



Bureau of Industry and Security HFAC - South and Central Asia Subcommittee Under Secretary Kessler Budget Hearing Testimony

June 12, 2025

Chairman Huizenga, Ranking Member Kamlager-Dove, Members of the South and Central Asia Subcommittee, thank you for inviting me to testify on the 2026 President's Budget request for the Department of Commerce's Bureau of Industry and Security (BIS).

BIS's mission is to protect and promote the crown jewels of the American economy – sensitive and dual-use technologies and critical supply chains. We are just a few months into the Trump Administration, and under the strong leadership of President Trump and Secretary Lutnick, BIS is firing on all cylinders to deliver strong results to the American people.

First, in the area of export controls, we are strengthening and streamlining the rules and closing loopholes. We have already added more than 80 companies or entities to the Entity List (an export controls list of restricted parties), including companies involved in China's quantum computing and hypersonic weapons programs, as well as Iran's procurement of drones. We are also reviewing a wide range of existing licenses involving exports of strategic significance to ensure that sensitive technologies do not flow to our adversaries.

In the area of export enforcement, the Bureau of Industry and Security, working with our partners in the Department of Justice, has secured 22 criminal convictions, 32 arrests, 38 indictments, 231 detentions - valued at more than \$185,500,000 - and 79 seizures valued at more than \$40,000,000. And we have additional impressive enforcement operations and legal actions underway.

BIS is also conducting section 232 investigations to revitalize and strengthen critical sectors of the economy. Since the beginning of this Administration, we have initiated 7 investigations – more than any administration ever – including on copper, lumber, pharmaceuticals, semiconductors, critical minerals, medium and heavy trucks, and commercial aircraft and jet engines. Furthermore, BIS administers section 232 tariffs based on previous investigations, namely steel, aluminum, and autos and auto parts. At the President's direction, we have significantly improved these tariffs, for example by eliminating a plethora of exclusions and

exemptions from the steel and aluminum tariffs, and by setting up an all-new product inclusion process.

In addition, BIS administers a program established in the first Trump Administration carried out by the Office of Information and Communications Technology and Services (or OICTS). OICTS protects Americans from foreign adversary technologies that undermine national security. In March, the first major rule under the ICTS regime came into effect, which will require a phase-out of foreign adversary-controlled software and hardware from passenger vehicles in the United States. Several additional investigations and rulemakings are underway.

The 2026 President's Budget builds on these tremendous accomplishments by requesting \$303 million for BIS, the single largest investment in BIS history and one that will significantly bolster our ability to protect national security. An increase of this scale would enable BIS to significantly augment enforcement capabilities. Specifically, we would hire almost 200 Export Enforcement Special Agents stationed across the United States and responsible for apprehending and charging criminals who seek to profit by unlawfully transmitting American technologies to our adversaries.

The budget increase would also enable BIS to more than double the number of Export Control Officers (ECO) stationed overseas – from 12 to 30. These ECOs are critical for monitoring foreign entity compliance with U.S. export controls. In addition, a portion of the budget increase (\$6 million) would fund specialized engineers and technical experts who support BIS enforcement efforts, for example, by determining whether a license was required for a particular export that already took place. These enforcement efforts are not only critical to protect national security, but they also can pay for themselves in penalty revenue.

BIS has an outsized role to play in promoting national security and supporting the President's America First Trade Policy. The Bureau's increased responsibilities in administering and enforcing export controls, including in maintaining America's technological leadership in critical and emerging technologies like AI, and investigating imports that threaten our national security, require commensurate resources. It is time for BIS to have the resources it needs to do its job and keep America safe. The President's Budget recognizes and facilitates this. Thank you and I look forward to your questions.