



June 19, 2024

The Honorable Patty Murray, Chair  
Senate Committee on Appropriations  
Washington, D.C. 20510

The Honorable Susan Collins, Vice Chair  
Senate Committee on Appropriations  
Washington, D.C. 20510

The Honorable Jeanne Shaheen, Chair  
Subcommittee on Commerce, Justice, Science, and Related Agencies  
Senate Committee on Appropriations  
Washington, D.C. 20510

The Honorable Jerry Moran, Ranking Member  
Subcommittee on Commerce, Justice, Science, and Related Agencies  
Senate Committee on Appropriations  
Washington, D.C. 20510

Dear Chair Murray, Vice Chair Collins, Chair Shaheen, and Ranking Member Moran:

As you finalize your work on the Commerce, Justice, Science, and Related Agencies Appropriations Act for Fiscal Year 2025, we urge you to prioritize the Department of Commerce Bureau of Industry and Security's (BIS) request for \$31.4 million in additional funding to safeguard U.S. national security and technological dominance through robust export controls and technology security programs.<sup>1</sup>

Fully funding BIS's request is critical to maintaining our strategic advantage over the Chinese Communist Party (CCP) in artificial intelligence (AI) through the

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<sup>1</sup> U.S. Department of Commerce | Bureau of Industry and Security, Budget Submission to Congress, Fiscal Year 2025

control of dual-use and enabling technologies – especially advanced semiconductors and the equipment needed to manufacture them.<sup>2</sup>

With the 21st century rise of technology-driven strategic competition, export controls have once again emerged as an essential strategic instrument of national security – particularly since the passing of the Export Controls Reform Act in 2018.<sup>3</sup> Their importance in securing U.S. technological leadership and weakening potential adversaries’ military capabilities is routinely lauded by members of Congress from both parties,<sup>4</sup> as well as administration officials.<sup>5</sup>

Increased reliance on export controls has significantly increased BIS’s purview and responsibilities without any concomitant budget increases in over a decade. For example, BIS issues 40,000 licenses per year – twice as many as it did in 2012.<sup>6</sup> The total amount of goods subject to BIS coverage has also increased dramatically, with exports subject to BIS license requirements growing by approximately 126 percent since 2014. This increase is more than double the growth in total U.S. exports, which have risen by approximately 62 percent since 2010.<sup>7</sup> Despite this expansion in responsibility, BIS’ funding has remained effectively flat since 2010, when controlling for inflation.<sup>8</sup> This underinvestment has resulted in the agency relying on an outdated technical infrastructure<sup>9</sup> and a suboptimal global presence for export administration and enforcement.

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<sup>2</sup> *Id.*

<sup>3</sup> Export Control Reform Act (ECRA), enacted as §1741 et seq. of P.L. 115-232 (Aug. 13, 2018), codified as amended at 50 U.S.C. §4801

<sup>4</sup> U.S. Senate Homeland Security & Governmental Affairs Committee Hearing on “Strengthening Export Controls Enforcement” (Apr. 10, 2024); Senate Banking Housing, and Urban Affairs Committee hearing on “National Security Challenges: Outpacing China in Emerging Technology” (Jan. 18, 2024)

<sup>5</sup> Peter Martin, *Raimondo Says Commerce Needs More Money to Halt China Chip Drive*, Bloomberg (Dec. 2, 2023)

<sup>6</sup> Estevez, Alan. *Testimony of Alan Estevez, Under Secretary of Commerce for Industry and Security, before the House Committee on Foreign Affairs on “Countering China on the World Stage: Empowering American Businesses and Denying Chinese Military Our Technology.”* (Mar. 21, 2024)

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> Gregory Allen, Emily Benson, & William Alan Reinsch, *Improved Export Controls Enforcement Technology Needed for U.S. National Security*, CSIS (Nov. 30, 2022)

Adequate funding will empower BIS to meet this crucial moment of global technology competition across several vectors, including:

- Enabling more informed development and robust enforcement of semiconductor controls – especially in crucial geographies like Taiwan – by expanding the agency’s international presence.
- Modernizing mission critical technical infrastructure, replacing decades old applications with commercial Cloud capabilities.
- Analyzing the technical AI landscape as a basis for new restrictions on foreign use of U.S. Infrastructure as a Service (IaaS) to develop dangerous AI models, and detecting and deterring non-compliance with those regulations.<sup>10</sup>

BIS has crafted industry-wide export restrictions on semiconductors and the equipment to manufacture them, convinced key countries like Japan and the Netherlands to establish congruent controls, and curtailed other countries’ ability to export relevant technology to China that uses U.S. equipment.<sup>11</sup> This supply chain-wide approach has attracted the ire of President Xi Jinping, speaking to its effectiveness.<sup>12</sup> However, without adequate resourcing to update these controls and enforce them, loopholes and circumventions like chip smuggling<sup>13</sup> will allow China to modernize their military, economy, and semiconductor industry on the foundation of U.S. technology.

As global technology competition continues to accelerate, ensuring BIS has the resources it needs to safeguard our technology is essential to maintaining our economic advantage and our national security. With this in mind, we urge you to fully support the agency’s \$31.4 million additional funding request.

Thank you for your consideration of this request.

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<sup>10</sup> U.S. Department of Commerce | Bureau of Industry and Security, Budget Submission to Congress, Fiscal Year 2025

<sup>11</sup> Michael Schuman, *China Is Losing the Chip War*, The Atlantic (Jun. 6, 2024)

<sup>12</sup> *Id.*

<sup>13</sup> Tim Fist & Erich Grunewald, *Preventing AI Chip Smuggling to China*, CNAS (Oct. 24, 2023)

Sincerely,  
Americans for Responsible Innovation

Signed:

A handwritten signature in blue ink that reads "Carson".

Brad Carson, President

A handwritten signature in blue ink that reads "Eric Gastfriend".

Eric Gastfriend, Executive Director