

THE NEAR ENEMY: CHINA’S SUBNATIONAL REACH INTO THE UNITED STATES

EMILY DE LA BRUYÈRE AND NATHAN PICARSIC

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EXECUTIVE SUMMARY

Xi Jinping’s latest visit to the United States had echoes of his 2015 sojourn.¹ The Chinese leader’s appearance at the 2023 APEC Economic Leaders’ Meeting in San Francisco featured as much direct engagement with American state, local, and commercial leaders as with counterparts in the U.S. federal government. But the subnational playbook of the Chinese Communist Party (CCP) was even more on display the month prior when California Governor Gavin Newsom visited China. Newsom met with Xi Jinping and other CCP leaders ostensibly to prepare for the November 2023 visit to California and to touch on matters of economic development and cultural exchange.

Recognition of the risks of playing pawn to the CCP’s subnational influence agenda was absent from Newsom’s public pronouncements before or press releases after his visit. That should not be surprising. An asymmetry exists within the U.S. federal system’s division of labor. National authorities carry responsibility for national security and international trade policy. State and local authorities focus on the provision of public goods and economic development that invites investment or job growth that can fuel a tax base. As a result, Chinese subnational influence efforts that disproportionately emphasize economic impact — particularly inbound investment at the subnational level — can bypass security mechanisms that exist at the national level. Chinese subnational influence efforts in the United States can therefore develop power centers of influence to shape state and local policy. Those power centers can also inform national policy in the United States. This is reflected in Chinese strategic discourse on the importance of subnational politics and in Chinese plans for circumventing tensions in the U.S.-China relationship.

Chinese subnational influence in the United States today grossly outweighs the capacity enjoyed by any other external power. It also dwarfs the leverage cultivated by the “active measures” playbook deployed by the last U.S. great power rival, the Soviet Union.

This paper attempts to scope the strategic challenge posed by this apparatus by documenting indications of China’s strategy, noting the means and actors deployed to realize this vision, and offering case studies that convey a more granular portrait of how subnational influence in the United States may benefit Chinese strategic interests.

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1. Emily de La Bruyère and Nathan Picarsic, “All Over the Map: The Chinese Communist Party’s Subnational Interests in the United States,” *Foundation for Defense of Democracies*, November 2021. (<https://www.fdd.org/analysis/2021/11/15/all-over-the-map>)

This survey addresses elements of Chinese subnational influence ranging from official People’s Republic of China (PRC) consulates to trade, investment, and technology cooperation bodies, as well as Chinese-domiciled international businesses and pools of capital, media, and research enterprises.

Further research is needed to improve upon the taxonomy of players captured in this analysis. It will be necessary for U.S. federal, state, and local leaders to recognize the nature of PRC and CCP subnational interests and coordinate policy responses that protect security and economic interests while safeguarding free and open discourse and civil liberties.

TOWARD STRATEGIC POLICY RESPONSES

All too often, American policy responses to China lack coordination. Defending against China’s subnational influence arms requires a more integrated approach to address the complex collective action problem posed by China’s cultivation of influence through state, local, and commercial avenues in the United States.

Beijing is adept at replicating its levers of influence if U.S. responses merely impose short-term restrictions against narrow targets. Policy responses also sometimes misinterpret the objectives of Beijing’s efforts. For example, considerable effort has been directed toward restricting Chinese investment in U.S. farmland. The framing of those efforts often emphasizes the risk of proximity to critical infrastructure and U.S. military bases. Certainly, there are tactical espionage risks at play. But the proximity is much more reflective of correlation than causation: Beijing targets investment opportunities not simply for tactical espionage returns. Critical infrastructures and military bases happen to themselves be locations that confer strategic influence, whether by virtue of proximity to key commercial hubs, congressional districts, or knowledge centers.

China’s subnational playbook is highly strategic, adaptive, and self-reinforcing. Without recognizing the scope guiding China’s efforts, responsive tools are insufficient for identifying the next front beyond the narrow target of the day — as farmland acquisitions may be today.

To protect against this, a suite of responsive policy measures, as well as corresponding offensive measures, should be deployed against Chinese subnational influence efforts. For example, efforts to restrict Confucius Institutes on U.S. university campuses should address all educational engagements backed by the same CCP supporters that promote the institute. And those defensive measures should be paired with efforts to promote Taiwan-origin language and cultural exchange programs in the United States. Strategic restrictions at state and local levels in the United States can be reinforced by expanding existing federal protections, initiating novel information sharing with subnational authorities, and promoting positive alternatives to Chinese lures.

INTRODUCTION

In 2015, former U.S. ambassador to Iceland and senior aide to President George H.W. Bush, Sig Rogich founded the US-China Transpacific Foundation (UCTPF). A Nevada-based 501(c)(3) non-profit, UCTPF describes its mission as one to “promote the mutual interests of both the United States and China through political, cultural and educational exchanges.”² Rogich is an influential political leader with experience at both the

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2. Additional context can be found at the UCTPF website: “US-China Transpacific Foundation,” *US-China Transpacific Foundation*, accessed September 10, 2024. (<https://www.uctpf.org>)

local and national levels in the United States.³ He worked in a senior capacity for the presidential campaigns of Ronald Reagan, George H.W. Bush, George W. Bush, and John McCain, as well as the congressional, gubernatorial, and state political races of Senators Harry Reid and Dean Heller, Congressmen Joe Heck and Jon Porter, and Governors Paul Laxalt, Kenny Guinn, and Jim Gibbons. He served as the national finance chair for the Republican Governor’s Association. He is alternately described as a “kingmaker” of Nevada politics, “Republican czar,” and Las Vegas’s “most powerful political operative.”⁴

UCTPF has organized “track two” dialogues between key U.S. and Chinese players.⁵ UCTPF has also been involved in the organization of delegations of U.S. national and subnational government leaders to China, as well as exchanges between them and Chinese government entities in the United States.⁶ Rogich has a track record of commenting publicly on U.S.-China relations, including in local news outlets. In a 2019 interview with the Nevada Newsmakers political talk show, he suggested that the pro-democracy protests in Hong Kong were sparked by paid “thugs” and that elements of the narrative about China’s detention camps in Xinjiang potentially misinterpret Beijing’s response to a terrorist threat.⁷

UCTPF has no known institutional or financial ties to the Chinese government. The non-profit does not divulge its funders. However, in 2015, the same year that UCTPF was established, the Chinese government hired Rogich Communications, Rogich’s public relations firm, to represent the Chinese embassy in Washington, DC.⁸

Rogich Communications also registered under FARA as representing China Rilin Industrial Group Co. Ltd. (China Rilin), a privately held construction company, in 2017.⁹ The head of U.S. operations for China Rilin, Dan Zhong, is the nephew of Wang Wenliang, Rilin’s owner.¹⁰ A billionaire, former Chinese diplomat, and former member of China’s legislature, Wang Wenliang donated to Virginia Governor Terry McAuliffe’s gubernatorial campaign, the Clinton Foundation, New York University, and other U.S. charities, research institutions, and campaigns.¹¹ In March 2019, a federal jury in Brooklyn convicted Zhong of forced labor, conspiracy to

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3. A brief biography noting political campaign experience can be found at the UCTPF website: “Boards of Directors,” *US-China Transpacific Foundation*, accessed September 10, 2024. (<https://www.uctpf.org/copy-of>)

4. Greg Haas, “Rogich remembers cross-country trip with Gorbachev during U.S. visit,” *8 News Now*, August 31, 2022. (<https://www.8newsnow.com/news/local-news/rogich-remembers-cross-country-trip-with-gorbachev-during-u-s-visit>)

5. Including, for example, the “China-US Eminent Persons Forum” attended by the director of China’s Central Foreign Affairs Commission, former Secretary of Homeland Security Thomas Ridge, former U.S. Senate Majority Leader Thomas Daschle, former U.S. Ambassador to India Timothy Roemer, and former U.S. Chairman of the Joint Chiefs of Staff Richard Myers in December 2020. For additional background, see: “The Second Meeting of the US-China Eminent Persons Forum Held Successfully,” *Chinese People’s Institute of Foreign Affairs*, December 14, 2020. (<https://www.cpifa.org/en/article/content/view?id=1904>)

6. For example, in 2018, UCTPF hosted a cocktail party for the Chinese ambassador to the United States and the Chinese consul general in San Francisco with local Nevada political, business, and educational system leaders.

7. Ray Hagar, “Las Vegas’ Rogich, back-channel diplomat to China, worries protests may doom Hong Kong’s strong banking sector,” *Nevada Newsmakers*, December 13, 2019. (<https://nevadanewsmakers.com/RayHagar/article.asp?ID=288>)

8. Kevin McCauley, “China Hires Veteran GOP Hand,” *Odwyer’s PR*, January 27, 2015. (<https://www.odwyerpr.com/story/public/3927/2015-01-27/china-hires-veteran-gop-hand.html>)

9. A copy of the corresponding FARA registration can be found at: U.S. Department of Justice, “Short Form Registration Statement: Ambassador Sigmund ‘Sig’ Rogich,” April 28, 2017. (<https://efile.fara.gov/docs/6274-Short-Form-20170428-8.pdf>)

10. See, for example: *United States v. Zhong*, No. 19-4110, 26 F.4th 536 (2d Cir. 2022). (<https://caselaw.findlaw.com/court/us-2nd-circuit/2163852.html>)

11. Nicholas Confessore and Stephanie Saul, “Inquiry Highlights Terry McAuliffe’s Ties to Chinese Company,” *The New York Times*, May 24, 2016. (<https://www.nytimes.com/2016/05/25/us/politics/terry-mcauliffe-wang-wenliang.html>)

commit alien smuggling, and conspiracy to commit visa fraud; parts of that conviction would subsequently be overturned in 2022.¹²

Rogich's involvement with these activities is notable but far from anomalous. There is a much larger Chinese influence effort in the United States well beyond the scope and reach of these examples, sometimes explicit and often obfuscated. Like the UCTPF, this broader, separate effort does not end at federal lawmakers, targeting subnational ecosystems as well. Beijing sees state- and local-level actors — private and public — as valuable and ripe targets for influence efforts.¹³ These actors tend to have a greater say over tactical, on-the-ground developments (e.g., investment deals and educational programming) than do their national-level counterparts. Focused on immediate economic returns, as opposed to national security concerns or longer-term trends, subnational players tend to be more receptive to Chinese advances than the U.S. federal government.

In 2018, Liu Danning of the Party School of the CCP's Jiangsu Provincial Committee described a theory of “parallel diplomacy” in which subnational outreach serves as a complement to national-level diplomacy. He explained that this takes advantage of the “autonomy of regional, subnational governments as international actors.”

Chinese discourse on subnational influence in the United States grew more explicit over recent years as the U.S. federal government has implemented increasingly competitive policies vis-à-vis Beijing. An August 2019 Xinhua article surveyed U.S. local governments' relationships with China as a counterforce to rising national-level tension. “Going against the wind,” the article declared, “US local governments actively seek cooperation with China.” The piece explained that state and local governments are more “pragmatic” than their federal counterparts, focused on “employment and economic development” rather than security concerns.

The CCP's primary levers for cultivating subnational influence in the United States are economic (e.g., trade and investment) and informational (e.g., information dissemination and collection). Beijing's primary players range from explicit government entities to players with mixed and hidden ownership to private actors whose interests are bound to China's. They include organizations dedicated to trade, investment, and technological cooperation; companies, pools of capital, and industry associations; and media and educational institutions.

Beijing couches its subnational activities in terms of “win-win mutual benefit,” emphasizing economic returns, the potential for job growth, and the inherent advantages of exchange and dialogue. That framing can be difficult to refute. However, it elides the asymmetric bid for influence underlying China's overtures at the subnational level. While Beijing's economic and information levers may create short-term jobs, cash flow, and dialogue, they also distort the market and informational environment. They breed dependencies on Beijing, threatening long-term economic and national security. They establish channels for China's propaganda to shape the U.S. media, educational, and policy narrative. And, throughout, they tie the incentives of U.S. players to those of the CCP, ensuring that China's influence machine can continue to expand.

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12. See the associated conviction notice: U.S. Attorney's Office for the Eastern District of New York, Press Release, “Former Chinese Diplomat and Head of U.S. Operations for Chinese Construction Business Convicted of Engaging in Forced Labor and Related Charges by a Federal Jury,” March 25, 2019. (<https://www.justice.gov/usao-edny/pr/former-chinese-diplomat-and-head-us-operations-chinese-construction-business-convicted>); Jonathan Stempel, “Chinese ex-diplomat's forced labor conviction overturned by U.S. appeals court,” *Reuters*, February 23, 2022. (<https://www.reuters.com/world/china/chinese-ex-diplomats-forced-labor-conviction-overturned-by-us-appeals-court-2022-02-23>)

13. Emily de La Bruyère and Nathan Picarsic, “All Over the Map: The Chinese Communist Party's Subnational Interests in the United States,” *Foundation for Defense of Democracies*, November 2021. (<https://www.fdd.org/analysis/2021/11/15/all-over-the-map>)

THE SURFACE LEVEL

Beijing deploys obvious, explicit government entities to cultivate influence at the subnational level in the United States. These include the Chinese embassy and consulates. They also include the Chinese People's Association for Friendship with Foreign Countries (CPAFFC), which operates China's sister-city and sister-province relationships as well as fora for U.S. and Chinese subnational political leaders.¹⁴ The CPAFFC is China's lead organization for engaging with local governments in foreign countries. A survey of their activities, and the other players with which they interact, illustrates the extensive web of less obvious, formal players that contribute to the lattice of CCP influence efforts in the United States.

CHINESE CONSULATES IN THE U.S.

Beijing operates one embassy in Washington, DC, and four consulates, in New York, Chicago, San Francisco, and Los Angeles. All are explicit, public outposts of Chinese diplomacy and influence efforts in the United States. Located outside the Washington, DC, ecosystem, the consulates constitute explicit outposts of Chinese subnational diplomacy and influence.

Beijing's U.S. consulates are infamous for collecting sensitive information. In July 2020, the Trump administration ordered the PRC's consulate in Houston to close, accusing diplomats of economic and technological espionage, including targeted research on COVID-19 vaccine development.¹⁵ At the time, U.S. officials explained that consulates of all countries are generally accepted to be bases for intelligence operations. However, Beijing's operations went too far: The "sum total of the Houston consulate's activities went well over the line," said a senior Justice Department official who briefed the press on the matter.¹⁶

China's consulates also serve as footholds through which to *disseminate* information and influence. They hold events and engage with U.S. media, academic, policy, and industry entities. They are officially sanctioned footholds to convene prominent U.S. and Chinese actors and to spread Beijing's propaganda.

An August 2021 op-ed by the consul general of China in Chicago, Zhao Jian, in the *Minnesota Star Tribune* offers an example of local influence. The article explained that "it's a mistake to see China as a U.S. adversary." It called for an end to competitive U.S. trade policy with China:

Some people in the U.S. have cast China as a strategic adversary or even an enemy. This is a serious strategic misjudgment detrimental not only to Chinese and American interests, but also to world peace and development. Some in the U.S. have pushed for economic blockade and sanctions against China, or "decoupling" from China. But the truth is our two economies are closely intertwined and one's success constitutes an opportunity rather than a threat to the other ... Some have been playing up the so-called "China threat," accusing China of challenging the international order. This does not square with the facts.

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14. John Dotson, "CPAFFC and the United Front Strategy: 'Sub-National Engagement,'" *Jamestown Foundation*, October 15, 2019. (https://jamestown.org/wp-content/uploads/2019/09/Dotson_Presentation.pdf?x30101). The CPAFFC professes to engage in "non-governmental diplomacy across the world." See: "President's Speech," *The Chinese People's Association for Friendship with Foreign Governments*, August 2023. (https://www.cpaaffc.org.cn/index/xiehui/xiehui_list/cate/1/lang/1.html)

15. Edward Wong, Lara Jakes, and Steven Lee Myers, "US Orders China to Close Houston Consulate, Citing Efforts to Steal Trade Secrets," *The New York Times*, July 22, 2020. (<https://www.nytimes.com/2020/07/22/world/asia/us-china-houston-consulate.html>)

16. Dravid Brunnstrom and Daphne Psaledakis, "Houston Consulate One of Worst Offenders in Chinese Espionage, Say US Officials," *Reuters*, July 24, 2020. (<https://www.reuters.com/article/world/houston-consulate-one-of-worst-offenders-in-chinese-espionage-say-us-official-idUSKCN24P1XT>)

Zhao Jian also rebutted characterizations of China as an authoritarian state:

Whether a country's system is good or not, whether human rights are truly well protected, it is the people that have the final say. To force a country to change the course that has been proven successful and supported by its people is in itself a grave violation of democracy and human rights.¹⁷

This was not a unique foray into local media for Zhao Jian. In January 2020, the head of the Taipei Economic and Cultural Office in Chicago wrote a letter to the *Chicago Tribune* lamenting Taiwan's exclusion from the World Health Organization. The Chinese Consulate General in Chicago responded with a letter, "refut[ing] the irresponsible remarks of the Taiwan authorities."¹⁸ That letter was amplified across the consulate's website and social media. In 2019, Zhao Jian delivered a speech at the University of Illinois. He addressed "young students" in particular: "The goodwill and friendship between the Chinese and American people is the fundamental driving force of bilateral relations. And the future of China-U.S. ties rests in the hands of the young generations."¹⁹ The website of the Chicago consulate features informational pages on eight key topics: "About China," "China's Diplomatic Policies," "China-US Relations," "Taiwan Issue," "Tibet Issue," "Human Rights Issue," "White Papers of the Government," "Truth of 'Falun Gong' Cult," and "Show China." The "human rights issue" page links to, among other things, a 2009 headline that reads: "China hits back with report on US human rights record."²⁰

The consulates also convene events and support outside programming designed to shape U.S. subnational narrative, policy, and attitudes. In January 2020, the consulate in San Francisco hosted a "China Night" event in Las Vegas. Then Nevada Governor Steve Sisolak and his wife attended, as did a representative from the Kentucky Cabinet for Economic Development, the CEO of the Las Vegas Chamber of Commerce, and executives from Chinese and U.S. companies, including DJI, BYD, Dolby, Applied Materials, and EY Americas. In his speech, Consul General Wang Donghua declared that "China and the US are so economically intertwined that one's act to hurt the other will not work without hurting oneself and decoupling will end up with the cost neither side can afford." He also said the only way for China and the United States to "ensure sound and stable development" would be to "return to the fact-based and correct perception of China and the rational and pragmatic policy toward China."²¹ Governor Sisolak agreed, stressing that the current tariffs harmed both the United States and China and that "there is always something the two sides can do at a local level."

In February 2020, Chinese Consulate General in Chicago Zhao Jian spoke at a virtual event with the World Affairs Council of Western Michigan, reminding those present of the importance of Chinese investment in and trade with Michigan — and the threat that competitive U.S. policy posed to those.

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17. Zhao Jian, "It's a mistake to see China as a U.S. adversary," *Minnesota Star Tribune*, August 27, 2021. (<https://www.startribune.com/its-a-mistake-to-see-china-as-a-u-s-adversary/600091667>)

18. "Consulate General Spokesperson Refutes the Irresponsible Remarks of the Taiwan Authorities Regarding the Prevention and Control of the Novel Coronavirus Epidemic," *Consulate-General of the People's Republic of China in Chicago*, February 5, 2020. (http://chicago.china-consulate.gov.cn/eng/lghd/202002/t20200205_4641549.htm)

19. "Consul General Zhao Jian Addresses Innovation Development Forum at University of Illinois-Urbana Champaign," *Consulate-General of the People's Republic of China in Chicago*, March 31, 2019. (http://chicago.china-consulate.gov.cn/eng/lghd/201905/t20190518_4641465.htm)

20. "Human Rights Issue," *Consulate-General of the People's Republic of China in Chicago*, accessed November 18, 2024. (<http://chicago.china-consulate.gov.cn/eng/zt/humanrightsissue>)

21. "Consul General Wang Donghua Delivered a Keynote Speech at 2020 Las Vegas 'China Night' Hosted by Chinese Consulate General," *Consulate-General of the People's Republic of China in San Francisco*, January 18, 2020. (http://sanfrancisco.china-consulate.gov.cn/eng/tpxw/202001/t20200118_9531280.htm)

The past couple of years have seen the most difficult time in China-U.S. relationship since the establishment of diplomatic ties. Some people in the U.S., clinging to the Cold War mentality and ideological bias, have done many things that have disrupted the normal exchanges and mutually beneficial cooperation between our two sides. There have also been attempts to seek “decoupling” and start a so-called “new Cold War”, seriously damaging China-U.S. relations. Their actions, deeply deplored by many people of vision, have not only hurt China’s interests, but also the interests of the American people, and made the whole world suffer ... I have noted that in her State of the State Address last month, Governor Whitmer set out her government priorities for this year, including pandemic response, economic recovery and improving infrastructure. I think in all these areas our two sides can explore ways to strengthen exchanges and cooperation to the benefit of our people.²²

Zhao Jian’s remarks consistently begin by criticizing U.S. federal policy before outlining the reliance on China of the region or sector to which he is speaking. Take, for example, Zhao Jian’s March 2021 speech to the China-U.S. Agriculture Roundtable, convened by the CPAFFC and United States Heartland China Association (USHCA) in March 2021: “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.” Once again, Zhao emphasized short-term, economic returns over more strategic orientations.

At the Adlai Stevenson Center for Democracy three months later, Zhao Jian lambasted Washington’s China policy — “The U.S. continues to interfere in China’s internal affairs, including Taiwan, Xinjiang and Hong Kong-related matters” — before harping on Illinois’s dependencies. GM’s “sales in China, which is now its single largest market in the world, has exceeded that in the U.S. for 10 straight years. It is projected that China’s auto market will be larger than Europe and North America combined in 2035 with huge potential,” Zhao Jian said. In that speech, Zhao Jian also sought to dispel attacks on China’s human rights record: “Places inhabited by ethnic minorities, such as Xinjiang and Tibet, have stood out as shining examples of China’s human rights progress.”

THE CHINESE PEOPLE’S ASSOCIATION FOR FRIENDSHIP WITH FOREIGN COUNTRIES

China is not alone in using consulates as platforms for influence: This is what foreign governments do. But a host of other more unique, and less obvious, Chinese government entities also operate in the United States to promote China’s subnational influence. As detailed in the paragraphs below, the CPAFFC responds to Beijing’s United Front, a strategy and ecosystem of CCP-guided or -controlled groups charged with advancing both the government’s domestic control and its international influence.²³ The Central United Front Work Department (UFW), a Party department that answers to the Central Committee of the CCP, manages most of China’s United Front work at home and abroad. The State Department has described the UFW as “an organ tasked with co-opting and neutralizing threats to the party’s rule and spreading its influence and propaganda overseas.”²⁴

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22. “Speech by Consul General Zhao Jian at the Virtual Dialogue with World Affairs Council of Western Michigan,” *Consulate-General of the People’s Republic of China in Chicago*, February 20, 2021. (http://chicago.china-consulate.gov.cn/eng/lghd/202102/e20210220_10370884.htm)

23. John Dotson, “CPAFFC and the United Front Strategy: ‘Sub-National Engagement,’” *Jamestown Foundation*, October 15, 2019. (https://jamestown.org/wp-content/uploads/2019/09/Dotson_Presentation.pdf?x30101)

24. U.S. Department of State, Michael R. Pompeo, “Designation of the National Association for China’s Peaceful Unification (NACPU) as a Foreign Mission of the PRC,” October 28, 2020. (<https://2017-2021.state.gov/designation-of-the-national-association-for-chinas-peaceful-unification-nacpu-as-a-foreign-mission-of-the-prc>)

In January 2020, Larry Diamond of the Hoover Institution and Orville Schell of the Asia Society described the CPAFFC as the “public face of the UFWD.”²⁵ As Australian scholar Clive Hamilton stated in 2018 testimony before the Australian Parliament, 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.”²⁶

In the United States, the CPAFFC works with the National Governors’ Association to convene the U.S.-China Governors’ Forum, a semi-annual event intended to serve as “a platform of communication for sub-national leaders of the two countries and advance pragmatic cooperation in trade, investment, energy, environment, culture, and other fields.”²⁷ The Department of State discontinued U.S. participation in 2020, declaring that the CPAFFC had “sought to directly and malignly influence” state and local leaders in the United States in pursuit of China’s global interests.²⁸

However, the CPAFFC’s engagement in the United States continues. The CPAFFC oversees China’s sister city relationships, including the more than 277 partnerships between Chinese provinces and cities and their U.S. counterparts. The CPAFFC also continues to convene the U.S.-China Sub-National Legislatures Cooperation Forum (hereafter Legislatures Forum). The CPAFFC convenes the Legislatures Forum jointly with the State Legislative Leaders Foundation (SLFF), a U.S. non-profit run by state legislators. Established after Xi Jinping’s 2015 visit to the United States, the Legislatures Forum took place annually between 2016 and 2019 in Honolulu, Wuhan, Las Vegas, and Shijiazhuang, respectively, as well as in March 2021 as a virtual forum.²⁹

Heads of the standing committees of Beijing, Hebei, Shanxi, Jiangsu, Hubei, Guangdong, and Yunnan attended the 2021 event, as did the leaders of the state assemblies of Alabama, California, Delaware, Hawaii, Iowa, Michigan, and Tennessee. Both the president of the CPAFFC and China’s ambassador to the United States delivered speeches. So did the head of the State Legislative Leaders Foundation (SLLF), who promised that “The SLLF will continue to cooperate with the CPAFFC to enhance the dynamic relationship between the U.S. and Chinese people.” Chinese Foreign Minister Wang Wenbin has pointed to the 2021 event as evidence that — despite Trump-era policy — Beijing is still able to cultivate friendly U.S.-China relations.³⁰

The CPAFFC also organizes *ad hoc* events, including dialogues with policy, commercial, and academic entities in the United States, as well as delegations of U.S. subnational leaders visiting China. Over the past few years, CPAFFC activity has targeted bipartisan actors across the U.S. subnational landscape.

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25. Larry Diamond and Orville Schell, “China’s Influence & American Interests: Report of the Working Group on Chinese Influence Activities in the United States,” *Asia Society and Stanford University*, 2019. (https://asiasociety.org/sites/default/files/2020-01/00_diamond-schell-chinas-influence-and-american-interests_REVISED.pdf)

26. Clive Hamilton, *Testimony Before Australian Parliament’s Foreign Affairs, Defence and Trade Legislation Committee*, October 12, 2020. (https://www.aph.gov.au/Parliamentary_Business/Hansard/Hansard_Display?bid=committees/commsen/8d638ff5-2861-4257-bf92-469caf9a203c/&sid=0002)

27. “Chinese Foreign Minister Yang Jiechi and U.S. Secretary of State Hillary Clinton Sign the Memorandum of Understanding Concerning the Establishment of a China-U.S. Governors’ Forum to Promote Sub-National Cooperation,” *Embassy of the People’s Republic of China in the United States of America*, January 20, 2011. (http://us.china-embassy.gov.cn/eng/zmgxs/zxxx/201101/t20110121_4906137.htm)

28. “U.S. Designates Chinese Body a Foreign Mission, Quits Local Cooperation Agreement,” *Reuters*, October 28, 2020. (<https://www.reuters.com/article/world/us-designates-chinese-body-a-foreign-mission-quits-local-cooperation-agreemen-idUSKBN27D30E>)

29. “Ambassador Cui Tiankai Congratulates on the Opening of the 5th China-U.S. Sub-national Legislatures Cooperation Forum,” *Embassy of the People’s Republic of China in the United States of America*, March 4, 2021. (http://us.china-embassy.gov.cn/eng/zmgxss/202103/t20210304_9929027.htm)

30. *Ibid.*

In October 2020, the vice chairman of the CPAFFC met with the director of the California-China Climate Institute, Fan Dai. Fan Dai thanked the CPAFFC for “long-term support of California’s cooperation with China” and noted that California Governor Gavin Newsom places great importance on exchange with China. Fan Dai previously served as former Governor Jerry Brown’s special advisor on China. She also organized Jerry Brown’s 2017 trip to China — during which he met with Xi Jinping, and the two committed to establishing the California-China Climate Institute. In May 2021, the CPAFFC and the California-China Research Institute at Berkeley, an entity dedicated to encouraging joint research, training, and dialogue between California and China, co-hosted a video dialogue on climate change. China’s special envoy on climate change, the mayor of Shanghai, the governors of Jiangsu and Guangdong Provinces, and the chairman of the CPAFFC all attended. So did former Secretary of State and climate envoy John Kerry, California Governor Newsom, Washington State Governor Jay Insley, California Lieutenant Governor Eleni Kounalakis, Los Angeles Mayor Eric Garcetti, and former California Governor Jerry Brown.

Other CPAFFC interactions over the past few years have focused more squarely on economic returns. In December 2019, CPAFFC Vice President Xie Yuan hosted Stephen Adler, Mayor of Austin, Texas, and his delegation to China. The delegation — organized in cooperation with the Greater Austin Asian Chamber of Commerce — included local business officials and an official from Austin’s Economic Development Department. Meetings focused on strengthening U.S.-China smart city cooperation. The following year, CPAFFC Chairman Lin Songtian toured major U.S. companies in Shanghai to “find answers to Sino-US relations.” He visited Tesla, Johnson & Johnson, Starbucks, and Lincoln Center’s Shanghai Center, meeting with executives at their Shanghai operations. During that trip, Lin also met with local Shanghai leaders and participated in a China Global Television Network (CGTN) Dialogue on Sino-U.S. relations with the dean of the Shanghai Institute of International Studies and a senior advisor at Albright Stonebridge. Then, in April 2021, the CPAFFC joined with the United States Heartland China Association (founded by former Missouri Governor Bob Holden in 2003 to strengthen ties between the United States and China) and the Chinese Academy of Social Sciences in sponsoring the inaugural U.S.-China Agricultural Roundtable. The event convened representatives from major agricultural firms (e.g., Wanxiang America Corp and Deere & Co.), relevant academic institutions (e.g., Texas A&M), and Chinese and U.S. local governments (e.g., Hubei Province, Alabama, and Iowa). Iowa Governor Kim Reynolds delivered remarks, as did Illinois Congressman Darin LaHood. Sponsors included not only the CPAFFC and the Chinese Academy of Social Sciences but also the China General Chamber of Commerce (CGCC) — Chicago, the Carter Center, JobsOhio, and the Ford Foundation.

Other CPAFFC vectors of subnational interaction have focused on developing political and diplomatic ties with elected officials. In November 2019, CPAFFC Chairman Li Xiaolin hosted a delegation from the National Conference of State Legislatures (NCSL), including members from Massachusetts, Delaware, Hawaii, Vermont, and Oklahoma. Massachusetts State Senator Marc Pacheco noted at the event that NCSL had just signed a new memorandum of cooperation with the CPAFFC and would work to “consolidate and promote bilateral cooperation in the future.” On the same day, President Li also hosted a California economic and trade delegation led by Marvin Carson of the board of supervisors of Alameda County, California. In December of that year, the SLLF and the CPAFFC co-sponsored an exchange program in which a delegation of local Chinese leaders met with counterparts in California to discuss the agricultural industry. The deputy secretary and deputy director of the Standing Committee of the Hebei Provincial People’s Congress and the director of the Finance and Economics Committee of the Chongqing Municipal People’s Congress attended. They met with California Lieutenant Governor Eleni Kounalakis, Speaker of the House of Representatives Anthony Rendon, Controller Betty Yee, and Senate Majority Leader Robert Hertzberg. In November 2020, the CPAFFC hosted a video dialogue with the SLLF. SLLF Chairman Stephen Regis

attended, as did California State Senate Majority Leader Robert Hertzberg and the founder of the Asian chapter of the SLLF, Zhao Xuejun. At the event, the SLLF expressed eagerness to cooperate closely with the CPAFFC.

Sister cities are one prominent effort prioritized by CPAFFC activities. When the CPAFFC chairman traveled to Washington, DC, in January 2019, she met with the chief strategy officer of the National Association of Governors as well as leaders of Sister Cities International to discuss strengthening local cooperation and exchange. And those gatherings bore fruit. In August 2019, CPAFFC Chairman Li hosted David Haubert, the founder of the Sino-American Friendship City Association, former mayor of Dublin, California, and then Alameda County supervisor.³¹ Haubert stressed that despite the national-level tensions, U.S. local governments still seek cooperation with China. He described his association as eager to “build bridges” with China. Two months later, in October 2019, CPAFFC Chairman Li traveled to Hawaii to meet with the leadership of the US-China Peoples Friendship Association (USCPFA). The parties signed a memorandum of understanding, committing to increased programming and exchange.³²

CUSSA is dedicated to building strong subnational relations to foster Sino-U.S. cooperation. CUSSA’s leadership includes the former Mayor of Mountain View, California, Michael Kasperzak; former Mayor of Morgan Hill, California, Marilyn Libres; Mayor of San Leandro, California, Pauline Cutter; Oregon State Representative Brian Clem; and local business leaders. The USCPFA is a California-based non-profit with 35 chapters in the United States that sponsors conferences; organizes a biennial conference in Washington, DC, on U.S.-China relations; hosts delegations from China; and organizes delegations to China — “in conjunction,” as the website puts it, “with its continuing exchange with the CPAFFC.”

A LESS OBVIOUS LATTICE

The U.S.-China Subnational Legislatures Cooperation Forum and USHCA are not anomalies. A host of organizations in the United States focus on the promotion of trade, investment, and technological cooperation between the United States and China — and, to that end, seek to cultivate relationships at the subnational level. These include Chinese chambers of commerce in the United States.

GOVERNMENT-OWNED

The China Investment Promotion Agency (CIPA) of the Chinese Ministry of Commerce actively engages with investment promotion agencies, business associations, and U.S. and Chinese chambers of commerce. CIPA’s regular events with local branches of CGCC, an actor to be detailed further in a section to follow, illustrate its emphasis on subnational ties. The 2017 gala with the Chicago branch of CGCC featured speeches from then Chicago Mayor Rahm Emanuel, senior White House advisor and former Iowa Governor Terry Brandstad, Illinois Governor Bruce Rauner, Wisconsin Lieutenant Governor Rebecca Kleefisch, Chicago Deputy Mayor Steven Koch, and former Illinois Senator Mark Kirk.

The CCP ties of the U.S.-Chinese Exchange Council (USCEC) are less obvious. The China-based entity describes itself as focused on developing U.S.-China exchanges in business, science and technology, culture, education, media,

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31. John Dotson, “CPAFFC and the United Front Strategy of ‘Sub-National Engagement,’” *Jamestown Foundation Ninth Annual China Defense and Security Conference*, October 15, 2019. (https://jamestown.org/wp-content/uploads/2019/09/Dotson_Presentation.pdf)

32. “BEEC was invited to host a cooperative event between the Chinese People’s Association for Friendship with Foreign Countries and the US-China Friendship Cities Association,” *BEEC Inc.*, October 15, 2019. (<https://beecinc.com/lang/china/blog/2019/10/15/beec受邀承办中国人民对外友好协会和美中友>)

and government. Its current chairman is the former associate vice president of the California State University at East Bay, and its previous chairman was the mayor of the city of San Ramon, California. Its membership includes U.S. business executives, academics, and state and local government officials. USCEC has liaison offices in Beijing, Shenzhen, and Canada.

USCEC regularly hosts delegations from China — offering them training in subjects including U.S. government (e.g., the cultivation of American government leaders’ decision-making ability and innovative thinking), business (e.g., state-owned enterprise globalization strategy and innovation ecosystem), technological innovation (e.g., American Photovoltaic power station), education (e.g., management and planning of American higher education), energy conservation (e.g., U.S. geological structure and mineral distribution), financial management (e.g., the New York Stock Exchange’s requirements for the listing of domestic and foreign companies in the United States), and media and culture (e.g., sources of funding for art groups during the recession). USCEC also coordinates joint programming with U.S. educational institutions, including a Stanford University training course for executives at Chinese state-owned enterprises. The USCEC leaders attended events receptions for both President Hu Jintao (San Francisco, 2004) and Xi Jinping (Seattle, 2015) during their visits to the United States.

USCEC’s English-language website describes it as a “non-profit organization registered in the State of California.” Its Chinese-language website notes that “in 1999, it was evaluated and recognized by the State Administration of Foreign Experts Affairs of China as the first training channel and foreign cultural and educational expert base of the Chinese government in the United States. The U.S.-China Expert Service affiliated with the council was also recognized as an overseas talent base by the State Administration of Foreign Experts Affairs of China in 2010.”³³

The Chinese Association for Science and Technology, USA (CAST-USA) is the U.S.-based chapter of the China Association for Science and Technology, a professional organization for Chinese scientists under the authority of the CCP and represented at the Chinese People’s Political Consultative Conference (CPPCC).³⁴ CAST-USA is incorporated as a non-profit organization in the United States. It boasts more than a dozen chapters, including in Washington, DC, New York, and Silicon Valley. CAST-USA has at least 11 “liaison offices” in China.³⁵

CAST-USA’s activities advance China’s technological goals. It describes itself as “a ‘bridge’ between the United States and China,” fostering “cooperation in science and technology, economic, trade and other areas.” Its activities are oriented around “cooperative relations with American corporations, enterprises, institutions and organizations, to create favorable conditions and environment for cooperation between the American and Chinese people in seeking funds, market development, technology transfer and investment opportunities.”³⁶

The organization holds frequent events in the United States, including a regular convention, enabling interaction among Chinese corporate, research, and government entities and their U.S. counterparts. The 2017 convention,

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33. “U.S.-China Expert Service,” *US-China Exchange Council*, accessed November 18, 2024. (<https://www.sf-uscec.org/copy-of-foreign-experts>)

34. “China Association for Science and Technology 2019 Budget [中国科学技术协会2019年部门预算],” *The China Association for Science and Technology*, April 2019. (<https://cset.georgetown.edu/publication/china-association-for-science-and-technology-2019-budget>); “People’s Political Consultative Conference of the People’s Republic of China,” *University of Minnesota*, accessed November 18, 2024. (<http://hrlibrary.umn.edu/research/ppcc.html>)

35. “2015 International Forum for Technology Innovation, Collaboration and Development,” *Chinese Association for Science and Technology, USA*, October 9-11, 2015. (<http://castgny.org/en/wp-content/uploads/2017/05/CAST-Conf-2015-en.pdf>)

36. Ryan Fedasiuk and Emily Weinstein, “Overseas Professionals and Technology Transfer to China,” *Center for Security and Emerging Technology*, July 21, 2020. (<https://cset.georgetown.edu/publication/overseas-professionals-and-technology-transfer-to-china>); “Missions,” *Chinese Association for Science and Technology, USA*, accessed November 18, 2024. (<https://webcast621.wixsite.com/castusa/organization>)

CAST-USA's 25th, took place at Columbia University, co-organized with New York City Council Member Ydanis Rodriguez. Governors Andrew Cuomo of New York and Tom Wolf of Pennsylvania both sent representatives.³⁷ Congressman Adriano Espaillat attended, as did New York State Assemblywoman Carmen De La Rosa. Senator Chuck Schumer sent a congratulatory letter. The Science and Technology Counselor from the Consulate General of China in New York delivered remarks.³⁸

The 27th convention, also held at Columbia, included speeches by the president of Baidu, the science and technology counselor at the Chinese Consulate in New York, and representatives of the event sponsors:³⁹ HLC Group, a Chinese smart city operator; Thompson Education Group, part of the "China City of America" project planned for the town of Thompson, NY, and founded by a former major shareholder of China Electronic Holdings; Sichuan Apollo Solar, a solar company owned by Beijing-based Hanergy Holdings and founded by the president of CAST-USA in 2007; and New York-based MyVisa Services, which specializes in immigration between the United States and China. The event also featured a closed discussion on the "The New Reality Ethnic Chinese Scientists and Tech Professionals Face in the United States," with Dr. Xi Xiaoxing of Temple University as well as former Department of Justice lawyers Edward Kim and Aaron Wolfson.⁴⁰

GOVERNMENT: STATE-OWNED ENTERPRISES AND POOLS OF CAPITAL

The China Investment Corporation (CIC), China's sovereign wealth fund, which manages more than 1 trillion USD in assets, operates extensively in the United States, including in conjunction with clear subnational influence efforts. For example, CIC sponsored the 2018 International Cooperation Forum held jointly by CGCC and the National Governors Association (NGA) in Santa Fe, New Mexico. That forum convened more than 200 Chinese and U.S. business executives, investors, governors, and economic development officials. It featured speeches by representatives from CIC, as well as the Chinese consul general in Los Angeles, CGCC, and the Bank of China. Utah Governor Gary Herbert and Colorado Governor John Hickenlooper also spoke. North Dakota Governor Doug Burgum and Arkansas Governor Asa Hutchinson also attended.

CRRC Corporation Limited, China's rail and rolling stock giant, has facilities in Massachusetts and California and has sold railcars to the Chicago and Massachusetts transit authorities. The state-owned enterprise has also at one time been identified by the Department of Defense (DoD) as tied to the Chinese military.⁴¹ The 2020 National Defense Authorization Act banned the use of federal transit funds from purchasing CRRC products because of its ties to the Chinese government and military.⁴²

CRRC engages with local-level officials in the areas where it operates. For example, in 2018, CRRC hosted an event attended by Massachusetts Governor Charlie Baker and Springfield Mayor Domenic Sarno, as well as the Chinese

37. "US China Collaboration Forum," *Chinese Association for Science and Technology, USA*, accessed November 18, 2024. (<http://castgny.org/en/index.php/us-china-collaboration-forum>)

38. Ibid.

39. "The 27th CAST-USA Annual Convention," *Chinese Association for Science and Technology, USA*, October 5, 2019. (http://castgny.org/en/wp-content/uploads/2021/12/2019_Convention_program_Book.pdf)

40. Ibid.

41. U.S. Department of Defense, "Entities Identified as Chinese Military Companies Operating in the United States in accordance with Section 1260H of the William M. ("Mac") Thornberry National Defense Authorization Act for Fiscal Year 2021 (Public Law 116-283)," January 31, 2024. (<https://media.defense.gov/2024/Jan/31/2003384819/-1/-1/0/1260H-LIST.PDF>)

42. "Congress Moves forward with NDAA, blocking Chinese metro and bus activity," *Alliance for Innovation and Infrastructure*, December 12, 2019. (<https://www.aii.org/congress-moves-forward-ndaa-blocking-chinese-metro-bus-activity>)

ambassador to China and the Chinese consul general for New York. Speaking at the event, Ambassador Huang criticized U.S. trade policy. Governor Charlie Baker responded that the administration's tariffs were "especially a big concern for us and something we are going to monitor very carefully. [They] are not going to change our commitment to the project" — a reference to CRRC's presence in Springfield, Massachusetts, intended to support rail car modernization for the Massachusetts Bay Transportation Authority's T.⁴³ That was not just talk: When CRRC filed tariff exemption requests in 2018, it received backing from local Massachusetts officials, including U.S. Representative Richard Neal, chairman of the House Ways and Means Committee, Mayor Domenic Sarno, and State Senator Eric Lesser.⁴⁴

CRRC North America's general manager is also a standing director of the China General Chamber of Commerce. CGCC regularly posts press releases, updates, and congratulatory messages on CRRC's operations in the United States.

POOLS OF CAPITAL

Thanks to China's centralized system and Beijing's control over its economy, private Chinese companies in the United States can serve as channels of CCP subnational influence — and far more so than their U.S. counterparts in China — simply because their interests align with Beijing's. BYD, China's electric vehicle company, is heavily subsidized by the Chinese government and benefits from a broad ecosystem of preferential policies. The 2020 National Defense Authorization Act amendment that banned the use of federal funds for purchasing CRRC products because of ties to the Chinese government and military also applied to BYD.

BYD's U.S. subsidiary has facilities in California, Indiana, and New Jersey. It has sold products to transit authorities in Louisiana, Maryland, Massachusetts, Florida, and California, among others. The company actively engages subnational leaders. In 2020, BYD celebrated the expansion of its Lancaster, California, facility with an event attended by several U.S. members of Congress, the California Senate speaker, the mayor of Los Angeles, and the mayor of Lancaster. Then House of Representatives Majority Leader Kevin McCarthy gave a speech in which he declared he was "proud that technology companies like BYD can settle in Lancaster."

STATE-OWNED MEDIA

Beijing operates state-owned media — or propaganda — outlets in the United States. The State Department has identified some of them as foreign missions. These outlets publish content favorable to Beijing and disseminate it through print and online publications as well as through social media. They also influence the narrative in other, independent publications. For example, *China Daily* — which operates an office in New York — runs advertisements in U.S. newspapers. A "China Watch" page on *The Wall Street Journal* website, paid for by *China Daily*, is another example.⁴⁵ Themes range from "China's Virus Containment Wins Praise" to "Former Chief of NASA Urges Lifting China Ban," all in a format near-identical to regular *Wall Street Journal* content.

43. Jim Kinney, "This is about bringing the T into the 21st century": Gov. Baker sees first rail cars roll off Springfield factory line," *MassLive*, December 18, 2018. (<https://www.masslive.com/business/2018/12/this-is-about-bringing-the-t-into-the-21st-century-gov-baker-sees-first-rail-cars-roll-off-springfield-factory-line.html>)

44. Jim Kinney, "Tariffs on Chinese rail car company an 'unfair penalty,' Sen. Eric Lesser says," *MassLive*, September 26, 2018. (https://www.masslive.com/business-news/2018/09/sen_lesser_tariffs_on_crc_an_unfair_pen.html)

45. "Partners: China Watch," *The Wall Street Journal*, accessed November 18, 2024. (<https://partners.wsj.com/chinadaily/chinawatch/>); Additional context can be gleaned from: Sarah Cook, "Beijing's Global Megaphone," *Freedom House*, 2020. (<https://freedomhouse.org/report/special-report/2020/beijings-global-megaphone>)

China Daily ads focus specifically on subnational relations. “A Texas Perspective on US-China Relations: Keep it Going” highlighted an event hosted by the Asia Society Texas Center on “40 years of US-China Relations.” The article quotes David Firestein, founding executive director of the University of Texas at Austin’s China Public Policy Center, declaring that “states and cities rather than the federal government can drive forward the [US-China] relationship.” The article also cites Neil Bush, son of former president George H.W. Bush: “China’s system of governance is right for China, and our system of governance is right for us. We shouldn’t expect China to embrace ours and [and] nor should China expect us to embrace theirs.”

Beijing also shapes the narrative of private, non-state-owned media outlets producing content for local audiences through means other than ownership. The bi-annual World Chinese Media Forum provides an example of this. The PRC’s state-owned China News Service has held the forum every two years since 2001, featuring Chinese media outlets from all over the world.⁴⁶ China News Service belongs to the UFWD. During the forum, delegates take guided visits around China, meet with government officials, and hold structured discussions. Past themes have included “The Belt and Road Initiative and the New Development of Chinese Media to Integrating the World” and “Witnessing the Times: Chinese Media’s ‘China Story.’”⁴⁷ More than 400 media representatives, including more than 60 from the United States, attended the 2019 forum.⁴⁸

Some U.S.-based outlets are direct foreign affiliates of Chinese state media.⁴⁹ Other attendees are private, local, Chinese-language outlets: *Washington News Daily*, Seattle Chinese Radio, Hawaii Chinese Television, *San Diego News*, and *Dallas News*, to name a few. Attendance at these events could bias the coverage of both types of attendees — others have noted how the event’s objective appears to be to “encourage overseas outlets to be more friendly and less critical of China’s interests.”⁵⁰

RESEARCH AND EDUCATION INSTITUTIONS

The Tsinghua Education Fund North America and Peking University Education Foundation USA are both located in California. These foundations fundraise extensively in the United States: They reported \$21,858,667 and \$18,981,367 in gross receipts in 2020, respectively. They also convene and support events designed to shape the larger academic environment in the United States. In December 2020, the Peking University Education Foundation (USA) sponsored the Sino-U.S. International Education Forum — held both in Beijing and in New York — to celebrate Columbia University’s educational partnerships with China. At the event, Columbia professors lectured about the imperative of strengthening Sino-U.S. relations.

Confucius Institutes are another element of China’s subnational influence operations. Overseen by the UFWD, Confucius Institutes are educational and cultural promotion programs housed in colleges and universities and funded by the Chinese government. The less well-known Confucius Classroom project involves Chinese government

46. “第十届世界华文传媒论坛 [The 10th World Chinese Media Forum],” *China News Network*, accessed November 18, 2024. (<https://www.chinanews.com/gn/z/hwcmf/index.shtml>)

47. 世界华文传媒论坛：一路耕耘一路收获 [World Chinese Media Forum: Hard Work All the Way to Harvest],” *China News Network*, October 9, 2019. (<https://m.chinanews.com/wap/detail/cht/zw/8974292.shtml>)

48. Ibid.

49. That said, these outlets are willing to participate in a conference backed by the United Front, oriented clearly around China’s creation of a global media network, and featuring visits with government officials. This suggests a certain proclivity. That proclivity is also evident in their reporting, which features a heavy bias toward positive coverage of Beijing.

50. “Forum on Global Chinese Media 世界华文传媒论坛,” *China Media Project*, May 12, 2023. (https://chinamediaproject.org/the_ccp_dictionary/forum-on-global-chinese-media)

partnerships with K-12 schools and school districts to provide instructional materials. These materials enable Beijing to influence how U.S. students learn about the country. By providing funding to schools, the programs may also allow the Chinese government to exert broader influence over U.S. education. In 2020, the State Department designated Confucius Institutes in the United States as foreign missions.⁵¹

Finally, U.S. educational institutions are increasingly dependent on the Chinese government — directly for funding in some cases. They also depend upon the flows of Chinese students and corresponding tuition. The more exposure that a given school has to China — by virtue of campuses or research centers in China or the need for scholars’ ability to conduct research in China — the more leverage that Beijing can exert in their relationship. This can incentivize U.S. academic institutions to disseminate information that is favorable to Beijing. And to the extent that academic institutions serve as pillars of civil society and discourse in their communities, this lever can deliver subnational influence returns like the more direct avenues of trade, investment, and media.

CASE STUDY: THE CHINA GENERAL CHAMBER OF COMMERCE

The China General Chamber of Commerce in the United States provides an example of the centralized Chinese approach to converting investments into commercial, narrative, and political influence as well as a means to guarantee access for additional investments.

CGCC was established in 2005 as the successor to the China Chamber of Commerce. It launched in 1996 with the support of China’s Ministry of Foreign Trade and Economic Cooperation. Then President Hu Jintao attended the CGCC inaugural meeting in the United States in September 2005, as did China’s vice minister of commerce, the Chinese ambassador to the United States, the Chinese consul general in New York, New York State’s secretary of state, and the president of the U.S. International Business Council.

Today, with six chapters across the United States — Chicago, New York, Washington, Houston, Los Angeles, and San Francisco — and approximately 1,800 member companies, the chamber describes itself as “the largest and most influential non-profit organization representing Chinese companies in the United States.” It organizes events and dialogues convening U.S. and Chinese government, private sector, and media players. The chamber also provides information, consulting, and legal inputs for its members — and weighs in on U.S. policy. CGCC also organizes visits of U.S. government leaders to China.

CGCC describes this work as “promot[ing] business exchanges and cooperation between China and the United States” as well as “a pragmatic and effective communication and coordination platform.”⁵² Put otherwise, CGCC leverages the commercial clout of its members — and, broadly, the Chinese economy — to form political, commercial, and media relationships that promise influence in the United States. Its website lists a total of 14 “partners,” which include AmCham China, the Business Council for International Understanding, the National Committee on U.S.-China Relations, the US-China Business Council, the U.S. Chamber of Commerce, and the National Governors Association.⁵³

51. U.S. Department of State, “Confucius Institute U.S. Center’ Designation as a Foreign Mission,” August 13, 2020. (<https://2017-2021.state.gov/confucius-institute-u-s-center-designation-as-a-foreign-mission>)

52. “Mission, Vision & Values,” *China General Chamber of Commerce*, accessed November 18, 2024. (<https://www.cgccusa.org/en/mission-vision-values>)

53. “Partners,” *China General Chamber of Commerce*, accessed November 18, 2024. (<https://www.cgccusa.org/en/partners>)

The chamber's members are primarily Chinese state-backed companies operating in the United States as well as U.S. companies that do business with China.⁵⁴ By mandate, CGCC's board of directors is limited to representatives from Chinese enterprises that hold the overseas investment approval certificate of the Chinese Ministry of Commerce. These are overwhelmingly Chinese state-owned entities. CGCC maintains six special committees, dedicated to finance, transportation, trade, communications, energy, and the automotive industry. CGCC also has a legal counsel committee, composed of two lawyers from Chinese firms and two from U.S. firms, with specialties ranging from Committee on Foreign Investment in the United States (CFIUS) regulations to cross-border banking. In 2014, the chamber launched a 501(c)(3) non-profit, the China General Chamber of Commerce Foundation, dedicated to "deepen[ing] understanding and cooperation between China and the United States."⁵⁵

CGCC's president is the president of the state-owned Bank of China U.S. In addition, the chamber has 19 vice presidents. Fifteen of those are affiliated with major state-owned Chinese companies, including six who have been identified by the U.S. Department of Defense as tied to the Chinese military (China State Construction Co., Ltd., AVIC, China Telecom, China Petroleum & Chemical Corporation, China State Grid, China Mobile, and China Communications Construction).⁵⁶ In addition, executives at Sinochem America Holdings, China Unicom Americas, Inspur USA, CRRC North America, and Hikvision USA are standing directors on the CGCC board. Sinochem, China Unicom, CRRC, and Hikvision have all been identified by DoD as tied to the Chinese military.⁵⁷

As its leadership suggests, CGCC engages extensively with the Chinese government — and brings those government entities, as well as its members, into regular conversation with U.S. national and subnational officials and economic leaders. President Hu Jintao's attendance at the chamber's inaugural meeting was no anomaly: Chinese government leaders regularly participate in CGCC events as well as in policy-focused dialogues with the chamber.

In both 2017 and 2018, CGCC cooperated with the National Governors Association (NGA) in holding events on the sidelines of the NGA annual meetings. More than 200 guests attended the 2018 event, including Chinese entrepreneurs, CEOs, and investors; U.S. governors and economic development officials; and Chinese counterparts.⁵⁸ Participants on the Chinese side included Zhuang Ping, the Chinese consul general in Los Angeles, the president of CGCC, an anchor for CGTN-America, and the executive vice president of CIC. During a panel, Zhuang Ping, then Colorado governor John Hickenlooper, and Utah governor Gary Herbert agreed that trade friction was detrimental to both the U.S. and Chinese economies — and vowed to strengthen subnational collaboration and communication between the two countries. Hickenlooper stressed that the United States was willing to make

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54. As noted in other analysis, CGCC's membership and leadership roles are populated by several state-owned organizations: Its "website lists more than sixty individuals, many from state-owned companies, in governance roles"; see, for example: Larry Diamond and Orville Schell, "China's Influence & American Interests: Report of the Working Group on Chinese Influence Activities in the United States," *Asia Society and Stanford University*, 2019. (https://asiasociety.org/sites/default/files/2020-01/00_diamond-schell-chinas-influence-and-american-interests_REVISED.pdf)

55. "CGCC Foundation," *China General Chamber of Commerce*, accessed November 18, 2024. (<https://www.cgccusa.org/en/cgcc-foundation>)

56. Current leadership profiles can be accessed on the organization's website: "Board of Directors," *China General Chamber of Commerce*, accessed November 18, 2024. (<https://www.cgccusa.org/en/board-of-directors>)

57. U.S. Department of State, "Fact Sheet: Communist Chinese Military Companies Listed Under E.O. 13959 Have More Than 1,100 Subsidiaries," January 14, 2021. (<https://2017-2021.state.gov/communist-chinese-military-companies-listed-under-e-o-13959-have-more-than-1100-subsidiaries>)

58. "International Cooperation Forum at 2018 NGA Summer Meeting in New Mexico," *China General Chamber of Commerce*, July 19, 2018. (<https://www.cgccusa.org/en/international-cooperation-forum-at-2018-nga-summer-meeting-in-new-mexico>)

concessions to that end, noting that “the US has made some accommodations and adjustments for ZTE so that they will continue to be able to sell products to the United States.”⁵⁹

Former Arkansas governor Asa Hutchinson was even more direct. He declared that subnational cooperation “is very important. I think the governors of the states continue to build good relations. We’re doing business with China, building that relationship between the states.” He said he was working with the Trump administration to make sure Chinese projects could continue and that Arkansas would pursue an exemption for many tariffs: “Obviously, our federal government runs our foreign policy and our trade policy. But the more we can build relationships at the state level, then the more successful we will be at the national level.”⁶⁰

The discussion was similar at the 2017 event, attended by the Chinese ambassador to the United States; Maryland Governor Larry Hogan, who gave welcome remarks; Kentucky Governor Matt Bevin, Arizona Governor Doug Ducey, Nevada Governor Brian Sandoval; then Rhode Island Governor and now Secretary of Commerce Gina Raimondo; and Virginia Governor Terry McAuliffe.⁶¹ At that event, the Chinese ambassador pressed the U.S. business community and subnational officials to pressure the federal government to resume Bilateral Investment Treaty talks between China and the United States. Bevin stated:

I think I speak for the other governors here as well: We want your investment ... Yes, trade policy happens at the federal level. It does. But I will tell you, this administration, they are regularly, repeatedly, meeting with governors, speaking to us, wanting to know our take on things. And because of that, we have their ear, and they have ours.⁶²

In May 2018, CGCC joined with the Milken Institute, China Week, a Los Angeles-based non-profit, and the China Chamber of Commerce for Import and Export of Machinery and Electronic Products in organizing the third annual China-California Business Summit. Aimed to “promote economic and trade cooperation between California and China’s relevant provinces, regions, and cities,” the summit featured a speech by the then economic and commercial minister of the Chinese Embassy in the United States, Zhu Hong. He explained that:

In promoting China-US trade relations, cooperation between provinces and states plays an indispensable role. Business leaders from US and China are the key players in the bilateral trade and investment promotion. At this pivotal moment, hope you all can play a more active role in deepening mutual understanding and bridging between the government and business communities.⁶³

California Governor Jerry Brown attended, as he had the two previous years, and delivered a keynote speech. Delaware Governor John Carney was also in the audience.

More recently, in September 2021, CGCC held an investment-focused dinner in Delaware. Governor John Carney attended — as did representatives from CGCC’s member companies. The discussion focused on investment

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59. Lia Zhu, “US governors seek closer ties with China despite trade tensions,” *China Daily* (China), July 20, 2018. (<https://global.chinadaily.com.cn/a/201807/20/WS5b51f277a310796df4df7c4c.html>)

60. *Ibid.*

61. “CGCC Co-Hosts 2017 NGA Summer Meeting Welcome Luncheon Forum at Rhode Island,” *China General Chamber of Commerce*, July 13, 2017. (<https://www.cgccusa.org/en/cgcc-co-hosts-2017-nga-summer-meeting-welcome-luncheon-forum-at-rhode-island>)

62. Qian Shanming, “Sub-national exchanges important to China-US relations: Ambassador,” *China Plus*, July 15, 2017. (<http://chinaplus.cri.cn/news/politics/11/20170715/8749.html>)

63. “2018 China-California Business Summit Held in Los Angeles,” *China General Chamber of Commerce*, May 3, 2018. (<https://www.cgccusa.org/en/2018-china-california-business-summit-held-in-los-angeles>)

and cooperation opportunities in Delaware.⁶⁴ The emphasis on the home state of President Joe Biden further underscores the strategy guiding China's subnational agenda: Beijing sees local and state interactions as a pathway to shape federal orientations.

CGCC also organizes visits by delegations of U.S. government officials to China. In 2017, the chamber organized trips for Alaska Governor Bill Walker and Missouri Governor Eric Greitens. During those trips, they met with national and local Chinese leaders, including the vice premier of the State Council, as well as key Chinese commercial and financial entities, including CIC, Bank of China, Fosun Group, and Alibaba Group. Greitens also met with the deputy governor of Hebei Province to discuss the “complementary” relationship between Missouri and Hebei in technology, trade, manufacturing, and education.

CGCC also interacts directly, and more privately, with Chinese government players. In May 2018, a delegation from the Yunnan Provincial Department of Commerce visited CGCC for dialogues with member companies. The two groups discussed the province-state cooperation mechanism that Yunnan established with New York in 2016 as well as Yunnan's plans to increase new energy exports to the United States, among other things. The same month, a delegation from the Jiangxi Provincial Department of Commerce visited CGCC for similar meetings with member companies.

In November 2019, a delegation from the Foreign Affairs Committee of the CPPCC National Committee met with CGCC members in New York. In attendance was CPPCC Standing Committee member Zhou Wenzhong, a former deputy minister of foreign affairs and a former ambassador to the United States. Also present: the deputy director of the CPPCC Foreign Affairs Committee; deputy consul general of the Chinese Consulate General of New York and the president of CGCC — as well as representatives from more than 10 CGCC members. The group discussed challenges that the U.S. political and regulatory environment presented for Chinese companies seeking to “Go Out.” They discussed the interagency foreign investment review mechanism, CFIUS, in particular.⁶⁵

The CPPCC delegation assured those present that they would seek to provide relevant policy support for Chinese companies struggling with CFIUS restrictions. Chinese overseas investment has long sought to “localize” activities in a variety of ways — both directly in the United States and by routing investment through third-party destinations prior to entering the United States. CGCC activities help to support and solidify those evasion pathways.

CGCC also engages with Chinese and U.S. media entities to shape the narrative in the United States. In July 2019, CGCC visited the *China Daily* headquarters in New York to discuss cooperation and how to ensure that Chinese companies in the United States could “tell their own stories.” A propaganda outlet for Beijing, *China Daily* is owned by the Publicity Department of the CCP. CGCC also regularly takes out ads in U.S. publications.

But CGCC does not limit itself to indirect avenues for influence. The chamber also directly weighs in on U.S. policy. USGCC representatives have testified in U.S. government hearings, calling for favorable trade policy vis-a-vis China. In May 2018, the USGCC participated in a hearing on 301 tariff investigations. The executive director of the Washington branch of Deheng Law Firm, a China-headquartered firm, provided testimony on behalf of

64. “CGCC Hosts Leaders Roundtable with Governor John Carney of Delaware,” *China General Chamber of Commerce*, September 14, 2021. (<https://www.cgccusa.org/en/cgcc-hosts-leaders-roundtable-with-governor-john-carney-of-delaware>)

65. “The Foreign Affairs Committee of the Chinese People's Political Consultative Conference held a symposium with Chinese companies in the United States,” *China General Chamber of Commerce*, November 2019. (<https://www.cgccusa.org/zh/cgcc-hosts-roundtable-discussion-with-delegation-of-cppcc-foreign-affairs-committee-zh>)

CGCC, describing tariffs as contrary to U.S. consumer interests and World Trade Organization obligations. CGCC also provided similar testimony at an October 2017 U.S. Trade Representative hearing.⁶⁶

Such inputs into U.S. policy have an historical precedent. CGCC's predecessor, the China Chamber of Commerce, played a core role in China's campaign for most favored nation status in the late 1990s. In 2004, the China Chamber of Commerce established the China-U.S. Free Trade Promotion Association, designed to speed the negotiation of a bilateral free trade agreement between the United States and China.

CASE STUDY: NEXTEER

Long before China's electric vehicle battery champion, CATL, drew suspicion in the United States for its growing partnership with Ford, China's subnational playbook was cultivating opportunities — for business and for influence — in Michigan.⁶⁷ In 2009, Nexteer, a General Motors (GM) subsidiary and the largest industrial employer in Saginaw, Michigan, teetered on the brink of closure. The company sought Chapter 11 bankruptcy protection in 2005. It had changed hands in 2009. GM wanted out. Then, the Chinese stepped in. In 2010, Pacific Century Motors — a Chinese company controlled by Aviation Industry Corp of China (AVIC) and Beijing E-Town International Investment & Development Co., Ltd. (an investment arm of the Beijing municipal government) — approached Nexteer with a bid. AVIC is a state-owned Chinese aerospace conglomerate that the U.S. Department of Defense later identified as tied to the People's Liberation Army. In 2010, looking to break into the automotive technology supply market, the state-owned enterprise was on the hunt for a “high-end auto component company to acquire.”⁶⁸

GM did not want to liquidate Nexteer and face the fury of unions or the political pressure of the labor movement. They did not want to sell their company to existing competitors. A Korean company had also bid on Nexteer, but their offer was less attractive. In July 2010, GM announced it would sell Nexteer to the state-owned Pacific Century Motors for \$465 million.

Reporting from *The Wall Street Journal* suggests that the appeal of the Nexteer bid lay in promises to retain local workers. But elements of the Chinese subnational influence machine likely also played a role in pushing the deal. Take the Detroit Chinese Business Association (DCBA), a U.S.-based non-profit that seeks to provide a bridge between the State of Michigan and Chinese businesses, including by organizing trade missions and meetings. DCBA president Jerry Xu noted in a 2016 interview that he helped to broker the Nexteer sale. He also said, more broadly, that DCBA builds “connections between China and Detroit so they see it is the best place to invest and work and expand their markets.”⁶⁹

The law firm that represented Nexteer's buyers in 2010 has extensive ties to China. Miller, Canfield, Paddock and Stone is a Detroit firm. It has a dedicated China team — including offices in Shanghai — specializing in, among other things, U.S. CFIUS regulations, duties and tariffs, export controls, international traffic in arms regulations (ITAR), export

66. Office of the United States Trade Representative, “Comment from Chen Xu, China General Chamber of Commerce - USA,” September 28, 2017. (<https://www.regulations.gov/document/USTR-2017-0016-0026>)

67. David Shepardson, “Lawmakers want US to probe four Chinese firms involved in Ford battery plant -letter,” *Reuters*, January 29, 2024. (<https://www.reuters.com/business/autos-transportation/lawmakers-want-us-probe-four-chinese-firms-involved-ford-battery-plant-letter-2024-01-29>)

68. Joseph B. White and Norihiko Shirouzu, “In the Heart of the Rust Belt, Chinese Funds Provide the Grease,” *The Wall Street Journal*, February 10, 2012. (<https://www.wsj.com/articles/SB10001424052970203735304577163741272699930>)

69. “A Chinese-American Executive Helps Chinese Companies Invest in Michigan Workers,” *New American Economy*, July 21, 2016. (<https://www.newamericaneconomy.org/feature/a-chinese-american-executive-helps-chinese-companies-invest-in-michigan-workers>)

administration (EAR), anti-corruption, and anti-money laundering (AML).⁷⁰ In addition to representing Nexteer's buyers, Miller Canfield has been behind some of the highest-profile Chinese investments in Michigan, including those of Yanfeng USA, Yapp Automotive Parts Co., Ltd., HASCO Vision Technology, Shanghai SIIC Transportation and Electric, CW Bearing, Wellmei, and AVIC in its 2015 acquisition of Henniges Automotive.⁷¹ In 1991, Miller, Canfield, Paddock and Stone registered as a foreign agent on behalf of the government of China under the Foreign Agent Registration Act as all law firms representing foreign government-affiliated entities are required to do.

The years after the Nexteer acquisition saw a wave of Chinese investment in Michigan automotive companies and operations. Chinese subnational influence efforts appear to have played a role in those investments, too.

In 2011, state-owned Chang'an Automobile Company launched a U.S. research and development center in Plymouth Township, Michigan.⁷² That facility appears to continue to operate, and it received support from the U.S. COVID-era Paycheck Protection Program (PPP).⁷³ Also in 2011, China's Yanfeng Automotive Trim Systems opened a facility in Harrison Township, Michigan. The company expanded that facility in 2014 thanks to tax incentives from the Michigan Strategic Fund.⁷⁴ In 2012, the state-owned Shanghai Automotive Industries Corporation (SAIC) unveiled a North American operation center in Birmingham, Michigan — at an event attended by then Governor Rick Snyder and Oakland County Executive Brooks Patterson.⁷⁵ Also in 2012, Chongqing General Aviation Group acquired Menominee-based Enstrom Helicopter.⁷⁶ In 2013, China's Wanfeng Auto Holding Group acquired Meridian Lightweight Technologies, with manufacturing locations in Eaton Rapids, Michigan.⁷⁷

This series of foundational localization efforts benefited from apparent support from Michigan's elected leaders, including Governor Snyder. Tom Watkins, then an advisor at the Michigan-China Innovation Center, wrote in 2014 that "meetings with Governor Snyder resulted in recent new investments and reinvestments" by "AVIC/Nexteer automotive" — as well as the Michigan-based investments by Fuyao Automotive, SAIC, Yanfeng Auto Trip, Chongqing Jiaxuan Automobile Sealing Co., Ltd., Chang'an, Wanfeng/Meridian, and Chongqing Machinery/Enstrom Helicopters.⁷⁸ *China Daily* has also praised Governor Snyder as "one of the most active advocates [for Chinese investment] among his US counterparts," citing the seven trade trips to China he led after taking office

70. "Offices," *Miller Canfield*, accessed November 18, 2024. (<https://www.millercanfield.cn.com/contact.html>)

71. "China Services," *Miller Canfield*, accessed November 18, 2024. (<https://www.millercanfield.com/services-International-China.html>)

72. Terri Desautels, "Chang'an U.S. R&D Center Opens in Plymouth Township," *Second Wave Media*, February 4, 2011. (<https://www.secondwavemedia.com/metromode/waynecounty/features/changanplymouth020411.aspx>)

73. Sean O'Kane, "Chinese EV startups Byton and Nio received paycheck protection loans of at least \$5 million," *The Verge*, July 6, 2020. (<https://www.theverge.com/2020/7/6/21314730/byton-lordstown-karma-ppp-loans-coronavirus-bailout-layoffs>)

74. Mitch Hotts, "Chinese automotive firm to locate \$13M facility in Harrison Township," *Macomb Daily*, October 27, 2010. (<https://www.macombdaily.com/2010/10/27/chinese-automotive-firm-to-locate-13m-facility-in-harrison-township>). In 2015, China's Yanfeng Automotive Trim Systems formed a joint venture with Johnson Controls, through which it acquired a campus in Holland, Michigan. Two years later, in 2017, the China-based Yanfeng Automotive Interiors opened offices in Novi, Michigan, in exchange for a \$600,000 state business development program grant from the Michigan Economic Development Corporation. Kathleen Achtenberg, "Business expansions win state approval to invest, add jobs in Michigan," *Michigan Economic Development Corporation*, January 18, 2017. (<https://www.michiganbusiness.org/press-releases/2017/01/business-expansions-win-state-approval-to-invest-add-jobs-in-michigan>)

75. "Chinese auto giant SAIC Motor celebrates opening of new North American Operations Center in Michigan," *SAIC USA, Inc.*, June 27, 2012. (<https://www.prnewswire.com/news-releases/chinese-auto-giant-saic-motor-celebrates-opening-of-new-north-american-operations-center-in-michigan-160541035.html>)

76. "Enstrom targets China with parent company CGAG," *Vertical Mag*, November 13, 2014. (<https://verticalmag.com/news/enstromtargetschinawithparentcompanycgag>)

77. "Wanfeng Auto Holding Group Acquires Meridian," *Meridian*, December 19, 2013. (<https://www.meridian-mag.com/news/wanfeng-auto-holding-group-acquires-meridian-1>)

78. Tom Watkins, "'Win-Win' or Win-Lose? The Case of Fisker Automotive and the Wanxiang Group," *China US Focus*, June 20, 2014. (<https://www.chinausfocus.com/finance-economy/win-win-or-win-lose-the-case-of-fisker-automotive-and-the-wanxiang-group>)

in 2011.⁷⁹ “His visits have attracted many Chinese companies to Michigan.”⁸⁰ Those delegations featured regular meetings with CPAFFC leadership, and Snyder has also hosted CPAFFC delegations in Michigan.⁸¹

Miller, Canfield, Paddock and Stone has also continued to play a role in Chinese auto investments in Michigan. The firm represented AVIC Automotive Systems in its 2015 acquisition of Auburn Hills’s Henniges Automotive Holdings Inc.⁸² It represented Shanghai Shenda when it acquired a 35 percent stake in Livonia, Michigan’s automotive interior company NYX Inc. in 2015.⁸³ It represented Zhejiang Wanfeng’s 2016 purchase of Michigan-based auto robotics manufacturer Paslin Co.⁸⁴ It represented Chongqing Nanshang Investment in 2017 when it acquired Sterling Heights’s HTI Cybernetics. And it represented Wuxi Vgage Technology in its 2018 purchase of Oak Park-based Vgage LLC.⁸⁵

These investments and others have served to strengthen China’s influence at the subnational level — and to streamline the path toward future investment. Nexteer’s case is particularly instructive. AVIC’s acquisition secured it a strong relationship with Michigan’s subnational leader. When Governor Snyder led a trade delegation to China in 2011, he and other local leaders, including JoAnn T. Crary, president and CEO of Saginaw Future, a non-profit economic development organization, met with representatives from AVIC Automotive Industry Holding Co. “We were talking with [AVIC] about some potential additional investment in other industries in Michigan,” Crary said of the visit. “They’re also interested in aviation and other types of industries in Michigan.”⁸⁶

Nexteer today acts as a sponsor for DCBA, the organization that helped broker AVIC’s original investment. A123 Systems, LLC, a U.S.-based subsidiary of the Chinese Wanxiang Group Holdings, is another sponsor.⁸⁷ DCBA’s sponsors also include the Michigan-China Innovation Center, which was launched by the State of Michigan in 2016 as the state’s arm for government relations with China.⁸⁸

The DCBA also maintains direct ties to both Chinese and U.S. government entities. For example, the consul general of the PRC in Chicago attended the 2019 DCBA Chinese New Year’s party.⁸⁹ So did Representative Andy Levin and Michigan State Economic Development Corporation President Jeff Mason. At the event,

79. Charlene Cai, “Chinese Companies: Contributing to American Prosperity,” *China Daily* (China), 2016. (<https://partners.wsj.com/chinadaily/chinawatch/chinese-companies-contributing-american-prosperity>)

80. Ibid.

81. “Michigan Governor Rick Snyder leads a trade delegation to visit China,” *The Chinese People’s Association for Friendship with Foreign Countries*, September 28, 2012. (<https://www.cpaffc.org.cn/index/news/detail/id/1596/lang/1.html>); “Eight visits to China in eight years! He saved Detroit and believes that China plays an indispensable role,” *Guancha*, September 25, 2018. (https://www.guancha.cn/internation/2018_09_25_473239.shtml)

82. “Miller Canfield Advises Chinese Auto Supplier in Largest U.S. Acquisition in History by a Chinese Company,” *Miller Canfield*, September 11, 2015. (<https://www.millercanfield.com/newsevents-news-1230.html>)

83. “Chinese Company Automotive Acquisitions,” *Miller Canfield*, accessed November 18, 2024. (<https://www.millercanfield.com/services-experience-1340.html>)

84. Ibid.

85. Ibid.

86. “In the Margins: Beijing trip good opportunity not only to plug Michigan, but the Solar Valley,” *The Saginaw News*, October 7, 2011. (https://www.mlive.com/opinion/saginaw/2011/10/in_the_margins_beijing_trip_go.html)

87. Active sponsors are noted on the DCBA website: “Sponsors,” *Detroit Chinese Business Association*, accessed October 19, 2023. (<https://web.archive.org/web/20231019214325/https://dcba.com/our-sponsors>)

88. See members reflected in the DCBA Advisory Board: “Advisory Board,” *Detroit Chinese Business Association*, accessed October 19, 2023. (<https://web.archive.org/web/20231019214431/https://dcba.com/advisory-board>)

89. “DCBA Chinese New Year Gala 2019 was held on February 23rd,” *Detroit Chinese Business Association*, accessed October 19, 2023. (<https://web.archive.org/web/20231019214524/https://dcba.com/dcba-chinese-new-year-gala-2019-was-held-on-february-23rd>)

Acting Consul General Liu Jun declared that “Michigan and China have close economic and trade exchanges and are at the forefront of local pragmatic cooperation between the two sides.” Mason was summarized by Chinese sources as stating that “China and the US are partners rather than competitors.”⁹⁰

CONCLUSION

Xi Jinping’s latest visit to the United States yielded the “San Francisco Vision.”⁹¹ That term is meant to capture agreement between Xi Jinping and U.S. President Joe Biden about the future of U.S.-China relations and their shared commitment to contribute to the “stable development” of future relations.⁹² The nominal use of an American city in the term should not be overlooked: The San Francisco Vision is in many ways a product of a complex web of subnational influence efforts that aim to shape U.S. policy toward China. That web draws on guidance formulated in Beijing and, ultimately, activates equities in the United States that range from local level political leaders to commercial actors.

Those active influence efforts shape Washington, DC, from outside the nation’s capital. The U.S. federal government has no immediate answer for the national security risks posed by China’s positioning, toolkit, and the vast institutional apparatus of China’s subnational influence effort that executes on the ground. Defenses against China’s tack need to be better informed and coordinated across geographic and functional lines. And subnational leaders can seize the offensive by leveraging subnational diplomacy as a part of their economic development and state-level investment mandates.

Continued analysis and documentation are necessary to accurately depict the entire scope of China’s subnational influence playbook and its strategic impacts. Such an analysis is needed to begin to grapple with the scope of policy responses for negating China’s subnational influence agenda and educating state- and local-level authorities in the United States about the reality of great power competition.

Positive developments have been made in recent years. Awareness has increased as the U.S. federal government has made progress in shuttering select entities, such as Confucius Institutes. But even those starts have yet to register as full measures. State-level investment funds have increased their exposure to Chinese markets; Xi Jinping continues to be feted by U.S. subnational and business leaders ad nauseum.

More must be done: The federal government must double down on information-sharing mechanisms with state and local law enforcement and economic development authorities. Transparency should be required in reporting exposure to China in state-level investments, and the federal government should designate safe harbor provisions for state-level investment authorities to gradually negotiate their way out of China exposure. American voters should be informed of the ways that local authorities, governors’ mansions, and state economic development agencies directly or indirectly support the PLA’s modernization agenda and other Chinese activities that directly undermine American national security.

90. “Acting Consul General Liu Jun Attended Detroit Chinese Business Association New Year Gala,” *Consulate-General of the People’s Republic of China in Chicago*, February 23, 2019. (http://chicago.china-consulate.gov.cn/eng/lghd/201903/t20190301_4641424.htm)

91. “World looks forward to seeing ‘San Francisco vision’ translated into reality: Global Times editorial,” *Global Times* (China), November 17, 2023. (<https://www.globaltimes.cn/page/202311/1302014.shtml>)

92. Ibid.

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Emily de La Bruyère is a senior fellow at FDD with a focus on China policy. Emily's work was the first Western analysis to document Beijing's China Standards 2035 national plan. She uses primary-source, Chinese-language materials to provide insight on China's military-civil fusion strategy and platform geopolitics, as well as their implications for global security and the economic order.

Nathan Picarsic is a senior fellow at FDD with a focus on China policy. Nathan studies geopolitical and security dynamics impacting international business and finance. He has testified before the U.S.-China Economic and Security Review Commission on the risks of U.S.-China capital flows.

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