

U.S. DEPARTMENT OF THE TREASURY

Statement by Secretary of the Treasury Janet L. Yellen on President Biden's Executive Order on the Committee on Foreign Investment in the United States

September 15, 2022

WASHINGTON – Today, President Biden issued an [Executive Order](#) reflecting the evolving national security threat landscape and underscoring the critical role of the Committee on Foreign Investment in the United States (CFIUS or the Committee) in responding to new and emerging threats and vulnerabilities in the context of foreign investment. The Executive Order elaborates and expands on the existing list of factors that CFIUS considers when reviewing transactions for national security risks and describes potential national security implications in key areas. Among other things, the Executive Order enumerates sectors in which supply chain resiliency and U.S. technological leadership face an increasing national security risk – including microelectronics, artificial intelligence, biotechnology, advanced clean energy, and critical materials. The Executive Order also directs CFIUS to consider whether a transaction that it is reviewing implicates specific national security risks related to aggregate industry investment trends, cybersecurity, and U.S. persons' sensitive data.

“President Biden's Executive Order highlights CFIUS's increasing attention to national security risks in several key areas and sharpens the Committee's focus on protecting America's national security, while maintaining the U.S. open investment policy,” said Secretary Janet L. Yellen, who serves as chair of CFIUS. “Strengthening our supply chains and protecting against foreign threats enhances our national security, and this Executive Order highlights CFIUS's important role in that work. It also reaffirms CFIUS's mission to protect America's technological leadership and the security of our citizens' sensitive data from emerging threats.”

The Executive Order builds upon the illustrative list of national security factors in CFIUS's authorizing statute (section 721 of the Defense Production Act of 1950, as amended) and reflects the evolving nature of national security risks that CFIUS addresses under its current authorities. While the Executive Order provides important context for how CFIUS considers

these risks when evaluating the transactions under its jurisdiction, it does not change CFIUS operations or process.

In particular, the Executive Order elaborates on two national security factors contained in the authorizing statute relating to supply chain resiliency and security, and U.S. technological leadership. The Executive Order highlights key sectors where these factors can present a particular risk, including microelectronics, artificial intelligence, biotechnology and biomanufacturing, quantum computing, advanced clean energy, climate adaptation technologies, critical materials, and elements of the agriculture industrial base.

The Executive Order also describes three additional national security factors that CFIUS considers in reviewing transactions under its jurisdiction. The first, aggregate industry investment trends — which refers to the possibility that a foreign person may gradually gain control in a sector or technology through a series of transactions over time — implicates national security risks arising from an individual transaction that may not be apparent when the transaction is viewed in isolation. The second, cybersecurity, involves national security risks posed by malicious actors who are developing capabilities to conduct cyber intrusions or other malicious cyber-enabled activity. The third, risks related to sensitive data, recognizes that data is of increasing value as it can be used for surveillance, tracing, tracking, and targeting of individuals or groups of individuals. Each of these three factors requires particular attention from CFIUS to protect U.S. national security.