



PRESS RELEASE

House Armed Services Committee

Floyd D. Spence, Chairman

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OPENING STATEMENT BY CHAIRMAN FLOYD D. SPENCE FULL COMMITTEE HEARING ON ENCRYPTION

The committee meets this morning to continue its examination of the encryption issue, and to receive testimony on legislation that proposes to remove controls on the export of U.S. encryption products.

H.R. 850 – the so-called “SAFE” Act – is before the committee on sequential referral until July 23rd. As I announced last week, it is my intent to schedule a markup of this bill next week. Prior to markup, the committee will also receive a detailed classified briefing in closed session from the National Security Agency (NSA) concerning the serious national security implications of the unmonitored and unregulated export of encryption products. I urge my colleagues to take advantage of the opportunity presented by that briefing next week.

Two weeks ago, the committee heard testimony from the Deputy Secretary of Defense and the Deputy Director of NSA regarding the national security problems that H.R. 850 would create for our government’s efforts to battle international terrorism and to combat a range of other crimes directed against Americans. There does not seem to be too much debate among those who have looked at the issue over the fact that strong encryption in the hands of terrorists, drug dealers, and other bad actors will make it harder for our government to protect American lives.

The national security impact of unregulated encryption exports ought to be, in my opinion, the central element in any debate over whether or not we should allow highly capable encryption products to be freely exported. As I indicated two weeks ago, it would be both tragically ironic and unconscionable for Congress to make it easier for an adversary to do harm to Americans at the same time we are working as a government to improve security for Americans all over the world through numerous counterterrorism and other initiatives.

Beyond the so-called “criminal element,” which we will hear more about today, H.R. 850 will also put at risk the safety of our men and women in the armed forces. Secretary Hamre was straightforward in his testimony earlier this month when he said that “unregulated release of the strongest encryption is going to do one thing: put more troops’ lives at risk. Period.”

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Our witnesses this morning are here to help us better understand the serious national security implications of H.R. 850. Accordingly, we are pleased to have with us:

- The Honorable Janet Reno, Attorney General of the United States;
- The Honorable Louis Freeh, Director of the Federal Bureau of Investigation; and
- The Honorable William Reinsch, Under Secretary of Commerce for Export Administration.

After taking testimony from our Administration witnesses, the committee will next hear from a panel of outside witnesses representing industry. They will be:

- Matthew Bowcock, Executive Vice President for Corporate Development of Baltimore Technologies; and
- Elizabeth Kaufman, Senior Director and General Manager for Security at Cisco Systems.

Let me thank all of our witnesses for being with us this morning.

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