

**Energy & Commerce Committee
Subcommittee on Oversight & Investigations
Hearing: Cyber Espionage and the Theft of U.S. Intellectual Property and
Technology
July 9, 2013
Opening Statement
Michael C. Burgess, M.D.**

Thank you, Mr. Chairman.

One of the largest threats facing our nation today is that of cyber-security and espionage from a variety of sources. Indeed, top national security advisors have recently stated that cyber-security was the number one danger to the United States – even going so far as to supplant terrorism as a greater threat.

The constant threat of cyber-security and espionage target not just our nation's defenses, but also sensitive personal and proprietary information. All kinds of American businesses are targeted for their trade secrets, business plans and sensitive data. And, unfortunately, many times, the bad actors are successful.

This is a stark contrast from before where our state secrets were only being targeted. Experts' estimate that the annual private sector loss from cyber-attacks to be in the tens of billions of dollars. In fact, NSA Director Gen. Keith Alexander has stated that the stealing of U.S. private company information and technology has resulted in the "greatest transfer of wealth in history." To make matters worse, these cyber-attacks seem to be only growing in number and many predict that the intensity and number of attacks will increase significantly throughout the coming years.

The importance of intellectual property in the U.S. economy cannot be overstated. In 2010, IP accounted for \$5 trillion in value or 34% of U.S. GDP. IP also has accounted for over 60% of all US exports and independently created tens of millions of jobs. Needless to say, the interconnectivity between IP protection and workforce security is paramount.

This hearing could not come at a more appropriate time. Yesterday marked the first meeting of a U.S.-China cyber-security working group. This is an important first step to enable each side to share perspectives on pertinent laws and norms in cyberspace. I hope that the outcome of this hearing, as well as those discussions, will be to shed light on a growing threat because the unwarranted and unprovoked theft of U.S. private and public intellectual property has to stop.

Thank you, Mr. Chairman and I yield back.