



## TOP TAKEAWAYS FROM TODAY'S NOMINATION HEARING

### Alan Estevez, President Biden's Nominee for BIS Director

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#### **China Tech Threat's Statement:**

“Mr. Estevez’s testimony today provided welcome clarity regarding how he would use the full arsenal of BIS tools to counter China’s anticompetitive and unfair practices, human rights abuses, and tactics to maneuver around our nation’s regulatory structures,” said China Tech Threat Co-Founder Dr. Roslyn Layton. “His stated commitment to use the authority granted by the Export Control Reform Act, commitment to produce to Congress the required lists of foundational and emerging technologies, defense of U.S. Intellectual Property, and his willingness to consider unilateral controls should give senators the confidence they need that confirming Estevez brings a solid leader who will ensure security at the Bureau of Industry and Security.”

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#### **1. Estevez Will Prioritize Countering China's Malign Behavior**

Senator Brown asked Mr. Estevez about his priorities for BIS. Mr. Estevez led with “capturing transfers of sensitive technologies to China given China’s malign behavior on a number of fronts....strengthening the resiliency of our supply chains, particularly in the semiconductor area...” While Mr. Estevez said he had a more extensive list of priorities, choosing to highlight China through BIS suggested the importance of this goal for him and the Bureau.

Additionally, Senator Hagerty raised issues around Huawei and other Chinese Communist Party (CCP) backed companies. He asked Mr. Estevez if he thought Huawei and other CPP-backed national champions pose a national security threat and an economic security threat to the U.S. Mr. Estevez noted, “Huawei does present a national security threat to the United States, and it's my understanding that there's been no change in policy regarding Huawei to remain on the Entity List and they remain under scrutiny.”

Estevez added that he had seen “lots of maneuvers by Chinese companies or shell companies or split off companies to try to get around U.S. regulatory structures.” If confirmed, he pledged to keep a close eye on this type of activity and “ensure that we're doing the right things to protect national security with regard to the PRC.”

#### **2. Estevez Will Consider Unilateral Controls**

Senator Tillis noted that our European allies and partners do not necessarily have the same posture that the U.S. has with respect to China as an economic threat. He followed by noting that this means bilateral export controls may not be as effective. He asked Mr. Estevez what his opinions are on unilateral controls in this circumstance. In response, Mr. Estevez evoked a comment made during a [China Tech Threat event](#) with former BIS Director Eric Hirschhorn as he said, “if we don't use multilateral export controls, it’s a bit like damming up half the river.” However, he continued by saying, “if we need to use a unilateral export control to protect a particular technology, an American technology that is being exported, we will



do that in a national security look. We do have to balance the risks in doing that and the follow up to that would be then to work with our allies to show them the data around that and hopefully bring the multilateral regimes into compliance.”

Thea Kendler, the nominee for Assistant Secretary for Export Administration at BIS, who also testified at today’s hearing, added that she believes it is “it’s very important to aggressively use tools like export controls to hold governments, companies, and individuals accountable for their attempts to access U.S. technology to conduct activities that undermine our national security interests, and those of our allies.”

### **3. Estevez Commits to Defending U.S. Intellectual Property**

Senator Tillis also raised concerns about the theft led by the CCP of intellectual property. He asked Mr. Estevez to provide his position about how the U.S. can best combat this growing threat and preserve American innovation. In response, Mr. Estevez noted that “China is certainly guilty of anti-competitive, coercive practices, including intellectual property theft” and he would “use the authorities given to the Commerce Department under the Export Control Reform Act [ECRA], to ensure that we’re not providing technology to China that can be used to steal intellectual property.” He added that he “would also use CIFUS to protect American businesses from Chinese intellectual property theft.”

### **4. Estevez Commits to Swift Implementation of ECRA**

Senator Toomey raised an important point around BIS’ implementation of ECRA. He noted that when Congress enacted ECRA in 2018, one of its most important provisions was a mandate that BIS identify and control the export of emerging and foundational technologies. He swiftly followed by asking both Mr. Estevez, and Ms. Kendler if they will commit to prioritizing the implementation of this provision and keeping this committee informed of your progress? In response, Mr. Estevez gave a resounding, “Absolutely, Senator,” and Ms. Kendler agreed.