

Prepared Statement of Nazak Nikakhtar

Nominee for Under Secretary for Industry and Security U.S. Department of Commerce

Mr. Chairman, Ranking Member Brown, and members of the Committee, thank you for the opportunity to appear before you today. In 2018, I was honored to be confirmed as the Assistant Secretary for Industry & Analysis at the Department of Commerce, and today I am extremely honored to be nominated for the position of Under Secretary for Industry and Security.

With me today are my husband Gene Degnan and my mother Manijeh Nikakhtar. My father Bijan Nikakhtar passed away several months ago, but he would have been beaming with pride if he were here today, as an amateur political historian and one of the greatest American patriots I have ever known. I am proud to say that my parents and my husband have served our Government as federal employees for many years. My husband served for over a decade at the Department of Commerce, and my parents served for over 40 years collectively as physicians at the VA hospital taking care of our nation's veterans. My brother, Nersi Nikakhtar, also a physician at the VA hospital, had work obligations today. I am proud to be part of a family that honors government service.

I immigrated to America with my family 39 years ago. I can remember from a very young age how proud I was to be an American and how I marveled at American innovation and ingenuity. I knew at an early age that I wanted to be part of the narrative of American growth.

This is what prompted me to study law and economics after college. I obtained my Juris Doctor and Master's in Economics from Syracuse University and, in 2002, I

began my career at the Department of Commerce, first at the Bureau of Industry and Security and subsequently at the International Trade Administration. At the Department, I worked with, and learned from, the incredibly smart and talented civil servants. Many of those dedicated professionals are still there today, and they are the pillars that shape our government from Administration to Administration. I have great respect for them and am privileged to work with them again.

I joined the private sector several years later as a trade and export control lawyer, representing industries in the aerospace and steel sectors, in aquaculture, high-tech goods, chemicals, and minerals. In private practice, worked to level the playing field for U.S. industries and, on exports, I conducted internal investigations to enforce compliance agreements that clients with the U.S. Government to address the Government's national security concerns.

My training and experience as both a lawyer and an economist have given me the expertise to determine how to protect U.S. national security and simultaneously advance the economic interests of U.S. industries.

Today, national security no longer begins and ends with military strength. It is a fact in today's world that our national security is dependent on our economic strength and technological leadership.

Yet, advancements in technology and the interconnectedness of our economies make our national security challenges more complex than ever before. Economic integration has emboldened some foreign nations to behave in ways that undermine our national security, expecting that threats of economic retaliation will weaken our resolve to act. They have increased illicit procurement of items to build weapons of mass destruction and transshipped those items to terrorist organizations and regimes. We are witnessing illegal acquisitions of sensitive technologies to weaponize dual-use items and oppress millions of innocent citizens. And we've

seen for years how rampant intellectual property theft displaces U.S. industries, stifles innovation, and enables the advancement of strategic competitors.

The key to our success is maintaining U.S. technological superiority and economic interests through multilateral coordination that is more forward leaning, better use of intelligence data and analytics, robust enforcement of our laws, and a tightly coordinated whole-of government approach, that includes more proactive engagement with Congress.

Time is of the essence, and during my three-and-a-half months at the Bureau of Industry and Security, I have been leading the Department's efforts to update our regulations to incorporate ECRA reforms and address global threats. We are engaging with industry to identify emerging technologies that can undermine our national security. In addition, I have begun an initiative to work with like-minded allies on better export control coordination and wider end-use checks. It is imperative that we better coordinate multilateral policies on sensitive technology so U.S. companies can compete globally while governments prevent those technologies from being misused by adversaries.

At the Bureau, I challenge my colleagues every day to rethink how we can modernize our policies to stay ahead of new threats. And I have made it a priority to seek industry input, as today's complex challenges cannot be solved without close engagement with U.S. businesses; our policies must maintain and advance America's technological and economic leadership.

My parents immigrated to America knowing that this is the greatest country in the world. As an American, it is my responsibility and honor to preserve this nation's security for future generations. I thank you again for the opportunity to be here in front of this Committee. I look forward to your questions.