

Hello, I'm Mira Ricardel and I am not from New England. I am the sole Californian on our BIS leadership team.

Thank you Dan for your kind words and for your steady leadership of BIS -- especially as I was waiting for the Senate to act on my nomination!

Good afternoon. Thank you for attending this year's Bureau of Industry and Security Update Conference. This annual gathering is valuable to the Bureau and we hope that it is valuable to you. I want to thank Karen Nies-Vogel and all of the BIS staff who have worked in overdrive to put this conference on!

Today the Bureau of Industry and Security is situated at the nexus of U.S. national security and the U.S. economy. Technology transfer is our main focus -- from an export controls & licensing perspective, from an export enforcement perspective and from an industrial base perspective. How we deal with technology transfer affects America's safety, security and economic primacy. Whether we succeed in blocking North Korean and Iranian agents from acquiring WMD or components for IEDs, genuinely matters.

Secretary of Commerce Wilbur Ross has zeroed in on America's economic competitiveness in the world and on the many variables that affect that competitiveness. He has focused on specific countries whose policies and actions have -- or could have -- a negative impact on our economic and national security. Prominent among these is China's "Made in China 2025" policy -- and its potential implications for U.S. industry, to include the vitally important U.S. semiconductor business.

America's technological superiority is increasingly under siege. The Secretary has taken bold moves to ensure harsh penalties for those who evade our laws and illegally export, such as in the case of the ZTE Corporation. When Secretary Ross announced the U.S. government's settlement with ZTE he said, "We are putting the world on notice: the games are over."

BIS plays a leading role in key priority areas defined by Secretary Ross and by the Administration. Our expertise, regulatory and enforcement authorities support critical U.S. policy objectives and initiatives.

I want to acknowledge the terrific leaders we have in BIS -- Rich Ashooh, Matt Borman, Carol Rose, Richard Majauskas -- and I have already mentioned Dan Hill. They all possess that winning combination of deep expertise, sound judgment and profound commitment.

Let me take this opportunity to thank all the women and men of BIS -- their efforts within the US Government interagency and with our partners abroad, enable us to fulfill our vital mission. I also want to recognize our interagency colleagues, a number of whom are here. This is a team effort on every front.

On a daily basis BIS works with the Departments of Treasury, Homeland Security, Energy, Defense, Justice and State – as well as the intelligence community, the National Security Council, and White House staff on matters related to export controls, enforcement, sanctions, CFIUS and industrial base. We also appreciate the support of the U.S. Congress, in particular, our oversight committees, who have demonstrated year after year their commitment to the Bureau.

In short, BIS is poised to meet the challenges presented by adversaries who seek to gain our technology by many illicit and illegal means, and by our economic competitors who seek to supplant US companies in the global marketplace.

Fundamentally, a healthy industrial base is the foundation of a strong U.S. national security and defense posture. America's continued dominance as the world's leader in cutting edge technology is indispensable to our national interest. BIS has undertaken, at the Secretary's direction, Section 232 studies on steel and aluminum. Other industrial base studies are underway in order to provide in-depth information on the state of other key industry sectors.

As President Trump recently noted in Executive Order 13806, the loss of more than 60,000 American factories, companies, and almost 5 million manufacturing jobs since 2000, threatens to undermine the capacity and capabilities of United States manufacturers to meet national defense needs. The loss of additional capacity or essential elements of supply chains could impair domestic capacity to create, maintain, protect, expand or restore capabilities essential to our Nation's security.

We need to face the fact that some governments, in particular, China, are taking actions that distort markets and place American workers and businesses at a disadvantage. As Under Secretary for BIS, I will use every available tool at my disposal and work with my interagency colleagues and the U.S. Congress to advance a level playing field and protect America's industrial base.

In that regard, our licensing and regulatory responsibilities make it imperative that BIS possesses a comprehensive and deep understanding of the vast scope of dual use technologies, the pace of technological change, and the applications and markets for these technologies.

We must understand what we are regulating, how we are regulating and what the potential impact of these regulations will be. We also need to be aware of when technology has outpaced regulations and how emerging technologies are changing. For example, what do advances in Artificial Intelligence, Autonomy or Robotics mean for U.S. national and economic security today -- and what will they mean five years from now?

Sometimes well intended regulations have unintended consequences. For example, the constantly evolving cyber security arena has been challenging. We heard from U.S. industry that 2014 rules agreed to by the Wassenaar group have in some instances impeded the ability of companies with distributed sites and operations to effectively defend against cyber attacks. We are engaging our Wassenaar counterparts to address this serious problem.

Also as we carry out our national security mission, we want to ensure to the extent possible that American industry can compete on a level playing field. We are working with our Wassenaar and other multilateral regime partners to drive consistent interpretation and implementation of international export norms so our industries are not placed at an unfair disadvantage.

As with every item licensed under the Commerce Control List or subject to sanctions, the Bureau's Office of Export Enforcement is charged with enforcing compliance with Export Administration Regulations and seeking criminal and administrative penalties where appropriate. The agents, analysts and export control officers within the Office of Export Enforcement are rarely in the spotlight, but occasionally the results of some of their activities make their way into the news.

Efforts range from stopping WMD proliferation to preventing drug cartels from getting illegally obtained weapons, to halting shipments of sensitive military parts to sanctioned countries such as North Korea and Iran. Some of our Export Enforcement team members are here today. They are smart, dedicated and relentless in executing their enforcement mission -- and we proudly recognize their indispensable role.

Many cases take years to develop. Just this past summer, an individual our agents had been investigating since January 2013 – for the export of a spectrometer to Pakistan – pled guilty in a U.S. District Court in Connecticut. Export Enforcement is pursuing networks that supply critical

parts to our adversaries for use in Improvised Explosive Devices – or IEDs. In the spring, the enforcement team, together with colleagues from the FBI and U.S. Immigration and Customs Enforcement, brought to conclusion a case in which thousands of radio-frequency modules destined to be used in IED's to attack U.S. and allied forces in Iraq, were illegally exported from the U.S. through Singapore to Iran.

A defendant with Arc Electronics, was sentenced to 135 months in prison for his involvement in a conspiracy to obtain and export controlled microelectronics to Russian military and intelligence. This is one of the longest prison sentences ever issued in one of our cases.

Our ability to meet the enforcement challenge is facilitated by the cooperation and compliance of U.S. industry partners such as you. We recognize that U.S. companies devote significant resources to ensure responsive and effective export control compliance programs. Your presence here attests to the seriousness with which you approach the obligations of export compliance and your support of our mission.

Within BIS, we not only appreciate industry compliance programs, we value industry expertise for inputs on export regulatory matters. This government-industry partnership is essential. We encourage you to approach us with your ideas on how make our system more effective, efficient and user friendly -- or when you feel a regulation has an unintended consequence and may be in need of recalibration.

The Bureau's Technical Advisory Committees have been beneficial over the years in facilitating our dialogue with industry and academia. We intend to continue to capitalize on the inputs many of you provide.

There is no doubt that the global trade environment is evolving in complexity and that the Bureau of Industry and Security must continue to elevate its performance on multiple fronts. We appreciate our partnerships – within the US government, with industry and with our international partners. The success of our mission is closely linked to the strength of these partnerships.

Thank you again for attending the BIS Update Conference.
I look forward to working with you on our shared goal of a prosperous and secure United States of America.