

**Written Testimony of**

**John Miller**

**Senior Vice President of Policy and General Counsel  
Information Technology Industry Council (ITI)**

**Before the**

**Committee on Financial Services**

**United States House of Representatives**

***Examining Policies to Counter China***

**February 25, 2025**

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Chair Hill, Ranking Member Waters, and Distinguished Members of the Committee on Financial Services, thank you for the opportunity to testify today. I am John Miller, Senior Vice President of Policy and General Counsel at the Information Technology Industry Council (ITI).<sup>1</sup>

I lead ITI's Trust, Data, and Technology policy team, including our work on security, data privacy, artificial intelligence (AI) and other emerging technologies, and related policy issues in the United States and globally. I have worked for the technology industry for nearly two decades, including deep experience working on policy and legal issues at the intersection of technology, national security, and global trade. I also have extensive experience working with the U.S. government in a leadership and expert capacity in public-private partnerships focused on security and technology. This experience includes serving as the current Co-chair of the Information and Communications Technology Supply Chain Risk Management Task Force (ICT SCRM Task Force), the preeminent public-private partnership entrusted with the critical mission of developing strategies and actionable tools to enhance the security and resilience of the global ICT supply chain, and on the Executive Committee of the Information Technology Sector Coordinating Council (ITSCC), the principal IT sector partner to the Department of Homeland Security and other federal partners on critical infrastructure protection and cybersecurity policy (after previously serving consecutive terms as ITSCC Chair). I have also previously served as a principal IT sector

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<sup>1</sup> The Information Technology Industry Council (ITI) is the premier global advocate for technology, representing the world's most innovative companies. Founded in 1916, ITI is an international trade association with a team of professionals on four continents. We promote public policies and industry standards that advance competition and innovation worldwide. Our diverse membership and expert staff provide policymakers the broadest perspective and thought leadership from technology, hardware, software, services, manufacturing, and related industries. Visit <https://www.itic.org/> to learn more.



representative to the Enduring Security Framework, a public-private partnership that works to address risks to the security and stability of U.S. National Security Systems and critical infrastructure, and on multiple National Security and Telecommunications Advisory Committee (NSTAC) panels, including most recently to study and issue a report on *Addressing the Abuse of Domestic Infrastructure by Foreign Malicious Actors*.

I am honored to testify before your committee today on the important topic of *Examining Policies to Counter China*, and I commend the committee for its thoughtful and sustained engagement over the past several Congresses in examining the complex China relationship and its impact on U.S. national and economic security. Today's hearing is particularly timely coming at the beginning of the Trump-Vance administration and a new Congress, as U.S. policymakers seek to evaluate the dynamic set of issues at the nexus of China, technology, security, and trade, including to evaluate the effectiveness of recently advanced policies in this space and whether they effectively address the government's national and economic security objectives without undermining U.S. technology leadership.

ITI represents 80 of the world's leading information and communications technology (ICT) companies.<sup>2</sup> ITI's membership comprises innovative companies from every vertical of the information technology ecosystem, including hardware, AI, software, digital services, semiconductors, network equipment, cloud, consumer electronics, and other internet and technology-enabled companies that rely on ICT to evolve their businesses. Most of ITI's members service the global market via complex supply chains in which technology is developed, made, and assembled in multiple countries, and service customers across all levels of government and the full range of global industry sectors, such as financial services, healthcare, and energy.

Our membership represents around 10% of the U.S. Gross Domestic Product (GDP), directly employs nine million Americans, and accounts for roughly 32% of the market capitalization of the S&P 500. As of 2024, there were seven companies that had reached or exceeded a global market capitalization of \$1 trillion dollars. Six of those seven companies are U.S. companies, all of which are technology companies and ITI members. Policymakers should consider the preeminence of these companies and the innovation economy they anchor as an asset and recognize their leadership position is envied by other nations. The strength of the innovation economy bolsters the broader U.S. economy and drives the U.S.' competitive advantage in tools and

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<sup>2</sup> See ITI membership list at: <https://www.itic.org/about/membership/iti-members>

capabilities that underpin U.S. national security, such as semiconductors, artificial intelligence (AI), quantum technologies, and advanced manufacturing.

I encourage policymakers not to take the current U.S. technology lead over China or other competitors for granted. China's longstanding disregard for international norms governing free trade and market access and its theft of IP has been well-documented and must be addressed. Regardless of whether China plays by the rules or not, however, we should be clear-eyed that over the past two decades China has improved in technological development, innovation, and growth, and that these technological gains have not been achieved simply by virtue of stealing U.S. technology. Therefore, efforts to wall the U.S. off from competition with China or even to preclude U.S. companies from competing there will not solve the problems associated with China's technological rise. U.S. investment, trade, supply chain, and tax policies as well as regulations must be crafted to maintain the current asymmetric advantage of U.S. companies as a key driver of U.S. economic security.

Maintaining and expanding this advantage requires policies that enable companies to better compete globally, not policies that may inadvertently erect hurdles to U.S. technology innovation and investment. Make no mistake - our organization and the companies we represent respect and take seriously the U.S. government's obligation to protect national and economic security. We believe the government and industry must work together to achieve these objectives in a way that supports the competitiveness, innovation, investment, and economic growth that are in fact foundational elements and drivers of economic security.

## **I. ITI's Policy Recommendations for U.S. Economic Security**

This morning, ITI released a paper representing a consensus across our member companies of how to tackle this issue - *ITI's Policy Recommendations for U.S. Economic Security*. This paper is attached to and incorporated as part of this written statement. Our paper defines U.S. economic security as encompassing elements of the economy that affect the stability, technological competitiveness, and resilience that enable the government to better protect national security, identifies what U.S. economic security policy can and should achieve, and provides recommendations for policies that will foster U.S. economic security. Our paper posits that the ideal policy environment to foster economic security is one in which the global success of American and multinational companies operating in the U.S. supports technological leadership and innovation, while working with the private sector to safeguard critical technologies.

While the balance of my written testimony will highlight just a few of the key recommendations from our paper which speak directly to the topic of today's hearing, I refer to and encourage the members of the Committee to read our full paper which contains a total of ten recommendations, all of which are relevant to today's hearing.

***A. Ensure that Financial Policy – Especially Investment and Transaction Reviews – Strengthens Ties with Allies by Establishing Clear and Targeted National Security Criteria for What is Reviewable.***

Capital investments, both inbound and outbound, are foundational to promoting U.S. economic security, as they help companies in the United States diversify the supply chain, engage the research and development ecosystem, and gather intelligence on global market conditions. Overly broad investment restrictions, whether through CFIUS or the Outbound Investment Security Program, will impede domestic and overseas investment in and by U.S. companies and consequently decrease U.S. economic security. Policymakers should be mindful of the economic security value of outbound investments, such as knowledge acquisition of the current state of the technology, insights into competitor activities, strengthened economic ties with allies, and access to global talent.

***B. Reinvigorate U.S. Trade Leadership and Open New Markets to Support Economic Security and Competitiveness.***

ITI encourages the U.S. government to optimize for both trade and economic security by negotiating robust, binding commitments that facilitate trade through new strategic and targeted bilateral and multilateral market access agreements to enable U.S. companies to compete on an even playing field. Securing market access allows U.S. exports to reach a global marketplace, further strengthens supply chains by making them more resilient, and increases U.S. exports. Trade commitments should aim to reduce tariffs, secure non-discriminatory treatment of goods and services, promote acceptance of international certification and conformity assessments (instead of requiring country-unique reviews), and counter local content requirements.

***C. Incentivize Innovation and Investment in Foundational and Emerging Technology.***

ITI recommends that the government continue to incentivize innovation and investment in foundational and emerging technology. One near-term priority should be restoring the immediate tax deduction of research and development expenses to drive innovation in areas such as AI and quantum and create high-wage jobs in the United States. Another should be maintaining and improving the CHIPS program by pursuing meaningful permitting reform and streamlined reporting requirements to help facilitate these multi-billion-dollar investments in semiconductors, the building blocks of the modern digital economy and a strategic

asset for any country's economic and national security. Since the enactment of the bipartisan CHIPS and Science Act, itself a product of the discussions during the first Trump Administration – total public and private investment in the U.S. has exceeded \$300 billion, supporting over 115,000 jobs in direct manufacturing and construction.

## Conclusion

Members of the Committee, ITI and our member companies once again commend you for your leadership and continued focus on this complex set of issues. Technology sector investments are fueling an American manufacturing renaissance, innovating new means of productivity and efficiency with artificial intelligence, and will continue to serve as the cornerstone of long-term US economic security. We appreciate your approach to engaging with stakeholders to ensure we strike the right policy balance that keeps the U.S. in the lead.

ITI stands ready to provide the Committee with any additional input and assistance as it seeks to ensure that the U.S. approach to economic security policy achieves its multiple important objectives of protecting national security while promoting U.S. economic and investment competitiveness alongside continued technological leadership. The paper attached to my testimony, *ITI's Policy Recommendations for U.S. Economic Security*, is intended to help policymakers develop smart, balanced policies to address the topic of today's hearing and realize an environment in which the global success of American and multinational companies operating in the U.S. strengthens domestic manufacturing, job growth, technological development, and, by extension, national security.

I would like to again thank the Chair, Ranking Member, and Members of the Committee for inviting me to testify today and for your interest in and examination of these important issues. I look forward to your questions.

Thank you.