

Statement of Chairman Sherrod Brown
“National Security Challenges: Outpacing China in Emerging Technology”
January 18, 2024

I call this hearing to order.

Last week, this Committee heard about the human toll that illicit fentanyl takes on our families, our friends, our neighbors.

The witnesses stressed the need to come together and taking action to stop the flow of illicit fentanyl from China and Mexico.

This Committee and the entire Senate did just that last year when we included the FEND Off Fentanyl Act in the annual defense authorization bill. But this hasn't become law yet, because of politicians in the House playing politics.

The FEND Off Fentanyl Act was not the only Committee priority that the House blocked last year.

They also blocked two other important national security amendments in the Senate NDAA – both of which received 91 votes in the Senate.

91 senators voted in favor of an amendment offered by our colleagues Senators Tester and Rounds to prevent big investors in China from buying up American farmland and food businesses. We can't allow foreign adversaries to buy up farmland in Ohio and around the country. It's a threat to our national security, and it's a threat to rural economies and our way of life.

91 senators also voted in favor of an amendment offered by Senators Casey and Cornyn to allow us to better monitor U.S. companies' investments that fund Chinese development of critical technology, including military technology.

All three of these provisions have broad support – from Heritage Action to the Coalition for a Prosperous America.

And more importantly, they have the support of the public. For far too long, our policy around China catered to multinational corporations, and failed states like Ohio. On this committee we are working to change that, and we have found common ground. It's why all three of these bills remain top priorities of this Committee.

I am committed to working with my colleagues to find a path forward so that each of these provisions becomes law this year.

Of course the threats posed by China are many, and varied, and growing. Our work to address national security risks posed by the Chinese government cannot and will not end with those three provisions.

We all agree that China poses a real and growing threat to our national security.

Perhaps nowhere is that risk more acute than with the development of advanced technology.

China has used advanced technology – much of it stolen from the U.S., some of it sent there through corporate outsourcing – to ramp up its military modernization and build a mass surveillance state that commits deplorable human rights violations, including the detention of millions of Uighurs in Xinjiang.

Addressing these threats from the Chinese government, and improving our domestic capability to compete with China, have been a top priority of this committee.

Five years ago, we updated the laws that govern our export control and inbound investment screening programs.

Now we must assess whether our current authorities – and the resources we commit to them – match the threat we face.

Export controls can be used to deny China and others access to U.S. technology that they could use against our national security and foreign policy interests.

This Administration has made export controls a central feature of our national security policy.

In addition to assembling a global export control coalition in response to Russia's war against Ukraine, this Administration has added hundreds of China-based entities to restricted trade lists. It imposed country-wide controls that restrict China's access to advanced semiconductors and tools and equipment needed to produce them. And it ramped up enforcement efforts to safeguard our most sensitive technologies.

But, as Commerce Secretary Gina Raimondo noted in December, the export control budget of the Bureau of Industry and Security is roughly the same as it was a decade ago, despite its increasing workload.

If we agree that export controls are critical to our national security, and I think we do, then that isn't good enough.

We need a China policy for the world we live in today, and we must prepare for what could come tomorrow.

That means we must upgrade our economic security authorities and resources, accelerate efforts to persuade other countries to join us, and enhance our analytical capabilities, so that we can better understand the effects that our economic security tools have on China, on U.S. companies, and on companies in partner countries.

Today we will discuss how we should rethink and reorient how economic security programs are implemented to address the full range of risks posed by China.

And we will examine how we can strengthen these authorities and resources to build a stronger, more responsive economic security policy.

Our country's policies regarding China have failed for too long. They've been written to increase the profits of multinational corporations looking for cheap labor – not to benefit our national security, and not to benefit American workers.

And we know that when companies outsource jobs, they outsource innovation and technological capabilities along with them. We cannot allow China to continue to use that

technology – in many cases, steal it – to enhance its military capabilities.

We all agree that China is a real, growing threat. Countering that threat, and updating the failed policies of the past, will continue to be a bipartisan focus of this committee.