

## **Crapo Statement at Markup of the “Foreign Investment Risk Review Act of 2017.” May 22, 2018**

WASHINGTON – U.S. Senator Mike Crapo (R-Idaho), Chairman of the U.S. Senate Committee on Banking, Housing and Urban Affairs, delivered the following remarks at an executive session to mark up the Foreign Investment Risk Review Act of 2017, S. 2098.

The text of Chairman Crapo’s remarks, as prepared, is below.

“Today, we will mark up and vote on S.2098, the ‘Foreign Investment Risk Review Modernization Act of 2017,’ or simply, ‘FIRRMA,’ together with a Crapo-Brown substitute amendment and its amendments.

“Senators Cornyn and Feinstein originally introduced FIRRMA in November 2017 to amend the authorities of the Committee on Foreign Investment, or CFIUS, to require heightened scrutiny and vetting of certain transactions for national security risks, particularly those deals involving China’s acquisition efforts that can infringe national security interests of the United States.

“Thank you to Senators Cornyn and Feinstein for laying the foundation of this effort to tighten the rings of protection around America’s most valuable and sensitive emerging critical and foundational technologies and, very importantly, for supporting this Committee’s work to get us where we are today.

“The Banking Committee, which has jurisdiction over the CFIUS process, held three hearings and met with numerous current and former government officials, and industry stakeholders over the space of nine months.

“This type of interface among stakeholders is invaluable to the reform of any process, but even more so when that reform effort impacts such a delicate equilibrium as that existing between maintaining a welcome environment for foreign direct investment and assuring the national security interests of the United States.

“Thank you, Senator Brown, for your partnership and sustained work on the Crapo-Brown substitute amendment that will ensure that the United States can respond effectively to efforts by foreign nations to acquire advanced technologies key to U.S. national security, either through inward investment, or by outward transactions, including joint ventures.

“The Crapo-Brown amendment leverages the natural jurisdiction and authorities of the CFIUS process with those of the U.S. and multilateral export control regimes to review certain inbound and outbound transactions that may involve acquisitions of emerging critical or foundational technologies to the detriment of the U.S. national security.

“Each process will play to its historic strengths, while benefiting from some important enhancements.

“CFIUS authorities are expanded in significant ways to capture certain investors and buyers and fundamental changes are made to its review process.

“In terms of joint ventures and outbound transactions, more generally, the legislation sets up an interagency process led by the President to identify new, emerging critical technologies and know-how, not yet subject to export control.

“Another interagency process led by the Commerce Department’s Bureau of Industry and Security (BIS) and informed by the intelligence community will classify and determine how, if at all, critical technology or know-how can be transferred by whatever means, including by joint venture or any other transaction.

“Finally, thank you to all of the members of the Committee who participated in our hearings on CFIUS operations and worked together on a bipartisan manager’s amendment that incorporated Senator’s priorities.

“FIRRMA and the Crapo-Brown amendment, and the amendments to it, all represent a very serious, bipartisan effort to address steps by China and other nations to acquire technologies and know-how key to U.S. national security.”

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