



Committee: House Select Committee on the Chinese Communist Party
Event: [China's Economic Espionage and Subnational Influence in the U.S.](#)
Date: June 25, 2026

Executive Summary:

On June 25, 2026, the House Select Committee on the Chinese Communist Party (CCP) held a hearing focused on the CCP's efforts to steal intellectual property (IP) and expand its influence over American research, infrastructure, and critical industries.

- Members of both parties agreed that China poses a significant national security threat and emphasized the need to strengthen data protections for American businesses and research institutions.
- Republicans discussed strengthening government-wide intelligence sharing and countering CCP-linked campaigns targeting advancements in artificial intelligence (AI).
- Democrats stressed that efforts to counter the CCP should avoid profiling Chinese Americans and preserve international scientific collaboration.

Member Toplines:

[Chair John Moolenaar \(R-MI-02\)](#): Moolenaar warned that China exploits state and local governments, universities, and businesses to collect strategic information on American research and infrastructure. He called for stronger intelligence sharing between federal, state, and local partners and a whole-of-society response to protect U.S. economic competitiveness and critical institutions from data theft by China.

[Ranking Member Ro Khanna \(D-CA-17\)](#): Khanna condemned China's economic espionage, IP theft, forced technology transfers, and offshoring of U.S. industry. He emphasized that efforts to counter these actions must not conflate the CCP with Chinese Americans and students who contribute to American innovation.

[Rep. Jason Smith \(R-MO-08\)](#): Smith highlighted the Ways & Means Committee's investigation into U.S. tax-exempt organizations with alleged ties to China's United Front network. He warned that CCP-linked funding has helped support opposition to U.S. data center projects to undermine American leadership in artificial intelligence (AI).

Witness Toplines:

[David Shedd, Former Acting Director, Defense Intelligence Agency](#): Shedd described China's industrial espionage as an unprecedented effort to dominate critical technologies and urged stronger protections for IP and oversight of foreign acquisitions of U.S. companies.

[Michael Lucci, Founder and CEO, State Armor](#): Lucci explained that the CCP is positioning assets near critical U.S. infrastructure and military sites while seeking influence within state

institutions. He pointed to state-level legislative efforts in places like Nebraska and Texas as key countermeasures against coordinated foreign pressure campaigns.

[John Yang, President and Executive Director, Asian Americans Advancing Justice:](#) Yang emphasized that national security policy should be grounded in specific, articulable evidence of wrongdoing rather than ancestry or broad ethnic profiling. He also recommended improving transparency in research disclosures and strengthening university guidance so institutions can address legitimate security risks without discouraging international talent.

Major Takeaways

Protecting U.S. Intellectual Property

- Moolenaar discussed the need to protect American technology, particularly cutting-edge AI models, from theft by hackers in China.
- Rep. **Dusty Johnson** (R-SD-AL) argued that companies should treat their research and intellectual property as national security assets.
- Rep. **Kathy Castor** (D-FL-14) stressed that research security policies need to protect U.S. universities from Chinese espionage without undermining international collaboration.

Chinese Ownership and Economic Security

- Rep. **Gus Bilirakis** (R-FL-13) highlighted the national security risks posed by China's acquisition of American companies which hold sensitive customer data.
- Rep. **Andre Carson** (D-IN-07) questioned whether Chinese acquisitions of U.S. companies receive the same level of scrutiny as cyberattacks. He added that Chinese-controlled firms can operate under American brands to evade state disclosure and investment restrictions.
- Reps. **Greg Stanton** (D-AZ-04) and Castor criticized the administration's decision to scale back offices dedicated to countering foreign influence such as the Foreign Malign Influence Center.
- Bilirakis supported strengthening the jurisdiction of the Committee on Foreign Investment in the U.S. to ensure it doesn't miss foreign acquisitions of sensitive U.S. technology and land.
- Stanton questioned whether Chinese companies designated as national security threats should continue receiving U.S. patents which can be used to sue American firms.
- Rep. **Jill Tokuda** (D-HI-02) expressed concern that recent leadership changes at the Office of the Director of National Intelligence have weakened U.S. counterintelligence capabilities.
- Rep. **Carlos Gimenez** (R-FL-28) suggested that China is exploiting domestic protests over data centers to slow American AI development.