**House Armed Services Committee Ranking Member Adam Smith Opening Statement**

**Full Committee Hearing on: “Military Technology Transfer: Threats, Impacts, and Solutions for the Department of Defense”**

**June 21, 2018**

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Thank you, Mr. Chairman for holding this timely hearing. I also wish to thank our panel of witnesses for appearing today. Their expertise will undoubtedly reinforce our understanding of the strategic importance of military technology and how we might best protect it.

The development and safekeeping of key technologies to support decisive military advantages are fundamental priorities for maintaining national security, but these are not new strategic principles. Although technologies and their influences change over time, military organizations have sought to establish technological advantages and to nullify the technological advantages of their competitors throughout the history of armed conflict. A persistent challenge lies in keeping up with the scope and the pace of technological change and all of its potential applications and adapting as necessary.

The Summary of the 2018 National Defense Strategy of the United States of America (the NDS Summary) recognizes this challenge. It states, “The drive to develop new technologies is relentless, expanding to more actors with lower barriers of entry, and moving at accelerating speed.” A spectrum of state and non-state actors could obtain militarily significant technologies and leverage them to their advantage, and, given the complexity of the current security environment and the diversity of threats within it, we need to continue to promote innovation, enhance situational awareness, and bolster security standards for sensitive technologies. Regarding the Department of Defense, the NDS Summary asserts, “Maintaining the Department’s technological advantage will require changes to industry culture, investment sources, and protection across the National Security Innovation Base.”

            However, protecting sensitive technologies will require a whole-of-government effort with contributions from numerous federal departments and agencies, including the Departments of State, Treasury, Justice, Commerce, Homeland Security, and Health and Human Services, and various facets of the intelligence and law enforcement communities. The United States government will also need to foster constructive relationships with industry and the science and technology communities and to engage our many allies and partners around the world to uphold sufficient security standards. Strategic competitors like China will demand holistic responses, and far-reaching innovation and technology protection requirements are clear indications that national security involves much more than defense.

The Congress must also stay engaged, as critical innovation and technology protections will continue to require legislative action and oversight. As we consider relevant legislative proposals aimed at mitigating risk, I hope that we can resist temptations to overreact. Legislative remedies should be carefully and objectively tailored to address verifiable harms. We should take care to avoid legislating in ways that may be over- or under-inclusive, overly disruptive to markets or free enterprise, alienating to academic freedoms, or unjustly discriminatory in their application. I am particularly interested in learning from our witnesses how we might enable the Department of Defense to protect military technologies in a manner that is wholly consistent with our national values.

Thank you, Mr. Chairman.  I look forward to our witnesses’ testimony.