## Congress of the United States Washington, DC 20515

December 18, 2023

The Honorable Lloyd J. Austin III Secretary of Defense 1000 Defense Pentagon Washington, D.C. 20301-1000

## Dear Secretary Austin:

We are writing you today with concerns that U.S. companies are exporting critical technology to Da Jiang Innovations (DJI), a PRC drone company, that aids our adversaries in carrying out attacks on America's closest allies and is listed on U.S. Department of Commerce's Bureau of Industry and Security's (BIS) Entity List. <sup>1</sup> DJI was put on the Entity List in 2020 because it facilitated widespread human rights abuses in the PRC to surveil and monitor Chinese Communist Party (CCP) detention camps in Xinjiang. <sup>2</sup> This listing recognizes that DJI actively works against America's national security interests, and the issuance of export control licenses to DJI should be prohibited to ensure it cannot benefit from American innovation and ingenuity. Currently, DJI is listed as subject to a "presumption of denial" licensing policy, but it has come to our attention that DJI's drones likely still contain critical components from American companies, just as they did prior to DJI being listed. <sup>3</sup> The U.S. Department of Defense (DoD) should not be recommending approval of export control licenses for U.S. technology that advances DJI's capabilities, which are actively being leveraged by our adversaries in attacks against our allies and partners, from Eastern Europe to Israel.

In addition to aiding the CCP in the brutal oppression of the Uyghur population in Xinjiang, DJI drones have been exported to America's adversaries for military purposes, in violation of U.S. export laws and sanctions. Most recently, open-source reporting has shown that on October 7, 2023, Hamas used DJI drones to disable Israeli surveillance systems and drop munitions on Israeli forces on the Gaza border.<sup>4</sup>

Similarly, DJI is also illegally equipping the Russian Federation with drones that Russia's military is deploying on the front lines of their war in Ukraine. In a report to Congress on Chinese Military Power, the DoD stated that between March 2022 and 2023, PRC companies

 $<sup>^{1} \</sup>underline{\text{https://www.bis.doc.gov/index.php/documents/regulations-docs/federal-register-notices/federal-register-2020/2683-85-fr-83416/file}$ 

<sup>&</sup>lt;sup>2</sup> Schmidt, Blake. "DJI Won the Drone Wars, and Now It's Paying the Price." Bloomberg, March 26, 2020. <a href="https://www.bloomberg.com/news/features/2020-03-26/dji-s-drone-supremacy-comes-at-a-price?srnd=economics-vp&sref=ExbtjcSG">https://www.bloomberg.com/news/features/2020-03-26/dji-s-drone-supremacy-comes-at-a-price?srnd=economics-vp&sref=ExbtjcSG</a>.

<sup>&</sup>lt;sup>3</sup> Matsumoto, Norio. "Teardown of DJI Drone Reveals Secrets of Its Competitive Pricing." Nikkei Asia, September 1, 2020. <a href="https://asia.nikkei.com/Business/China-tech/Teardown-of-DJI-drone-reveals-secrets-of-its-competitive-pricing">https://asia.nikkei.com/Business/China-tech/Teardown-of-DJI-drone-reveals-secrets-of-its-competitive-pricing</a>.

<sup>&</sup>lt;sup>4</sup> Gilead, Assaf. "Cheap Chinese Drones Caused Havoc on Gaza Border." Globes, October 12, 2023. <a href="https://en.globes.co.il/en/article-cheap-chinese-drones-caused-havoc-on-gaza-border-1001460030">https://en.globes.co.il/en/article-cheap-chinese-drones-caused-havoc-on-gaza-border-1001460030</a>; Jack Daleo, "Deadly Siege Marks Hamas' Effective Use of Combat Drone Swarm," FLYING, October 10, 2023, <a href="https://www.flyingmag.com/deadly-siege-marks-hamas-most-effective-use-of-combat-drone-swarm/">https://www.flyingmag.com/deadly-siege-marks-hamas-most-effective-use-of-combat-drone-swarm/</a>.

exported more than "\$12 million worth of drones and drone components to Russia," which they are using "for targeting, surveillance, and strike missions in Ukraine."<sup>5</sup>

Given DJI's placement on the Entity List, under 85 FR 83420 and 86 FR 29193, American companies cannot export their technology to DJI unless they receive an export license from the U.S. government. Credible industry reports provide evidence of several cases where U.S. components are found inside DJI drones, suggesting that the U.S. government is granting these licenses. For example, in a 2022 LinkedIn post, U.S.-based company CEVA touted that its components are part of a DJI drone.<sup>6</sup>

When an American company applies to export to a company on the Entity List, such as DJI, the DoD has the specific responsibility to examine the potential national security risks of that proposed export. We are requesting clarification on whether the DoD supported the export of U.S. technologies that have enabled DJI to assist the CCP in brutally repressing the Uyghur population and equipping Iranian-backed Hamas and Russian military forces with drones. As such, we are requesting answers to the following questions:

- 1. Has DoD recommended approval for export licenses for any U.S. companies to allow for export of U.S. technology or intellectual property to DJI?
- 2. If BIS issued export licenses, did DoD raise any national security concerns surrounding those licenses?
- 3. Were the licensing decisions elevated to more senior officials within the Department?
- 4. Did anyone in the review process within DoD have concerns that this export would be detrimental to national security?

Additionally, we request that DoD's aviation, electronics, and unmanned aerial vehicle technical experts and engineers who reviewed these transfer requests to DJI provide a briefing to Members of Congress and their staff to explain their national security review processes and their final recommendations.

The Entity List is intended to prohibit American companies from exporting technology that will enable our adversaries to advance their ability to undermine U.S. national security. However, America's adversaries are using DJI drones that contain American cutting-edge technology to harm U.S. national security interests and the security of U.S. partners. We appreciate your attention to this matter and are looking forward to your response by January 15, 2024.

Sincerely,

<sup>&</sup>lt;sup>5</sup> U.S. Department of Defense. "Military and Security Developments Involving the People's Republic of Chines 2023." October 19, 2023. <u>2023 Report on the Military and Security Developments Involving the People's Republic of China (CMPR) (defense.gov)</u>; Nikkei Staff Writers, "Special Report: Russia Buying Civilian Drones from China for War Effort," Nikkei Asia, July 1, 2023, <a href="https://asia.nikkei.com/Politics/Ukraine-war/Special-report-Russia-buying-civilian-drones-from-China-for-war-effort">https://asia.nikkei.com/Politics/Ukraine-war/Special-report-Russia-buying-civilian-drones-from-China-for-war-effort</a>.

<sup>&</sup>lt;sup>6</sup> LinkedIn, 2022, <a href="https://www.linkedin.com/posts/ceva">https://www.linkedin.com/posts/ceva</a> the-mini-sized-mega-capable-dji-mini-3-pro-activity-6936653093514162176-FB2i/?trk=public profile like view.

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CC: The Honorable Gina Raimondo, Secretary

U.S. Department of Commerce