

Committee on Banking, Housing, and Urban Affairs
Nomination Hearing for Mr. Andrew Hughes, Mr. David Woll, The Honorable Michelle
Bowman, and Mr. John Hurley, Mr. David Fogel, Mr. Landon Heid
April 10, 2025

Questions for Mr. Landon Heid, Assistant Secretary of Commerce Designate, Department of Commerce, from Ranking Member Elizabeth Warren:

1. What are your views on export controls and their role in advancing U.S. interests including technological leadership? When should they be used and what considerations will you take into account in determining how they are deployed?

Answer: Export controls are critical to preventing our adversaries from acquiring American technologies that may be used to harm our economic and national security. When considering their deployment, we should take into account foreign availability and our adversaries' ability to produce such technology indigenously.

- a. Are there cases, in your view, where the United States failed to use export controls appropriately?

Answer: Any time China gains access, licitly or illicitly, to our most critical technologies, there must be an analysis on whether export controls should be imposed or strengthened.

- b. Are there areas of technology where we have not been using export controls aggressively enough?

Answer: China is still actively exploiting U.S. technology in nearly every area, to include semiconductors, quantum, biotechnology, aerospace, etc. Each of these sectors must be continually evaluated to determine if export controls should be used.

2. What role do you believe economic security and the interests of workers should play in guiding our export controls?

Answer: Our export controls should take into account American competitiveness and our broader economic security—to include workforce and employment considerations—while ensuring such considerations do not jeopardize national security.

3. Do you believe that there should be a “balance” between the national security objectives of export controls and the economic impact of controls on U.S. industry? If so, how do you plan to strike that balance?

Answer: BIS is a national security agency. With this in mind, our balance should seek to promote national security while preventing undue economic harm.

4. The Export Control Reform Act of 2018 states that export controls should generally be multilateral, because they are more effective at preventing technologies of concern going to countries of concern. The act also says that unilateral controls applied to items with foreign

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availability are less effective. What, in your view, are the situations where unilateral controls are nonetheless warranted? And when are they not?

Answer: Unilateral controls are warranted when the export of such items pose a serious or unique threat to national security. Subsequent to such action, strong engagement with allies and partners to match our controls is required. Unilateral controls may not be warranted when the items for which there is foreign availability are more advanced than the U.S. item and the unilateral control provides negligible benefits to economic and national security.

5. Under what circumstances would you use the Foreign Direct Product (FDP) rule to achieve U.S. foreign policy and national security interests?

Answer: The U.S. should use all tools at its disposal to prevent our adversaries from gaining access to critical technologies. One of these tools is the FDPR.

6. There are notable examples of allies and partners “backfilling” our export controls by increasing sales to companies that we have added to the Entity List or otherwise restricted. Secretary Lutnick expressed a view that tariffs have a role in pressuring other countries to stop sales to the PRC.¹

- a. Do you agree?

Answer: The U.S. should encourage our regime partners to honor their “no-undercut” obligations and consider the range of tools in our toolkit, to include tariffs, to discourage allies and partners from backfilling our export controls.

- b. What policies would you undertake to ensure that allies and partners are aligning their controls with ours?

Answer: Engaging with our allies directly, early, and often is critical to ensure that our allies and partners align their controls with ours.

7. Transshipment of G7 technology to the Russian war machine remains a notable challenge. Certain jurisdictions including the PRC, Turkiye, Kyrgyzstan and India are responsible for a high volume of transshipped goods. What steps will you take to crack down on transshipment?

Answer: If confirmed, I intend to review licensing policies related to this issue and explore ways to address the problem of unauthorized re-export of items controlled by BIS.

¹ Axios, “Senators probe Lutnick’s approach to AI, tariffs and spectrum,” Maria Curi, January 29, 2025, <https://www.axios.com/pro/tech-policy/2025/01/29/senators-probe-lutnicks-approach-to-ai-tariffs-and-spectrum>.

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8. To make export controls more effective and less counter-productive, are there any more statutory authorities that BIS needs that it does not now have?

Answer: ECRA provides BIS with strong authorities to fulfill our mandate. If confirmed, I look forward to working with Congress to strengthen our authorities where needed.

9. Are there circumstances under which you would consider removing a company from the Entity List or relaxing controls on a strategic technology like semiconductors, at the behest of President Xi Jinping?

Answer: No

10. Under what circumstances would it be appropriate to remove or relax export controls on Russia? Do you agree that as long as Russia continues to threaten Ukraine, U.S. troops abroad, and neighboring European countries, it is inappropriate to lift the U.S. arms embargo on Russia?

Answer: Export controls are one of many foreign policy tools that the executive branch has, and as such, BIS should employ such tools consistent with the foreign policy set forth by the President.

11. If a U.S. company cannot export a technology to an entity on the Entity List, should it be prohibited from investing in the same company to develop the same technology overseas?

Answer: If a company cannot export to such an entity, an investment in that entity would be of concern.

12. Under Section 1716(h) of the Export Control Reform Act, the Chairman or Ranking Member of the committee or subcommittee of appropriate jurisdiction can request information on licenses. Will you commit to providing timely and comprehensive responses to congressional requests for information pursuant to Section 1716(h)?

Answer: Yes.

13. U.S. controls on semiconductor manufacturing equipment is foundational to the U.S. technological advantage. If confirmed, what steps will you take to reinforce those controls in light of PRC breakthroughs including Huawei's fabrication of 7 nanometer chips with U.S. technology?

Answer: We cannot allow Huawei or other concerning entities to leverage our technology to make technological gains that harm our national security.

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14. The previous administration issued the AI Diffusion Rule to ensure that AI diffuses in a way that promotes U.S. strategic interests. Do you agree we should use export control to restrict the diffusion of AI technologies including our most advanced AI chips?

Answer: There is no more dedicated actor committed to gaining access to our AI technology than the Chinese Communist Party, whether through smuggling or third-country carve outs. Our export control rules must address this trend.

15. Do you agree that we should use export controls to ensure that the United States remains the global leader in AI, including by maintaining computing infrastructure in the United States?

Answer: Yes

- a. If so, will you commit to maintaining a requirement that U.S. companies maintain 50 percent of their compute infrastructure in the United States?

Answer: President Trump is committed to ensuring the U.S. lead the AI race, which includes ensuring the U.S. has a robust, domestic compute capacity.

- b. Will you commit to engaging in a rigorous and objective review of license applications from generally non-aligned states like Saudi Arabia and the United Arab Emirates that weighs the commercial rewards of selling data to these countries against the risks to U.S. leadership?

Answer: Yes.

16. Will you commit to updating our nationwide export controls on semiconductor manufacturing equipment and advanced computing at least once a year to address changes in the technological landscape and the tactics of our adversaries?

Answer: The U.S. has been too slow to respond to changing technology trends and illicit acquisition efforts by our adversaries. Our controls should be updated frequently, with a steady focus towards staying ahead of our adversaries.

17. Will you consider adding Chang Xin Memory Technology (CXMT) to the Entity List and applying FDP Rule given the growing concerns of CXMT's growth and the national security implications of that growth to the PRC's development of advanced AI for military use?

Answer: Any Chinese firm that seeks to gain access to advanced U.S. technology or make advances in key technologies that enable AI should be subject to intense scrutiny with respect to export controls.

18. Does BIS need more resources to succeed in its mission of using export controls to maintain U.S. leadership in semiconductors and AI. In particular, does it need more experts conversant

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in technical developments in emerging and critical technology? Are you concerned about potential cuts to agency personnel?

Answer: BIS has a critical national security mission and thus should be resourced adequately to carry out its mission. I look forward to working with Congress to ensure that appropriate resources are provided.

19. If the export controls prohibit a company from shipping sensitive US-origin software to China, should the export controls also prohibit the same Chinese company logging into a computer in the US and using exactly the same software to create something, such as an advanced semiconductor?

Answer: I will work to ensure China does not access our advanced AI technology (or other export controlled technology) either through direct imports or remotely.

20. New reports have shown a disturbing degree of industry access and influence at BIS that has negatively impacted its ability to fulfill its mission. How will you address this problem?

Answer: National security must come first, always. I will ensure myself and my staff prioritize national security in all matters that come before BIS during my tenure.

21. If you do agree to meet with lobbyists, foreign agents, and others about matters before BIS, will you treat those who did and did not contribute to the Trump campaign and related Trump family interests the same?

Answer: National security must come first, always. I will ensure myself and my staff prioritize national security in all matters that come before BIS during my tenure.

22. Will you commit to not receiving compensation from an entity that is regulated by BIS for at least 4 years after leaving BIS?

Answer: I will follow the applicable ethics rules for former government employees.

23. Do you believe the Defense Production Act has a role to play in combating PRC economic coercion?

Answer: Yes

24. Will you commit to using BIS's authorities under Section 705 of the Defense Production Act to collect information about supply chain vulnerabilities?

Answer: Yes