

Written Testimony:

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Addressing Foreign Ownership and Influence: A Proactive Strategic Approach

Good morning, esteemed members of the North Dakota Legislature,

Thank you for the opportunity to provide testimony on this critical issue. Foreign ownership and influence pose complex challenges requiring vigilance and proactive measures. My testimony today will address the scope of these threats, particularly from adversaries like China, and outline recommendations for safeguarding North Dakota's industries, infrastructure, and institutions. I currently serve as Executive Vice President of Analysis for the Servius Group. My background includes senior intelligence analyst positions at the FBI Counterintelligence Division with a focus on China and Russian mission sets, as well as roles at the Department of Homeland Security (DHS) Counterintelligence Division, DHS/ICE, and as an advisor to senior, flag-level leadership in the Department of Defense at the Pentagon and U.S. Indo-Pacific Command (INDOPACOM).

The Complex Nature of Foreign Influence in North Dakota

China's "whole-of-society" approach integrates economic, political, cultural, and military tools to achieve long-term strategic objectives. These operations go far beyond visible actions like land purchases; they aim to infiltrate local economies, institutions, and decision-making systems over time.

Why North Dakota is an Attractive Target

North Dakota's critical industries—agriculture, energy, and infrastructure—make it a prime target for foreign influence. The state's agricultural exports, such as soybeans, are vital to global markets, while its energy reserves and infrastructure are essential to U.S. energy independence.

These sectors are of strategic interest to adversaries seeking to:

- Gain control over agricultural production or supply chains.
- Influence energy development projects to align with their strategic objectives.
- Establish partnerships or investments that provide access to decision-making networks and critical systems.
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While HB 1135 and SB 2371 legislation addresses foreign land ownership, foreign influence often operates subtly. Partnerships, academic collaborations, and investments that seem benign

can serve broader strategic goals. **For adversaries, even a failed land purchase is not a total loss; the relationships built, intelligence gathered, and insights into decision-making processes can be just as valuable, if not more so, than the acquisition itself.**

Cultural Context: China's Strategic Philosophy

Its cultural principles deeply inform China's strategies, prioritizing influence-building over confrontation. Central to this approach are:

- Guanxi (Relationships): Building reciprocal networks to establish pathways for influence.
- Shi (Positional Advantage): Securing incremental advantages within networks to shape outcomes indirectly.
- Qi (Dynamic Energy): Aligning systems to maintain harmony and sustain influence.
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These principles guide how China embeds itself into local systems through infrastructure investments, business partnerships, and cultural diplomacy.

Similarly, understanding China's decision-making processes and cultural frameworks is essential for countering its influence. Without this insight, the ability to stay "left of launch" and anticipate actions is significantly diminished, leaving only reactive measures.

Case Study: The Belt and Road Initiative (BRI)

China's BRI exemplifies its strategy of embedding influence through infrastructure investments. While it appears to focus on building ports, highways, and pipelines, its true objective is to create dependencies, embedding China within the target regions' political, economic, and social frameworks.

For example, the Alaska LNG Project demonstrates how China uses investments to build influence in Alaska. Beyond economic benefits, China engaged with Native American tribes, scientific institutions, and other stakeholders, creating networks that shape future decision-making.

This approach is not unique to Alaska. Across Africa, Asia, and Europe, China's influence strategies reveal a pattern: targeting vulnerabilities and embedding within systems for long-term control. North Dakota must consider itself as its own entity within this global strategy. China will approach the state differently than it approaches other regions in the U.S., adapting its methods to the state's unique industries and resources.

Assessing North Dakota's Vulnerabilities

Effectively assessing North Dakota's threat landscape requires expertise across cultural, strategic, and operational domains:

1. Cultural Understanding
 - Recognize the philosophical underpinnings of adversarial strategies, such as *guanxi*, *shi*, and *qi*, to uncover deeper motivations.

2. Strategic Insight
 - Identify how North Dakota’s industries fit into adversaries’ long-term objectives, such as leveraging agriculture and energy resources to create global dependencies.
3. Operational Context
 - Map how visible actions, like investments or partnerships, align with broader strategic goals and reveal vulnerabilities in local systems.

A comprehensive assessment must illuminate:

- Vulnerable industries, such as agriculture, energy, and technology.
- Decision-making networks that adversaries may exploit.
- Patterns of engagement that indicate long-term influence-building efforts.

This level of analysis requires advanced expertise in counterintelligence, cultural analysis, and strategic risk assessment—capabilities beyond traditional state-level resources.

Recommendation for North Dakota

Proactive Monitoring and Assessment

The first step for North Dakota is to conduct a comprehensive threat and vulnerability assessment that examines the entirety of the risks posed to the state. This assessment must account for internal vulnerabilities—critical industries, infrastructure, and decision-making networks—and the state’s broader role within the United States, including its connections to agriculture, energy, and the Department of Defense (DoD). For example, North Dakota’s agricultural exports play a pivotal role in global supply chains, making the state a target for adversaries seeking to manipulate markets or establish dependencies. Similarly, its contributions to national security, such as hosting critical infrastructure that supports DoD operations, position it as a strategic interest for adversaries looking to exploit weaknesses at the state level.

This level of analysis goes beyond traditional state-level assessments. As the *China Deep Dive* report from the House Permanent Select Committee on Intelligence notes, “The Committee’s central finding of this report is that the United States’ intelligence community has not sufficiently adapted to a changing geopolitical and technological environment increasingly shaped by a rising China and the growing importance of interlocking non-military transnational threats.” The report underscores that absent a significant realignment of resources, the federal government alone cannot address the full scope of the challenges posed by adversaries like China. This means that states like North Dakota must be prepared to proactively identify and mitigate these threats at the local and regional levels, as the federal government is not equipped to manage these vulnerabilities comprehensively.

By establishing a state-based framework for threat monitoring and vulnerability assessment, North Dakota can ensure it is safeguarding its own industries and institutions and contributing to the resilience of the broader United States against foreign influence. This framework will enable the state to identify risks in real-time and develop targeted strategies to address both immediate and long-term challenges.

Conclusion: Why Servius Group is Uniquely Qualified to Help

Servius Group is uniquely positioned to support North Dakota in addressing these challenges. Our team brings decades of experience across counterintelligence, law enforcement, military operations, cognitive, social science, and strategic analysis. We have advised senior leaders at the U.S. Indo-Pacific Command (INDOPACOM) on countering foreign influence and hybrid warfare tactics, equipping them to understand and neutralize complex threats.

What sets us apart is our proactive methodology. We focus on identifying vulnerabilities "left of launch," addressing threats before they materialize rather than relying on reactive measures. By combining tactical monitoring with a deep understanding of adversaries' long-term objectives, we provide actionable insights that address both immediate risks and broader strategic goals. North Dakota has a unique opportunity to lead by example. By leveraging expertise like ours, the state can protect its future while serving as a national model of resilience and innovation.

Thank you for your attention and commitment to this important issue. I welcome your questions and the opportunity to support North Dakota in this effort.