

MEDIA ADVISORY

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60 MINUTES BROADCAST FEATURES CHINESE ECONOMIC ESPIONAGE

On January 17, 2016, *60 Minutes*, a CBS network production, broadcast "[The Great Brain Robbery](#)," an in-depth report on the impacts of Chinese economic espionage on the U.S. economy. The episode [features research](#) from the [Commission on the Theft of American Intellectual Property](#) (IP Commission), an initiative of the [National Bureau of Asian Research](#) (NBR) that continues to offer clarity on the causes and scale of international intellectual property theft. NBR also assisted *60 Minutes* producers with fact checking. NBR highly recommends this report to policymakers, news outlets, and the general public engaged with this important issue.

Over the past year, the United States has taken a number of steps to combat the deleterious effects of rampant Chinese and other espionage on American economic and national security. In December 2014, Congress authorized sanctions against foreign persons and entities engaged in economic or industrial espionage in cyberspace through the National Defense Authorization Act for Fiscal Year 2015 (NDAA), Section 1637, whose primary author was Senator Carl Levin. Section 1637 drew in part from recommendations made by the IP Commission in 2013. In response to this legislation, the Obama administration initiated an inter-agency process that resulted in an [executive order](#) on April 1, 2015, that prepared the administration to sanction foreign persons and entities engaged in malicious activities in cyberspace.

But to date, the Obama administration has not implemented these sanctions, despite continued attacks by actors in China in the wake of the summit held between President Obama and Chinese President Xi Jinping in Washington, D.C., in September 2015. Section 1637 also directs the President to submit an annual report to Congress that contains a list of 1) foreign countries engaged in cyber espionage targeting American IP, 2) priority foreign countries determined to be engaged in the most egregious cyber espionage, and 3) U.S. technologies, proprietary information, articles produced using U.S. technologies or proprietary information, or services targeted by foreign persons. This public report was due in June 2015, but the Obama administration has not yet submitted it to Congress.

In November 2015, Senator John McCain [wrote](#) to James Clapper, the Director of National Intelligence, calling on the Obama administration to submit this mandatory report and to utilize authorized sanctions to hold perpetrators accountable. In the letter, Senator McCain argued that:

This Administration has so far refused to articulate a robust strategy to deter cyberattacks against the United States. And, you testified recently that "hope springs eternal" that a recent agreement between the U.S. and China on activities in cyberspace will result in any meaningful change to China's behavior in this arena. The reality is the activity will persist until those determined to attack understand there is a cost associated with cyber theft. Repeated attacks demonstrate the potential cost of a weak cyber strategy and the national security price we may pay for refusal to utilize available tools to deter further attacks.

Since publication of this letter, the Obama administration has not moved to utilize sanctions or issue the mandatory report. The Obama administration's continued delay without explanation counteracts efforts to deter theft of American trade secrets and intellectual property. As illustrated in the IP Commission and "The Great Brain Robbery," the stakes and costs of inaction are high. International economic and industrial espionage costs the U.S. hundreds of billions of dollars annually and over 2 million jobs cumulatively.

About The Commission on the Theft of American Intellectual Property

[The Commission on the Theft of American Intellectual Property](#) was an independent and bipartisan initiative of leading Americans from the private sector, public service in national security and foreign affairs, academe, and politics chaired by Admiral Dennis Blair, former U.S. Director of National Intelligence, and Governor Jon Huntsman, Jr., former U.S. Ambassador to China. The IP Commission [outlines detailed policy recommendations](#) to protect the United States against cyber theft.

About The National Bureau of Asian Research

[The National Bureau of Asian Research](#) (NBR) conducts advanced independent research on strategic, political, economic, globalization, health, and energy issues affecting U.S. relations with Asia. Drawing upon an extensive network of the world's leading specialists and leveraging the latest technology, NBR bridges the academic, business, and policy arenas. NBR's executive team created and managed the IP Commission.

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