



# **PRESS RELEASE**

## **House National Security Committee**

### **Floyd D. Spence, Chairman**

**FOR IMMEDIATE RELEASE**  
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#### **STATEMENT OF CHAIRMAN FLOYD D. SPENCE**

#### **JOINT HEARING ON U.S. SATELLITE EXPORT POLICY TO CHINA**

*June 17, 1998*

I am pleased to open the first of two days of joint hearings between the Committees on National Security and International Relations on U.S. satellite export policy toward China. Let me first welcome my fellow Chairman, Ben Gilman, and all our colleagues from the Committee on International Relations to our hearing room for what I expect will be a productive review of this important national security and foreign policy issue.

The policy question that we will examine for the next two days appears to be simple – is it in the U.S. national interest to allow the use of Chinese space launchers to place American commercial satellites in orbit? The U.S. aerospace industry, this Administration and to some extent the Bush Administration before it, believe that the answer is yes. This position is based on a belief that U.S. commercial competitiveness and the need to protect market share demands continued access to cheap foreign space launch services.

However, when you look at the complexities of this issue and weigh the competing arguments, I firmly believe that the compelling answer to the policy question is no. Why? Quite simply, because China possesses nuclear weapons, and the missiles on top of which those nuclear weapons are sitting are the very same type as those being marketed to the U.S. satellite industry as providing cheaper access to space. Therefore, every time we export a satellite to China and pay the Chinese government to launch it, we are directly or indirectly enhancing the ability of China to improve its space and military launch capability.

The arguments on both sides set up the classic export control policy conflict – how to advance U.S. commercial interests without jeopardizing national security. This policy conflict is neither new, nor unique to satellite exports. We currently face similar debates in the case of other high technology exports such as supercomputers or encryption software and hardware.

Our two committees have been at the forefront of the Congressional debate in this area for years. While we have not always agreed on narrow questions of process or policy, I think it is fair to say that we both agree that there must be a well established and effective national security component to U.S. high technology export control policy.

The question of how to strike the proper balance between commercial and national security interests has prompted lengthy and sometimes heated debate among many of us in this room. However, while that remains an active and ongoing debate on numerous fronts, the reason we are meeting here today under these unusual circumstances is that we appear to have a compelling case – satellite exports to China – that demonstrates how the Administration’s export policy has tilted too far in one direction, possibly at the direct expense of U.S. national security.

Ironically, U.S. government export policy appears to have – for once – attained a remarkable level of consistency, unfortunately I believe it is precisely in the wrong direction. Since 1992, U.S. industry has applied for nine so-called “waivers” of existing sanctions prohibiting the export of satellite technology to China. Since 1992, the Clinton Administration has approved exactly nine waivers. Perhaps even more disconcerting than the Administration’s consistency is the fact that a number of these exports prompted the expression of legitimate national security concerns as part of internal Administration deliberations. Yet in each instance, the decision was made in favor of commercial or other interests, and the export was allowed.

The Administration’s track record in this regard displays a single-minded determination to evade sanctions and to ignore or downplay national security concerns in the interest of exporting sensitive American technology in the name of “engagement” with China.

To help us address some of these complex questions, we have scheduled two days of hearings. Today we will hear from a panel of outside experts to help us better understand the process, policy and technical issues associated with this topic. Tomorrow, we will hear from a panel of Administration witnesses to examine past and present U.S. policy in this area.