



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB3495

Introduced 2/9/2024, by Sen. Jason Plummer

SYNOPSIS AS INTRODUCED:

New Act

Creates the Pacific Conflict Stress Test Act. Provides that the Governor shall produce and publish a State risk assessment no later than the day before the annual address made to the General Assembly by the Governor, and annually thereafter. Provides that the State risk assessment shall include all substantial risks to State or national security, State or national economic security, State or national public health, or any combination of those matters, occurring within and threatening the State. Provides that the Auditor General shall conduct an audit of all critical procurements purchased or supplied through a State supply chain or State vendor supply chain, and produce and publish a report, which shall be submitted to the General Assembly and the Governor and made easily accessible to the public, within 180 days after the effective date of the Act. Creates the Select Committee on Pacific Conflict. Provides for the Committees membership and duties. Provides that the Governor, in consultation with the Select Committee on Pacific Conflict, shall appoint a Director, who shall lead the study on adversarial threats to State assets and critical infrastructure and coordinate the research and development of the report, commencing within 30 days of the effective date of the Act. Contains a severability provision. Defines terms.

LRB103 39066 MXP 69203 b

1 AN ACT concerning safety.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Pacific Conflict Stress Test Act.

6 Section 5. Purpose. The purpose of this Act is to prepare
7 and secure the State in order to minimize the disruptive
8 impact of a potential conflict precipitated by foreign
9 adversaries against allies, democratic countries, and the
10 United States Armed Forces in the Pacific theater.

11 Section 10. Definitions. In this Act:

12 "Critical infrastructure" means systems and assets,
13 whether physical or virtual, so vital to the State or the
14 United States of America that the incapacity or destruction of
15 such systems and assets would have a debilitating impact on
16 State or national security, State or national economic
17 security, State or national public health, or any combination
18 of those matters. A critical infrastructure may be publicly or
19 privately owned, and includes, but is not limited to:

20 (1) gas and oil production, storage, or delivery systems;

21 (2) water supply, refinement, storage, or delivery
22 systems;

- 1 (3) telecommunications networks;
- 2 (4) electrical power delivery systems;
- 3 (5) emergency services;
- 4 (6) transportation systems and services; or
- 5 (7) personal data or otherwise classified information
- 6 storage systems, including cybersecurity.

7 "Critical procurements" means those acquisitions made by
8 the State, any agency, political subdivision, or private
9 nongovernmental organization critical to the proper
10 functioning of critical infrastructure or to the health,
11 safety, or security of the State or the United States.

12 "Divestment" means the sale, forfeit, or otherwise
13 contractual end of any current or planned ownership or control
14 of assets.

15 "Investment" means any transfer of funds into any active
16 or passive, direct or indirect structure that seeks to
17 generate revenue or accomplish any other gain, including
18 non-monetary gains.

19 "Pacific conflict" means a declared war or armed conflict
20 between the United States or any of her allies and another
21 nation that occurs in the land, sea, or air area of the Pacific
22 Ocean and threatens or could reasonably escalate to threaten
23 the supply chains, critical infrastructure, safety, or
24 security of the State or the United States.

25 "Pacific conflict" includes a serious deterioration of
26 diplomatic ties or economic engagement between the United

1 States or its allies and another nation that threatens the
2 status quo of Pacific trade, travel, and military operations
3 or exercises.

4 "State-managed fund" means any short-term or long-term
5 investment structure that is State-managed, State-run,
6 State-controlled, or otherwise overseen by the State, a State
7 agency, or any political subdivision within the State or
8 agency controlled by the same, in which the State or
9 subdivision has primary discretion over or vested interest in.
10 Nothing in this definition shall be construed so as to not
11 apply to any fund that is subject to the purview or direction
12 of the State or applicable subdivision, and populated, wholly
13 or in part, with State funds, but managed by a third-party
14 entity, such as a fiduciary. This shall include, but is not
15 limited to:

16 (1) public pension funds, public retirement funds, or
17 other State-sponsored funds, that is sponsored,
18 maintained, or contributed to or required to be
19 contributed to by the State or any locality within the
20 State, or any subsidiaries of such;

21 (2) municipal, county, or other local or municipal
22 entity investment funds, "rainy day funds," or other
23 political subdivision-controlled investment structures;
24 and

25 (3) university or college endowments, trusts, or other
26 structure that constitutes, wholly or in part, a public

1 institution of higher education's investable assets.

2 "State-owned enterprise" means any company owned or
3 controlled, in whole or in part, by a government or by
4 individuals acting in official government capacities in any
5 form.

6 "State risk assessment" means a study conducted under the
7 Governor in consultation with the General Assembly that
8 leverages the expertise of executive agencies and that
9 minimally includes: an identification of threats and hazards
10 that could negatively impact citizens and assets of the State;
11 a preparation of risk scenarios, describing cause and
12 consequence of threats and hazards that might actualize to
13 impact citizens and assets of the State; and an analysis of the
14 probability and severity of the consequences associated with
15 each risk scenario.

16 "State supply chain" means the end-to-end process for
17 shipping goods, purchased by the State, for the State,
18 beginning at the point of origin through a point or points of
19 distribution to the destination.

20 "State vendor supply chain" means the end-to-end process
21 for shipping goods, purchased by the State from State vendors,
22 to the vendors, beginning at the point of origin through a
23 point or points of distribution to the destination.

24 Section 15. Statement of policy.

25 (a) It is the policy of the State to support the civilian

1 and military command of the United States of America and its
2 efforts to promote and maintain prosperity, peace and security
3 for the United States and its allies. It is the policy of the
4 State to enhance the defensive posture of the State to protect
5 the State citizens and assets and to contribute to the broader
6 defensive posture of the United States of America by reducing
7 security vulnerabilities within the State.

8 (b) It is the policy of the State to exercise foresight and
9 make reasonable preparations for a potential regional or
10 global conflict centered on the Pacific theater that could
11 involve attacks upon the United States and her allies in the
12 Pacific theater, that could involve asymmetrical attacks on
13 the United States homeland, and that could cause the
14 disruption or complete severing of supply chains between the
15 State and its vendors and the People's Republic of China, the
16 Republic of China, or other countries in the Pacific theater.

17 Section 20. State risk assessment.

18 (a) The Governor shall produce and publish a State risk
19 assessment no later than the day before the annual address
20 made to the General Assembly by the Governor, and annually
21 thereafter.

22 (b) The State risk assessment shall include all
23 substantial risks to State or national security, State or
24 national economic security, State or national public health,
25 or any combination of those matters, occurring within and

1 threatening the State.

2 Section 25. Audit of State supply chains, State vendor
3 supply chains, and State investment holdings.

4 (a) The Auditor General shall conduct an audit of all
5 critical procurements purchased or supplied through a State
6 supply chain or State vendor supply chain, and produce and
7 publish a report, which shall be submitted to the General
8 Assembly and the Governor and made easily accessible to the
9 public, within 180 days after the effective date of this Act.

10 (b) This report shall identify:

11 (1) all critical procurements produced in or by a
12 foreign adversary, a State-owned enterprise of a foreign
13 adversary, a company domiciled within a foreign adversary,
14 or a company owned by a company domiciled within a foreign
15 adversary;

16 (2) all critical procurements manufactured in
17 countries or by companies at risk of disruption in the
18 event of a Pacific conflict; and

19 (3) all critical procurements sourced from any country
20 or company that uses Pacific supply chain processes at
21 risk of disruption in the event of a Pacific conflict.

22 (c) This report shall recommend alternative sourcing, if
23 available; highlight the difficulty in identifying potential
24 alternative sourcing, if relevant; and specify the level of
25 risk to the State associated with such a disruption in

1 sourcing for each procurement that is threatened in the event
2 of a Pacific conflict.

3 The Auditor General shall conduct an audit of all funds
4 managed by the State government and any political subdivision
5 of the State and produce and publish a report, which shall be
6 submitted to General Assembly and the Governor and made easily
7 accessible to the public, within 180 days after the effective
8 date of this Act.

9 (d) This audit report shall identify all investments:

10 (1) at risk of substantially losing value or being
11 frozen, seized, or appropriated by foreign adversaries in
12 the event of a Pacific conflict;

13 (2) all investments in any arms industry of a foreign
14 adversary;

15 (3) all investments in State-owned enterprises of a
16 foreign adversary;

17 (4) all investments in companies domiciled within a
18 foreign adversary or owned by a company domiciled within a
19 foreign adversary.

20 The audit report shall recommend strategies for the
21 immediate and complete divestment of these assets identified
22 in subsection (b).

23 Section 30. Creation of the Select Committee on Pacific
24 Conflict.

25 (a) The Select Committee on Pacific Conflict is created.

1 (b) Appointments to the Select Committee shall be
2 finalized within 60 days after the effective date of this Act.

3 (c) The first meeting of the Select Committee shall be
4 within 90 days after the effective date of this Act.

5 (c) The Select Committee shall meet no less than once
6 every 3 months, with additional regular meetings at the call
7 of the majority of the Select Committee and emergency meetings
8 at the call of the Chair of the Select Committee or the
9 Governor.

10 (d) A report on the impact of a Pacific conflict on the
11 State, insofar as it has been completed, shall be submitted to
12 the General Assembly, the Governor, and be made easily
13 accessible to the public no later than 30 days before the
14 annual address made to the General Assembly by the Governor,
15 and an updated report made available pursuant to the same on an
16 annual basis.

17 The first report shall incorporate the findings of the
18 audit of State supply chains, State vendor supply chains, and
19 State investment holdings established in Section 25, along
20 with the report on adversarial threats to state assets and
21 critical infrastructure established in Section 35 and due no
22 later than 30 days before the first annual address made to the
23 General Assembly by the Governor after the conclusion of the
24 Commission on Adversarial Threats to State Assets and Critical
25 Infrastructure.

26 (e) The Select Committee shall be authorized for an

1 initial period of 3 years.

2 (f)(1) The Select Committee shall consist of 9 members,
3 one of whom shall act as the Chair of the Select Committee and
4 one of whom shall act as the Vice Chair of the Select
5 Committee.

6 (2) The Governor shall appoint the following members to
7 the Select Committee:

8 (A) The Chair of the Select Committee. The Chair of
9 the Select Committee shall have applicable knowledge of
10 the threats posed to the State in the event of a Pacific
11 conflict and the research and leadership experience to
12 competently and comprehensively produce the report
13 required by this Act. The Chair of the Select Committee
14 shall have applicable knowledge of the threats posed to
15 the State in the event of a Pacific conflict and the
16 research and leadership experience to competently and
17 comprehensively produce the report required by this Act.

18 (B) The Director of Commerce and Economic Opportunity
19 or the Director's designee.

20 (C) The Adjutant General or his or her or designee.

21 (D) The Director of the Illinois State Police or the
22 Director's designee.

23 (E) The Director of the Illinois Emergency Management
24 Agency and Office of Homeland Security or the Director's
25 designee.

26 (3) The Senate President, Senate Minority Leader, Speaker

1 of the House, and House Minority Leader shall each appoint a
2 member to the Select Committee. The Senate President's
3 appointee shall serve as the Vice Chair of the Select
4 Committee. These members shall have applicable knowledge of
5 the threats posed to the State in the event of a Pacific
6 conflict.

7 (g) At the discretion of the Select Committee on Pacific
8 Conflict, an advisory board may be retained to provide
9 expertise and collaborative research support.

10 (h) Members shall not be entitled to compensation but may
11 be reimbursed for travel and other expenses incurred in the
12 performance of official duties of the Select Committee.

13 (i) Advisory board members, if any, shall not be entitled
14 to compensation but may be reimbursed for travel and other
15 expenses incurred in the performance of duties to the Select
16 Committee.

17 (i)(1) As specified under subsection (d), the Select
18 Committee on Pacific Conflict shall annually produce a report
19 concerning the threats posed to the State in the event of a
20 Pacific conflict.

21 (2) This report shall provide a comprehensive risk
22 assessment, including all identified vulnerabilities and
23 recommended mitigation and emergency response strategies, as
24 each pertains to a Pacific conflict, to each the following
25 identified areas and any other areas deemed appropriate or
26 applicable by the Select Committee:

- 1 (A) critical infrastructure;
- 2 (B) telecommunications infrastructure;
- 3 (C) military installations located within the State;
- 4 (D) State supply chain for critical procurements;
- 5 (E) State vendor supply chain for critical
- 6 procurements;
- 7 (F) State cybersecurity;
- 8 (G) public safety and security; and
- 9 (H) public health.

10 (j) The Select Committee may subpoena and consult experts,
11 conduct field investigations, hold hearings, receive testimony
12 in any form or format, work with federal officials, request or
13 require the production of documents and other evidence, and
14 otherwise take any lawful action to carry out the purposes set
15 forth in this Act.

16 (k) Closed hearings of the Select Committee may be
17 conducted, but only to the extent necessary, notwithstanding
18 the requirement that the Select Committee make every effort to
19 provide the most information and transparency possible in the
20 publicly published report.

21 (l) The Select Committee may compel the cooperation and
22 compliance of State agencies and nongovernmental organizations
23 critical to the safety and security of the State to carry out
24 the purposes set forth.

25 (m) The Select Committee shall be provided sufficient
26 legislative research and funding support to carry out this Act

1 and all requirements therein.

2 Section 35. Report on adversarial threats to State assets
3 and critical infrastructure.

4 (a) The Governor, in consultation with the Select
5 Committee on Pacific Conflict, shall appoint a Director, who
6 shall lead the study on adversarial threats to State assets
7 and critical infrastructure and coordinate the research and
8 development of the report, commencing within 30 days of the
9 effective date of this Act.

10 (b) Within 180 days of the effective date of this Act, the
11 Director shall identify all critical infrastructure and other
12 assets within the State that could reasonably be targeted in
13 malicious actions by adversarial nations in the event of a
14 Pacific conflict, and that, as a result of this malicious
15 action, would result in a significant negative impact on the
16 public health, safety, economic security, or physical security
17 of the State and nation. In identifying critical
18 infrastructure and other assets within the State for this
19 purpose, the Director shall apply consistent, objective
20 criteria.

21 (c) Within 365 days after the effective date of this Act,
22 the Director shall produce a report that shall include:

23 (1) identified critical infrastructure and other
24 assets under subsection (b), including the specific risks
25 posed to each infrastructure system or asset in the event

1 of a Pacific conflict;

2 (2) mitigation strategies and suggestions to limit or
3 eliminate the risk posed to the critical infrastructure or
4 other assets in the event of a Pacific conflict; and
5 mitigation strategies and suggestions that limit or
6 eliminate the risk posed to the safety and security of the
7 State or nation in the event of a Pacific conflict.

8 (3) identified critical procurements in the audit
9 conducted consequent to Section 25 of this Act, including
10 the specific risks posed to each critical procurement in
11 the event of a Pacific conflict; and

12 (4) mitigation strategies and suggestions, including
13 alternative sourcing, that limit or eliminate the risk
14 posed to the safety and security of the State or nation in
15 the event of a Pacific conflict.

16 (d) The report described in subsection (c) shall include a
17 risk-based list of critical infrastructure and other assets
18 identified under subsection (b), the order of which shall be
19 determined by:

20 (1) the degree to which each critical infrastructure
21 system is in need of protective action; and

22 (2) the degree to which the debilitation of each
23 critical infrastructure system would have on the safety
24 and security of the State and the nation.

25 (e) The report shall include a risk-based list of
26 components identified under subsection (c), but only for the

1 most at-risk components, that shall be determined by:

2 (1) the degree to which the sourcing of each component
3 is at risk of disruption or restriction;

4 (2) the degree to which the disruption or restriction
5 of sourcing would cause a debilitating effect on the
6 safety and security of the State and the nation; and

7 (3) the difficulty in identifying alternative
8 manufacturers for sourcing or supply chain delivery for
9 the component.

10 (f) The Director shall coordinate with the Select
11 Committee on Pacific Conflict and other appropriate State
12 agencies, and shall be provided with the resources necessary
13 to produce the report. State agencies shall provide the
14 Director with information necessary to carry out the
15 responsibilities under this section. The Director shall
16 develop a process for relevant stakeholders to submit
17 information to assist in identifying critical infrastructure
18 and other assets described under subsection (b).

19 (g) The Director may also, at his or her discretion,
20 coordinate with State universities of higher education,
21 private firms specializing in infrastructure risk management,
22 and federal agencies including, but not limited to, the
23 Department of Defense, the Cybersecurity and Infrastructure
24 Security Agency, the Director of National Intelligence, the
25 National Security Agency, the Department of Homeland Security,
26 and any other agency deemed appropriate by the Director.

1 (h) The Director, in coordination with appropriate State
2 agencies, shall confidentially notify owners and operators of
3 critical infrastructure identified under subsection B of this
4 Section that they have been so identified, and ensure owners
5 and operators are provided the basis for the determination.
6 The Director shall also establish a process through which
7 owners and operators of critical infrastructure may submit
8 relevant information and request reconsideration of
9 assessments made under subsection (b).

10 Section 97. Severability. The provisions of this Act are
11 severable under Section 1.31 of the Statute on Statutes.