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## A Look at the Bureau of Industry and Security

*Tuesday, the Senate Banking Committee will consider the nomination of Alan Estevez for Under Secretary of the Bureau of Industry and Security (BIS)*

### What is BIS?

The Bureau of Industry and Security (BIS) is a bureau within the Department of Commerce that is responsible for regulating the export of dual-use items – goods or technology that have both commercial and military applications. Some notable examples of dual-use technology are:

- Semiconductors: Semiconductors are the brains behind your car and your cell phone. The more advanced semiconductors are also the brains behind U.S. military jets and advanced weaponry.
- Space Satellites: Space satellites are used to track weather patterns. But they are also used for intelligence gathering and military communications.

If the export of any dual-use good or technology threatens U.S. national security or foreign policy interests, BIS has the authority to stop that sale from happening by refusing to issue a license. These restrictions are generally referred to as “export controls.” Export controls are one of our most effective tools to keep advanced U.S. technology out of surveillance systems that imprison people based on race and religion and out of the missile systems aimed at our allies and homeland.

The most well-known example of an export control is Huawei, a Chinese tech company that has direct ties to the Chinese Communist Party (CCP) military – the People’s Liberation Army (PLA). Huawei is currently sanctioned by the United States government, on the [Commerce Department’s Entity List](#), and on the [Defense Department’s Chinese Military Company List](#).

- Huawei is complicit in the CCP’s genocide of ethnic and religious minorities, including Uyghurs.
- Huawei has stolen U.S. intellectual property that they then use to help the CCP oppress the people of Hong Kong, and to enrich the PLA.
- Huawei has been accused of stealing U.S. technology and exporting it to Iran and North Korea, in violation of U.S. sanctions.

## What's Going Wrong at BIS?

As the CCP continues to ratchet up their military aggression against the U.S. and our allies and partners, access to current and emerging technologies will determine who has the upper hand – meaning BIS has a pivotal national security role.

But, currently, less than 1% of exports to China even need a license, and essentially all licenses for exports are approved. This raises concerns BIS is overly liberal in approving licenses, and may be prioritizing the profits of private corporations over national security. In a recent example as it was publicly reported in August, BIS allowed Huawei to purchase hundreds of millions of dollars of semiconductor chips even though they are sanctioned and on the Commerce Entity List.

In addition, BIS isn't effectively using the Foreign Direct Product Rule (FDPR), despite its tremendous success in slowing down Huawei's 5G rollout in allied countries. Whereas BIS export controls generally restrict the export of goods or technology from the United States, FDPR allows BIS to require a license for goods that are manufactured outside the United States but use a U.S. technology in its production.

## What Do We Need in a BIS Leader?

National Security Focus. The CCP has the authority to take any technology from any company operating in China. Therefore, the U.S. government must assume any product or technology exported to China that has a possible military use could be given to the CCP for that reason. Whoever the Senate confirms to lead BIS must understand the CCP's Military-Civil Fusion strategy and have a clear strategy and national security mindset to restrict this dangerous trade.

Transparency and Accountability. BIS has a long history of operating outside the public eye. The next Under Secretary must do a better job of consulting with Congress – including providing regular, detailed information on BIS licensing and entity listing decisions.