to the legislative management. The findings in the report must remain in the exclusive possession and under the control of the department of emergency services and is an exempt record under chapter 44-04.