

**PREPARED REMARKS FOR SECRETARY WILBUR ROSS**  
**BIS 31TH ANNUAL CONFERENCE ON**  
**EXPORT CONTROLS AND POLICY**

- Good afternoon. Thank you Acting Under Secretary Dan Hill, for that kind introduction.
- I am pleased to see that BIS chose “Emerging Technologies and National Security” as the theme for this year’s annual conference.
- It could not be more appropriate.
- BIS plays an important role in defending our country’s most critical industries that are crucial not just to our national security, but to our long-term economic growth and prosperity.
- Two separate investigations, one on steel and the other on aluminum, have been completed by the Department of Commerce under Section 232 of the Trade Expansion Act of 1962.
- A major focus is also our response to the “Made in China 2025” initiative.
- Both the Administration and Congress are working together to close statutory and regulatory loopholes that allow China and others to illicitly acquire technology and intellectual property to gain an unfair advantage as they implement their industrial policies.
- It is important that we fine-tune existing export controls.
- This will make it difficult for China and others to acquire critical U.S. technologies for purposes that do not serve our economic and national security interests.
- The key, of course, is to strike the correct balance so that we do not impede legitimate, healthy, and fair trade, or negatively impact U.S. innovation and competitiveness.
- We support congressional efforts to reform both CFIUS and the Export Administration Act that are being considered on Capitol Hill.
- Earlier this year, House Foreign Affairs Committee Chairman, Ed Royce, and Ranking Member, Eliot Engel, introduced the Export Control Reform Act.
- This bipartisan legislation would update and permanently authorize our export control system.

- We also support the objectives of the Foreign Investment Risk Review Modernization Act sponsored by Senator John Cornyn in the Senate, and Representative Robert Pittenger in the House.
- This legislation modernizes CFIUS, and strengthens the complementary nature of CFIUS and export controls.
- We view strict and consistent enforcement of export control regulations as a key driver of compliance.
- We will not tolerate violations of U.S. export control regulations.
- I commend all the hard work by the staff at BIS in taking the lead role in the Department's investigations of the effect of steel and aluminum imports on U.S. national security.
- The goal is to restrict imports of steel and aluminum, and thus boost domestic output to sustainable levels.
- The President also suspended the tariffs for certain countries before they took effect to determine if we could reach agreement on alternative means to satisfy our national security concerns.
  - As a result, South Korea now has a steel quota, and there are agreements in principle with Argentina, Australia, and Brazil.
  - Meanwhile, discussions continue with Canada, Mexico, and the European Union on behalf of its members. Tariffs were suspended until June 1, 2018
- BIS has also established a process for excluding products from the tariffs that are not produced of sufficient quantity and quality for use by domestic industry.
- Our manufacturers should rest assured that their needs will be met, despite imposition of these tariffs.
- On March 19, BIS published an interim final rule establishing this process, and it is the lead agency in administering it.
- To date, we have received 8,732 applications and processed 7,048.
- Essentially all the applications yet to be processed have been received in the last 10 days.
- I thank the entire staff at BIS for their unprecedented effort in dealing with this deluge of applications.

- One of my major interests is ensuring that the U.S. maintains its leadership in space.
- BIS plays an important role in this area as well.
- BIS regulates the export of the satellites and spacecraft hardware, software, and technologies that are not enumerated in the Department of States' U.S. Munitions List.
- This includes civil and commercial remote-sensing satellites, and civil and commercial space flight-related items.
- These items were transferred from the State Department's U.S. Munitions List in 2014.
- Since then, BIS has authorized \$6 billion in U.S. exports of satellites and related items in an average of 22 days.
- And we didn't stop with the 2014 changes.
- BIS has continued to work with industry and the interagency Space Working Group to identify changes to regulations on spacecraft items.
- Updates to the regulations covering controls on certain remote sensing satellites, integrated propulsion and plasma thrusters became final in January 2017.
- These updates were several years in the making and were a result of a strong partnership between industry and government.
- We thank industry for your support.
- Finally, ZTE has become a hot topic in the news.
- If nothing else, it proves two things. First, that China remains dependent on U.S. technology in a number of areas.
- Second, your diligence in enforcement can have a major international impact. As you remember from my speech when the original case was settled, I am extremely proud of the work BIS does, and I am sure the President is as well.
- Thank you to the fine men and women of the Bureau who support the Department in the key areas so vital to our economy and national security.
- Thank you for attending this important conference and for all the hard work you and your companies do to ensure that our vital technologies do not fall into the wrong hands.