

Position Statement – U.S. Export Controls

Executive Summary

As a leading science and technology company with more than 13,000 employees at 70 facilities—nearly 40 of which are manufacturing facilities—in 20 states across the United States, our company depends on our ability to export the goods we manufacture in the U.S. to our customers around the world. While export controls play a vital role in protecting U.S. national security by governing the exchange of sensitive technologies, information, and services, it is critical that these controls, while safeguarding national security, not impede the free and fair flow of goods and services from the U.S. to other countries.

Why It Matters

The strength of the U.S. economy depends in large part on the ability of businesses across the country to sell their goods, equipment, and materials. According to the National Association of Manufacturers, exports account for nearly half of U.S. manufacturing production and are responsible for nearly half of U.S. manufacturing jobs.¹ It is essential that exports remain a central pillar of the U.S. economy so that companies can continue to grow their business, hire and retain workers, and ensure that the U.S. manufacturing sector remains globally competitive.

Export controls allow governments to manage the sale or transfer of sensitive goods, technologies, services, and knowhow in a manner consistent with national security interests, foreign policy goals, and international obligations.² If applied correctly, export controls can effectively protect national security without deterring the development, manufacturing, and export of products.

However, if not carefully tailored to address legitimate national security concerns, export controls have the potential to unduly disrupt the ability of companies in the U.S. to export their goods. Overbroad or poorly designed export controls can keep U.S. workers from accessing the latest technologies and learning the latest skills.³ Such export controls can also force companies to offshore operations.⁴ It is therefore crucial that the U.S. government work closely with the private sector during the development of export control measures and related policies and allow companies to provide the government with relevant and critical information about specific technologies. This public-private collaboration can help mitigate and prevent inadvertent harm to U.S. economic competitiveness.

Our Position

We support the U.S. government’s efforts to enact export control measures that protect U.S. national security interests. We strongly supported the passage and signing of the Export Control Reform Act of 2018, and we urge policymakers and U.S. government officials to pursue transparent and narrowly tailored export controls that protect national security without unduly hindering the free flow of global commerce and trade.

- We believe that any restrictions on U.S. exports must be carefully considered given how important exports are for the health, growth, and competitiveness of the U.S. economy.
- We oppose any export control measures that are vague, overbroad, or seek to control entire categories of technologies. Such controls could inhibit U.S. technological leadership and severely impair the ability of companies that operate in the U.S. or that use technologies developed in the U.S. to effectively do business worldwide.
- We oppose export controls that seek to encompass materials and other upstream inputs into sensitive products and technologies, as these materials oftentimes go into a wide variety of

¹ National Association of Manufacturers. (January 2020). Competing to Win. Retrieved from <https://www.nam.org/wp-content/uploads/2020/01/NAM-Competing-To-Win-WEB.pdf>

² The Coalition for Security and Competitiveness. (March 2007). Why Export Control Modernization?. Retrieved from http://www.nftc.org/default/Sanctions%20&%20Export%20Controls/2007_03_coalitionforsecurity_brochure.pdf

³ National Association of Manufacturers. (9 January 2019). Comments of the National Association of Manufacturers on the Review of Controls for Certain Emerging Technologies (Docket BIS 2018-0024). Retrieved from [http://documents.nam.org/iea/NAM%20Comments%20on%20Emerging%20Technology%20for%20BIS%20\(final\).pdf](http://documents.nam.org/iea/NAM%20Comments%20on%20Emerging%20Technology%20for%20BIS%20(final).pdf)

⁴ Ibid.



products beyond just those that are the target of the export control measures. We urge policymakers to keep the core focus of export controls to end products and technologies.

- We support multilateral cooperation on export controls and urge U.S. government officials and policymakers to ensure that any export control measures are aligned with and have buy-in from key U.S. allies. Without this international support, U.S. export controls may contain loopholes that the targets of these controls could exploit to access products and technologies.

Any new export controls must allow companies like ours to continue to fully access our global supply chains and leverage our global research and development (R&D) teams.

- The United States is an important R&D hub for our company, and the success of our U.S. R&D and innovation activities depends on our ability to exchange knowledge and technologies across borders between our U.S. operations and our foreign affiliates. We believe that export controls and deemed export licensing requirements should be appropriately tailored and enacted so as to minimize disruptions and delays to ongoing R&D projects.
- We also urge government officials and policymakers to ensure that the deemed export licensing process is clearly defined, appropriately accessible, and efficiently run. According to the National Association of Manufacturers, uncertainty created by the licensing process could serve to “isolate or immobilize” subsidiaries of foreign companies operating in the United States.⁵

About Merck KGaA, Darmstadt, Germany

Merck KGaA, Darmstadt, Germany, a leading science and technology company, operates across healthcare, life science and electronics. Around 58,000 employees work to make a positive difference to millions of people’s lives every day by creating more joyful and sustainable ways to live. From advancing gene editing technologies and discovering unique ways to treat the most challenging diseases to enabling the intelligence of devices – the company is everywhere. In 2020, Merck KGaA, Darmstadt, Germany, generated sales of € 17.5 billion in 66 countries.

The company holds the global rights to the name and trademark “Merck” internationally. The only exceptions are the United States and Canada, where the business sectors of Merck KGaA, Darmstadt, Germany operate as EMD Serono in healthcare, MilliporeSigma in life science, and EMD Electronics. Since its founding 1668, scientific exploration and responsible entrepreneurship have been key to the company’s technological and scientific advances. To this day, the founding family remains the majority owner of the publicly listed company. For more information about Merck, KGaA, Darmstadt, Germany, visit www.emdgroup.com.

⁵ Ibid.

