



Forum for American Leadership

China's Surveillance Balloon is Just One Tool in China's Espionage Toolkit—How U.S. Leaders Should Respond

March 1, 2022

In early February, the U.S. military shot down four flying objects in North America. While we do not know where the three “unidentified aerial phenomena” came from, we know with certainty the balloon that transited across the United States and was eventually shot down off the Atlantic coast was a Chinese surveillance operation. The Chinese [spy balloon](#) should be viewed as a tangible example of China's aggressive intelligence gathering strategy, particularly on how China seeks to collect information on the U.S. military and critical infrastructure. It should also sound the alarm on how America protects the homeland.

The Biden Administration's decision to let the balloon transit across the entire continental United States before shooting it down justifiably raised questions from the public, the media, and Congress about China's ability to collect intelligence and our ability to detect and counter them. Additionally, the Administration's statement that these surveillance balloons “[have transited the continental United States briefly at least three times in recent years](#)” created confusion about what U.S. officials in the Trump and Biden Administrations knew or did not know about these previous balloons, particularly as Trump officials had not previously been briefed on these balloons.

In this brief, the Forum for American Leadership's Intelligence Working Group makes several policy recommendations for U.S. leaders and outlines how China's spy balloon:

- is just one facet of Chinese spying activities against the United States;
- complements other surveillance efforts;
- is part of a global campaign; and
- puts Beijing on defense and further reveals what's at stake in the geopolitical competition.

I. China's spy balloon complements other surveillance technology in orbit.

- Why would China bother with a balloon that can be spotted from the ground and is vulnerable to attack? China's spy balloons—[equipped with](#) cameras and antennas capable of collecting electronic communications—can be a useful [complement](#) to China's surveillance satellites as they potentially give persistence and more detailed resolution. Their slow transit and ability to collect signals allow China to absorb information about military exercises, equipment functionality, and communications of those on the ground. Because these balloons are built and deployed at a [fraction of the cost of satellites](#), utilizing a greater number of balloons expands Chinese collection capabilities against the United States.

- Additionally, these surveillance balloons can potentially be [backups for Chinese satellites](#) in the event of war. These balloons aren't always detected under certain radar settings maximized for much faster objects and can augment the over [260 intelligence satellites](#) China currently has in orbit.
- In the early days of tracking the balloon, U.S. military officials stated that the surveillance balloon had purposely traversed the United States and Canada to monitor sensitive military sites. [Press reporting](#) several days later suggests that the Chinese balloon may have originally had a trajectory that would have taken it over Guam and Hawaii but was blown off course by prevailing winds. In either scenario, the sites the balloon overflew in the continental U.S., or the intended Guam and Hawaii, are host to significant U.S. military command posts that would be front and center in the response to any conflict with China.

II. China's spy balloon is part of a global campaign.

- The Chinese spy balloon that traversed the United States raised awareness of similar sightings of objects from across the world that have [violated the sovereignty](#) of other countries. These sightings included [another surveillance balloon](#) that was transiting Central and South America at the same time, according to the Department of Defense.
- The Biden administration has called this fleet of balloons a sophisticated effort to surveil "more than 40 countries across five continents," including in East Asia, South Asia, and Europe, revealing a much more expansive capability for potentially spying on other countries' homeland protection systems and critical infrastructure nodes.
- [NATO Secretary General](#) Jens Stoltenberg said that these incidents are "part of a pattern where China and also Russia are increasing surveillance activities on NATO allies" and that Chinese intelligence operations have increased in Europe. British Prime Minister Rishi Sunak stated that [Britain will review](#) what these airspace incursions mean for its security and how the global threat picture is changing for the worse.
- This incident has rallied allies around the U.S. reaction to the incident, with the governments of [Japan and South Korea](#) publicly supporting the U.S. response to shoot down the Chinese spy balloon, stating that it was an infringement of another's territorial sovereignty. Additionally, as a result of increased monitoring of objects in the sky, in just over three days, the [U.S. and Canadian aircraft](#) also worked together to shoot down three separate unidentified objects flying over North America.

III. China's spy balloon is just one facet of Chinese spying activities against the United States.

- These balloons complement other activities that are underway in the United States. In 2022, FBI Director Christopher Wray publicly [stated](#) that the FBI opens a new China-related counterintelligence case about every 12 hours. In January 2023, a Chinese national who came to the United States to study electrical engineering and later enlisted

in the U.S. Army Reserve was convicted by the [Department of Justice](#) of acting as an agent of China's Ministry of State Security. He was tasked with providing a MSS intelligence officer with biographical information on individuals for potential recruitment as Chinese spies.

- Since at least 2017, federal officials have investigated Chinese land purchases near critical infrastructure and have uncovered [Chinese-made Huawei equipment on top of cell towers](#) near sensitive U.S. military bases, equipment allegedly capable of capturing and disrupting highly restricted Department of Defense communications.
- China has become increasingly aggressive in the cyber domain as well, with an estimated [40 percent of Chinese espionage cases](#) in the U.S. involving some form of cyber espionage. Further, Beijing has no compunction about using ostensibly private citizens to collect intelligence, as has been seen with extensive intellectual property and research theft. This also feeds into the growing concern that as China gathers more data, either [stolen](#) or acquired through permissive social media apps, China could control vast amounts of data and, correspondingly, any algorithms for influence operations.
- The risk to academia is also very real. China uses some Chinese students and professors to operate as non-traditional collectors of intellectual property. According to the [FBI](#), these Chinese scholars may serve as collectors—wittingly or unwittingly—of economic, scientific, and technological intelligence from U.S. institutions to benefit Chinese academic institutions, businesses, and ultimately the CCP.

IV. China's spy balloon puts Beijing on defense and further reveals what's at stake in the geopolitical competition.

China's response to the balloon's uncovering has been to deny its military use, deflect criticism by asserting it was a civilian airship used for research purposes that had been blown off-course, and to accuse the U.S. of illegally flying balloons across its airspace. Additionally, China has refused to pick up the [military hotline](#) intended to allow for dialogue during times of crises and conflict, and China's top diplomat [Wang Yi](#) called America's response "absurd and hysterical," a violation of an international convention governing airspace, and an effort "to divert attention from its domestic problems" during the Munich Security Conference.

While Chinese leaders would like the world to see these balloons as civilian in nature and move on, these balloons should be viewed as part of the multiple platforms that the Chinese are using for surveillance against the United States. These include telecommunications systems, such as those built by Huawei, surveillance technology through Chinese state-owned drone companies like DJI, and apps like Tik Tok to which millions of Americans surrender their personal data. There are no limits under the Chinese Communist Party's surveillance watch.

This makes it even more important for the United States and its allies and partners to work together to protect their technology and territorial sovereignty. This should serve as a wake-up call in getting ourselves prepared for global, whole-of-society competition against a geopolitical rival.

Five recommendations for U.S. leaders

- 1. Further utilize strategic declassification of information and intelligence sharing.** The Biden Administration should continue to release as much information to the American public and to allies and partners as possible on what we know of these fleets of Chinese surveillance balloons, particularly after the investigation of the balloon's remnants, and what we have learned. This should include, to the extent possible, information on the balloon that simultaneously transited Latin America and previously in other regions of the world. Full transparency is important to the American public and to allies and partners to fully understand China's intentions and capabilities, uncover China's global intentions, and refute China's bogus claims.
- 2. Boost foreign and domestic efforts on China.** China's spy balloon is a prime example of an activity that originated in China and progressed to U.S. territory, requiring a comprehensive interagency intelligence, military, and policy response. The Administration and Congress should look at the alignment of intelligence resources across the interagency and expand resources across the board on China.
- 3. Hold China accountable for violating U.S. sovereignty.** Initial [sanctions](#) on companies involved in the balloon program are a first step, but the Biden Administration should take additional steps to hold China accountable for its surveillance balloon campaign in U.S. airspace. This includes further sanctions and export controls in coordination with allies after completing the investigation of the balloon's remnants. The Administration should also refrain from sending any high-level delegations to China until Beijing comes to the table in a serious way to address issues in the bilateral relationship.
- 4. Evaluate funding levels for intelligence collection for airspace defense at home.** Respective intelligence and defense oversight committees should evaluate current resources, capabilities, and funding levels for intelligence collection on aerial objects and homeland defense. This extends both to the key intelligence agencies and military components, including NORAD. If these surveillance balloons have exposed any intelligence or [domain awareness gaps](#) over the homeland, they should be addressed immediately.
- 5. Require an intelligence assessment on the balloons.** Congress should call on the administration to produce an intelligence assessment on China's surveillance balloons, including past flights, capabilities, and any gaps in collection. In its oversight role, Congress should be notified if any Chinese surveillance balloons are detected and continue to receive briefings on any new developments.

This paper is a product of the Forum for American Leadership's Intelligence Working Group.

The Forum for American Leadership (FAL) is a non-profit organization that presents expert analysis and national security recommendations to policymakers in Congress and the Executive Branch.

