

Earlier this year Secretary of State Antony Blinken said that, “Beijing wants to put itself at the center of global innovation and manufacturing, increase other countries’ technological dependence, and then use that dependence to impose its foreign policy preference.

“And Beijing is going to great lengths to win this contest.”

It is critical that the Administration has the tools it needs to protect our national security.

And this Committee has played a key role. We’ve done that through export controls that restrict the flow of sensitive technology.

And we’ve done that through the screening of foreign direct investment into the U.S., to guard against adversaries accessing our technology or critical infrastructure capabilities.

Four years ago, we enacted the Export Control Reform Act, known as ECRA, which provided permanent statutory authority for the U.S. government to regulate U.S. exports that have commercial and defense applications.

Those controls can apply to important technology, like semiconductors. They can apply to the way a technology is used, like military intelligence. And they can apply to who uses it, like a Chinese quantum computing company.

Along with ECRA, we also passed the Foreign Investment Risk Review Modernization Act, known as FIRRMA.

That law strengthened and expanded the jurisdiction of the Committee on Foreign Investment in the United States, known as CFIUS, that reviews foreign investments, like mergers or acquisitions, of U.S. businesses.

We passed these bipartisan laws, because we all recognize the importance of maintaining U.S. technological leadership, and the need to protect that leadership.

We know that threats to our national security are evolving. We also know that our adversaries will use any means they can to close the gaps between our technological capabilities and theirs – without much care to how legal their tactics are.

What we don’t know is to what degree U.S. investments are helping them close those gaps.

U.S. investments – whether from a venture capitalist or pension fund – could wittingly or unwittingly support foreign technological investments that, in the words of our Secretary of State, could “increase other countries’ technological dependence, and then use that dependence to impose its foreign policy preference.’

We cannot let that happen.

It's why policymakers have been examining the role that U.S. investments abroad are playing to enable foreign adversaries, as they develop technologies that could take away our technological edge and damage our national security.

Senators Casey and Cornyn introduced a bill designed to address these concerns by requiring notifications of certain investments, and enabling the President to prohibit others.

Without objection, I'd like to enter into the record letters of support for that bill – the first from Representatives Rosa DeLauro and Bill Pascrell, who introduced companion legislation in the House, and the second from the AFL-CIO, which supports that legislation.

We need to better understand whether U.S. investments abroad pose national security risks to the United States. In a global economy where capital flows freely, we need to ensure that we are not investing in technologies that harm our national security.

Prior to creating CFIUS, we had not systematically tracked foreign investments into the United States.

Times change, and so do the threats we face.

We must understand the scope of outbound investment and address the impact it plays in supporting efforts by our adversaries to achieve their “foreign policy preferences.”

Protecting U.S. technological leadership is an important part of this conversation, and it's why we're here today.

It's also not the whole story.

Part of this story is an issue that Ohioans know all too well.

Over the last 30, 40 years, corporations searched the globe for cheap labor. First, they went to anti-union states in the South.

Then, corporations lobbied for tax breaks and bad trade deals to help move jobs overseas – always in search of lower wages.

They started with manufacturing jobs, but they didn't stop there — corporations moved R&D jobs abroad too.

And Wall Street rewarded them for it, over and over and over.

In some cases, investments abroad outpaced investments in American workers. It undermined our national security and hollowed out our middle class.

Protecting technological leadership and protecting jobs are connected. Ohioans know how much innovation happens on the shop floor.

Investing in our workers, our infrastructure, our educational system, and our research, development, and manufacturing ecosystem will help shore up supply chains.

From the Infrastructure bill to the CHIPS and Science Act to the Inflation Reduction Act, this Congress is laying down a new marker: the technology of the future – from semiconductors to batteries to electric vehicles – will be developed in America and made in America, by American workers.

It hasn't been easy, and our work is far from finished, but I'm optimistic.

I look forward to working with the Administration and my colleagues on this important issue.