

**Testimony of Mr. Keith Lund**  
**Grand Forks Region Economic Development Corporation President & CEO**

**Senate Bill 2371**  
**Senate Judiciary Committee**  
**Bismarck, North Dakota – February 8, 2023**

Chairwoman Larson, Vice Chairman Paulson, and members of the Senate Judiciary Committee.

My name is Keith Lund, and I am the President & CEO of the Grand Forks Region Economic Development Corporation. I am providing testimony today in opposition to SB 2371 as proposed.

SB 2371 provides that a county commission or city council or commission may not procure, authorize, or approve a development agreement, building plan, or proposal related to development with an individual or government identified as a foreign advisory under 15 CFR 7.4(a) and further defines a foreign business entity. SB 2371 is far-reaching and does not consider long-established federal procedures put in place to govern foreign business investment and operations.

I am asking the Senate Judiciary Committee to consider Cirrus Aircraft in Grand Forks when debating this proposed legislation. Cirrus opened its initial manufacturing facility in Grand Forks in 1997 and is a model corporate citizen. The company is the global leader in the production and distribution of single-piston aircraft and has developed the world's first single-engine personal jet, the Vision Jet. Every composite and carbon fiber component used in the production of Cirrus aircraft is manufactured in Grand Forks by American workers.

Cirrus was acquired by China Aviation Industry General Aircraft Company (CAIGA) in 2011. Prior to the purchase, CAIGA underwent a review by the Committee on Foreign Investment in the United

States (CFIUS), a federal interagency committee established specifically to review foreign corporate acquisitions of United States companies to determine the effect on the national security.

The members of CFIUS include the heads of the following departments and offices:

- Department of the Treasury (chair)
- Department of Justice
- Department of Homeland Security
- Department of Commerce
- Department of Defense
- Department of State
- Department of Energy
- Office of the U.S. Trade Representative
- Office of Science & Technology Policy

The following White House offices also observe and, as appropriate, participate in CFIUS's activities:

- Office of Management & Budget
- Council of Economic Advisors
- National Security Council
- National Economic Council
- Homeland Security Council

*Ex-officio* members of CFIUS include:

- Director of National Intelligence
- Secretary of Labor

After this extensive review, CFIUS approved the CAIGA purchase of Cirrus, and Cirrus has subsequently invested significantly in its manufacturing facility, its employees, and the community. Cirrus currently employs 430 at its Grand Forks plant, having grown its workforce from 240 over the last three years. The company has aggressive growth goals and anticipates increasing its manufacturing footprint and local employment by 150 in the next five years.

If approved, SB 2371 would prohibit the City of Grand Forks from issuing a building permit to support Cirrus planned expansion, eliminating the possibility of additional property tax and employment

growth. With the knowledge that Cirrus won't be able to grow in North Dakota, the disinvestment process is sure to begin. The livelihoods of 430 friends, neighbors, and their families would be directly impacted. Community jobs will be lost, \$10 million of North Dakota procurement by Cirrus would curtail, and the region's population will be negatively impacted, causing ripple effects throughout the regional economy.

I encourage the committee to consider the impacts of SB 2371 on companies such as Cirrus who have done all that has been asked of them, and much more.

Thank you, Chairwoman Larson, Vice Chairman Paulson, and members of the Senate Judiciary for your service to North Dakota and for the opportunity to provide testimony today.