

Thank you, Dan, for that nice introduction.

Dan and I have known each other for some time, and in that time we have been locked in an epic debate. Some of you may know that Dan hails from Vermont. I come from New Hampshire. The debate centers on this fundamental question – which state is right-side up, and which state is right side down? Of course any cursory glance at a map reveals the obvious answer, but the debate continues. BIS engineers are working on a solution as we speak.

It matters little whether you are pointing up or down – what matters is whether you are facing forward. Dan and the leadership of BIS – Matt Borman and Rich Majauskas in particular – are doing just that - facing forward into the challenges that are not only challenges to this agency, but to our nation as well. I am grateful to have the chance to work with them and the entire BIS team, and to speak here on their behalf. I would also like to thank Karen Nies-Vogel for her hard work and dedication toward delivering this conference to you all.

Coming from New Hampshire as I do, I thought I would share a story from our colonial history which may not seem relevant to this gathering – but I assure you it is. Now everyone has heard of the Boston Tea party. But I'll bet not many of you have heard of the Pine Tree Riot. The Pine Tree Riot was a pre-revolutionary protest that occurred in New Hampshire a short distance from where I grew up.

In those days, the gigantic White Pines of New Hampshire were prized by the Crown because they made the best ships masts, and the King had reserved them for the Royal Navy. This of course rankled the colonists, for whom the pine trees were an important commercial trading commodity in addition to their military use. In fact, it became fashionable in those days for colonists who were not sympathetic to the British Crown to line the floors of their homes with pinewood planks greater than 12 inches wide – 12 inches being the minimum standard set by the Crown for a mast.

Colonial ire over the Crown's intrusion into their economy hit a boiling point when some local lumbermen, in the dark of night and dressed as Native Americans - a year before the Boston Tea party, mind you - approached the tavern where the

King's Surveyor was staying with the intent of confiscating the illicit pinewood. According to a local newspaper account, and I quote "thirty or forty men, in disguise, rushed into the surveyor's room with clubs, overpowered the Surveyor and his assistant, whom they abused and beat in a most shameful manner."

While the rioters were eventually tried and found guilty, they were given very light sentences – encouraging further dissent against the Crown. And the Pine Tree Riot became one of several incidents which led the way to revolution.

Why this obscure history lesson? Given the sophisticated nature of this audience, I'm sure the parallels are obvious. Those pine trees were the turbofan engines of their day – technology that was vital both to national security and civilian commerce. The Crown's behavior was in effect an export control – one that didn't work out very well for the King. And what is the lesson this story teaches us?

Obviously, it's because of this story that BIS export control officers carry firearms.

More to the point, history teaches that the need to weigh the national security implications of our commercial trade, and to weigh the commercial implications of our national security policy - has been with us since before we were a nation. While the technology has changed, the immediacy, gravity, and intricacy of this mission have not. Your presence here today, and your continuing presence as active and engaged partners as we protect our technology in order to grow our economy – the theme of this year's conference – is critical to the success of our efforts.

Now that we have invoked the past, let's speak for a moment about the future – by that I mean the next few days, and the next few years.

Later today, we will hear from our new Undersecretary, Mira Ricardel. Those comments will be compelling not only because of what is said, but also because of who is saying them. Mira's career is notable for the impact she has had in government and in business on the drivers of the BIS mission – national security, technology, and industry. She brings a wealth of experience to the role, combined with a fierce desire to protect American excellence from those who would undermine it.

Tomorrow, we are looking forward to hearing from the Undersecretary of Defense for Acquisition, Technology, and Logistics Ellen Lord, whose presence at our conference highlights not only the intersection of national security and industry, but also underscores the importance of the interagency process which is crucial to our effectiveness. You will hear more about the intricacies of the interagency process later today.

Finally, we are honored to have Secretary of Commerce Wilbur Ross join us tomorrow. Any of you who have observed Secretary Ross in his business career are not surprised to hear him referred to as a game-changer. He is not one to accept the status quo, he is relentlessly driven by facts, and is clear-eyed about the future. His voice is a drum beat for global fairness, and his leadership at the Department of Commerce has infused the agency – and certainly BIS – with a drive to meet the challenges facing us head on.

Let's turn to those challenges. It is a rare edition of any major newspaper that does not contain a story that is one way or another rooted in the BIS mission. Whether it is the implementation of sanctions against an adversary nation, reviewing foreign acquisition of key U.S. companies, or studying the resilience and adequacy of our industrial base, the BIS team is in the thick of these efforts. And these issues are exactly what I mean when I wish to speak about the future. The policies we are advocating are not for today – they are for tomorrow. They are intended to set the stage for American success into the next generation.

Since assuming this role, I often reflect on the fact that earlier in my career – about thirty years ago, when I was involved in technology transfer policy - we as a nation were concerned primarily about three nations – China, Iran, and the Soviet Union. Today, it is remarkable that those three nations – or today's version of them – present the bulk of the challenges we face in BIS. While one may argue that this is a sign of a perpetual dynamic, I regard it as a victory – the policies of the past have enabled America to retain its advantage. That remains our challenge today.

But in order to know where you are going tomorrow, you need to know where you stand today. This brings up the subject of Export Control Reform. Many of you

who are return guests to this conference have been steeped in the effort to transform our export controls known as ECR. This was an ambitious endeavor and one that achieved a great deal, in particular in the area of transferring those less-sensitive items from the U.S. Munitions List to the Commerce Control list. BIS is working hard to transfer the remaining items identified in the ECR effort but which have yet to be implemented. And this is emblematic of our attentions to ECR – to ensure that the broad changes made – and those about to be made – are fully implemented and understood by the export community.

Rest assured, however, that the effort to improve our export control system has no beginning, middle, or end – it is an on-going process that relies on input from you to be successful. In my relatively short time at BIS, the message that more needs to be done is a resounding one, and will continue to inform our priorities.

In this regard, there is much to be done in laying the ground work for a secure and successful American economy which does not require broad reform, but does require broad effort and cooperation. This is particularly true in the areas of advanced technology that reside largely in the commercial sphere, but which have important and game changing implications for our national security. Certainly chief among these is cyber security controls, an area that has seen and will continue to see attention as part of the Wassenaar Arrangement – the multilateral mechanism by which so many of our key technologies are regulated for export. In fact, as we speak, the BIS team is in Vienna engaged on these very issues.

Similar dynamics are playing out in other areas which concern other export control regimes. BIS is among several interagency partners that are reviewing the Missile Technology Control Regime in an effort to modernize the controls governing unmanned aerial systems or UASs – an industry whose explosive growth was hardly foreseen when the MTCR was first conceived. As with cyber technology, this is another area where the pace of change constantly tests a system that must be ever agile in the face of that change.

Even as BIS looks ahead, external dynamics nevertheless compete for our attentions in ways that seem and in many ways are unprecedented.

BIS plays a key role in the Committee on Foreign Investment in the United States otherwise known as CFIUS. The case load since 2014 has nearly doubled, driven in large part by a surge in China's ambitions for advanced technology – not only of U.S. origin, but this trend has been articulated by U.S. allies as well.

In the foreign policy sphere, the list of countries which are subject to sanctions – and therefore, the efforts of BIS to implement them – is not a shrinking one. And even though all would prefer an environment where such measures are not necessary or called for, it is with great pride and confidence that I can relate to you that the measures that are called for are in the hands of the best, most capable hands in the form of the professionals at BIS.

Little would be possible in national security policy without a deep understanding of our national capabilities and capacities. BIS's Office of Technology Evaluation has seen a dramatic call for its expertise as the challenges to America's global leadership in key areas is threatened. I have sought to avoid throwing lots of numerical statistics at you, but the staggering increase in surveys conducted by OTE – nearly seven thousand in this calendar year – a 7 times increase since 2014 - bears mentioning. Yet with each survey, and more importantly, the analysis that follows, our ability to address these threats as a nation increases as well.

There is so much more, but you get the picture. This conference will feature the best of BIS, and it must be said that the best of BIS includes you. Your presence is so meaningful to us, and we will endeavor to make these days – and the future that follows – meaningful to you.

Thank you again for your participation.