

I call this hearing to order.

Today we welcome our witness, Alan Estevez, who serves as Under Secretary for Industry and Security at the Department of Commerce.

I thank Ranking Member Toomey and his staff for their help in confirming Under Secretary Estevez and the two Assistant Secretaries at the Bureau of Industry and Security – Thea Kendler for Export Administration and Matt Axelrod for Export Enforcement.

This is the first time since we passed the Export Control Reform Act in 2018 that Congress has fully confirmed BIS leadership.

Because of this committee’s work, for the first time since 2013 we have a full, confirmed Federal Reserve Board.

Yesterday we confirmed a fourth member of the EXIM board. We finally have a fully functioning Export-Import bank.

And for the first time in our history, these nominees are beginning to look more like America. The world changed this year on February 24, when Russia invaded Ukraine, continuing its barbaric war on the Ukrainian people and their sovereignty.

Putin has been shocked by two things:

The strength of the Ukrainian resistance.

And the skill of this president in assembling and uniting a broad coalition, the likes of which we haven’t seen in decades– Germany, Finland, Switzerland.

We’ve isolated Russia and limited its ability to access the tools and technologies it needs to continue its grotesque war against Ukraine.

And BIS has been integral in our international response to siphon off Russia’s access to military material. It quickly rolled out a sweeping series of rules designed to stall and degrade Russia’s military and technological capabilities.

BIS targeted Russia’s defense, aerospace, and maritime sectors, and it applied controls to U.S. exports and to items produced abroad that use U.S. software, technology, or equipment.

Since February 24, BIS issued 12 new rules, ramped up enforcement activity, and continued to build what Assistant Secretary Axelrod called “the broadest expansion of multilateral export controls among like-minded partners since the creation of CoCom back in 1949.

The results have been impressive.

Exports to Russia by countries who have imposed sanctions have fallen by 60 percent.

At the same time BIS weakened Russia's military, it committed to ensuring that those items that benefit the Russian people, like medical supplies, are still available.

This ability to distinguish bad actors – whether they're state or non-state actors – while still allowing innocent civilians to benefit from U.S. exports is crucial, as the agency builds on this new international coalition to address other national security and foreign policy challenges.

To that end, Under Secretary Estevez, I am encouraged by your statements calling for strengthening or supplementing our existing multilateral regimes.

Enhancing our multilateral regimes requires patience – by BIS and Congress. And we must work with allies to identify the items and technologies that present a risk to our collective national security.

This is important work, and I am pleased to hear that it is one of Under Secretary Estevez's top priorities.

Back in 2018, when this Committee worked to enact the Export Control Reform Act, we included policy statements, guiding BIS in developing export control policy.

One of those guiding principles is that our national security requires that the United States maintain our leadership in science, technology, engineering, and manufacturing.

That value should guide our export control policy. And it should also guide our work in Congress.

We do not want to be at the mercy of our competitors – or our adversaries – for technology and other inputs vital to a 21st century economy. Dependency on countries like China poses a huge economic risk and an unacceptable national security risk.

It's why we need investments in research and development, and in our fellow citizens.

We have an innovation and competition bill in conference that would do just that.

Ranking Member Toomey and his staff have worked in good faith with me and my staff to negotiate this Committee's conference provisions. I thank them for that important work.

We have reached bipartisan agreements on provisions with the House Foreign Affairs Committee and the House Financial Services Committee.

It is time for us to vote on and pass a final bill that promotes U.S. science, technology, and manufacturing, so that we can maintain U.S. economic leadership.

This bill will create thousands of good-paying jobs in Ohio and around the country – jobs in growing industries, jobs where you can build careers. In my state, more than 10,000 jobs are at stake. Business leaders and labor leaders are both desperate for this investment.

The head of the Ohio Chamber of Commerce – former Republican Congressman Steve Stivers – and the head of the Ohio Business Roundtable – former Republican Congressman Pat Tiberi – have been particularly vocal about this support.

We must act now.

For decades, at the behest of corporate America, policymakers of both parties have passed bad tax policy and bad trade policy that allowed these companies to move American jobs and supply chains and technology abroad – always in search of lower and lower wages.

And when the production moves abroad, the innovation moves with it.

We invented semiconductor chips. Now 90 percent of chips are made overseas.

We have to fix that. Now.

Americans have waited long enough. We should pass this bill this month.

If Congress is serious about the threats that face us, it must be similarly serious about supporting American innovation.

Ranking Member Toomey.