

Statement of Keith J. Krach
Nominee to be the Under Secretary of State
for Economic Growth, Energy and the Environment.
March 27, 2019

Good morning, Chairman Risch, Ranking Member Menendez, and distinguished members of the Committee. It is a privilege to appear before you today and I thank you all for your time and consideration, especially those of you who took time from your busy schedules to meet with me.

I am profoundly honored that President Trump, at the recommendation of Secretary Pompeo, has nominated me to serve as the Under Secretary of State for Economic Growth, Energy and the Environment, affectionately referred to simply as “E”.

I am also grateful to all 7 of the former E Under Secretaries who spent their valuable time with me and shared their insights about this important role. Thank you, Joan Spero, Stu Eizenstat, Al Larson, Josette Sheeran, Reuben Jeffery, Bob Hormats and Cathy Novelli.

I would also like to thank the incredibly professional group of Civil and Foreign Service officers from the Department who helped bring me up to speed on the amazingly diverse work they do to support American interests here and abroad. I can honestly say I have never worked with a more welcoming, dedicated, intelligent, hard-working and patriotic group of individuals, and, if confirmed, it will be my great privilege to lead them.

I particularly wish to thank Manisha Singh, the Acting Under Secretary, who has been most generous with her time from the Economic and Business Affairs Bureau. Frank Fannon, our Assistant Secretary for the Energy Bureau and Marcia Bernicat, the Principal Deputy Assistant Secretary for the Bureau of Oceans and International Environmental and Scientific Affairs, were equally generous with their time.

Finally, I want to thank the E Team, in the Office of the Under Secretary who guided me throughout this complex process.

I would not have been here today without their incredible dedication, preparation and good humor. As a global business man, I can tell you, it is a strategic asset having the finest diplomatic corps in the world on our side.

I also want to thank my beloved family: My dear wife, Metta, who is a Georgetown lawyer and serves on their Board; and our five children: Monika, a marine biologist serving in the nonprofit sector; Stephen, a spacecraft design engineer at NASA’s Jet Propulsion Laboratory; Carter, a Silicon Valley technology entrepreneur; and our seven-year-old twins, JD and Emma, whose courage, sense of justice and kindness inspires me every day.

My story starts like that of many Americans. I grew up in small-town Ohio, where my father ran a machine shop and my mother was a teacher. My dad’s customers were suppliers to the big three car companies in Detroit, and his fortunes were tied to theirs.

In good times, he employed as many as five workers, whom he considered family. When things slowed down, I saw him go through the agonizing process of having to lay off trusted employees. His pain was not lost on me.

At the age of 12, I became a welder in his shop and soon learned how to work the machines. I cherish the memory of working at his side. In boom times, we scrambled to fill big orders. In bad times, I was his only employee.

When orders dried up, my mom courageously assured us that “everything would be okay and to buckle our chinstraps.” To help make ends meet, she worked second and third jobs, including coaching the 9th grade boys wrestling team. She was and is our rock and inspiration.

My father dreamed that I would get some “college knowledge” and return as an engineer to help him grow the machine shop into a big company of 10 employees. While I did become an engineer, I never did go back to work with my dad in Ohio. But I think he was proud that I went to work for General Motors, the biggest company in the world at that time, which my dad had taken to calling “Generous Motors” after they awarded me a full scholarship to attend both Purdue University and Harvard Business School.

I will be forever grateful for my 10 years working at GM where I learned manufacturing at the Cadillac plant in Detroit, engineering at the GM Tech Center, finance at the New York Treasurer’s Office and was given the opportunity to lead a pioneering robotics joint venture, which I am proud to say has grown into the largest industrial robot manufacturer in the world.

That taste of hi-tech innovation inspired me to take the risk to move out West and become an entrepreneur. In my eyes, Silicon Valley is “the West Point of Capitalism,” a corporate United Nations, a total meritocracy and a place where failure is recognized as the best teacher. The objective is to reinvent everything, innovate at scale, with speed being the ultimate currency.

My Silicon Valley journey essentially began at Rasna Corporation, a software company where we invented Mechanical Design Synthesis that enables engineers around the world — like my rocket-scientist son at NASA — to optimize their designs in real time. I went on to start another company called Ariba, taking it public as the world’s first business-to-business internet e-commerce company. My goal was to create a values-driven company that was “built-to-last.” Last year, \$1.7 trillion in transactions were processed through the Ariba network, more than Amazon, eBay and Alibaba combined.

My mother taught me that a meaningful career is truly about “giving back and paying it forward,” so after some initial success I set out to give back to the organizations that helped me along the way, as well as, pay it forward to people who are less fortunate than me.

I served on the Board of the largest private issuer of micro loans in the world, Opportunity International. I saw firsthand the way that transformational leadership and the private social sector can truly change communities and help families, many living on less than a dollar a day, by spreading kindness, empowerment and hope. I would bring my three teenage children along on these journeys as we traveled to the poorest of neighborhoods, schools and orphanages in

countries like Kenya, the Philippines, India, Honduras, Indonesia, Peru, Viet Nam, and Nicaragua.

They made hundreds of close connections by giving a warm hug and personally handing out numerous \$50 loans. They witnessed in person the impact of what I refer to as “the 3 big E’s” — the power of entrepreneurship, economic empowerment of women and education. I will never forget what my 12-year-old son said, while in the slums of Mumbai, after handing a \$50 loan to an 18-year-old single mother of a crippled child so that she could purchase a sewing machine instead of a dreadful alternative. “I get it now, dad. Just like it says—we are not giving them fish, we are teaching them to fish.” I knew then that by helping to transform the lives of those less fortunate, my children’s as well as my life would be forever transformed.

Always near and dear to my heart is my alma mater, Purdue University, where I had the honor of serving as the chairman of the Board of Trustees and recruiting the former head of OMB and Governor of Indiana, Mitch Daniels, to be our president. At Purdue, we worked to create a model in higher education, innovating new solutions in student affordability, online learning, global reach and retraining the workforce, which I believe will have a lasting impact in reforming higher education.

I am particularly proud that Mitch is now recognized by WSJ as America’s most innovative university president and equally proud that we have frozen tuition for the last 7 years, working to address the \$1.5 Trillion student debt crisis.

I eventually went back to be a CEO and Chairman again at a small 50-person company called DocuSign that had a simple dream of automating the signature process. After recently completing 10 years there, it is now a public company with more than 400 million users in 188 countries and recognized worldwide for its transformative impact on the way business is done. It is an example of how private industry and technological innovation can accelerate commerce securely by replacing slow, wasteful paper transactions — and along the way, we saved the planet 20 billion pieces of paper.

This Ohio boy, who began his journey welding parts and later had the good fortune of welding together billion-dollar companies, has had the blessing of a true All-American dream. But not even this dreamer could have ever imagined, that one day, he might be presented with an opportunity to give back to this great nation, which has given him so much.

If confirmed, it would be the privilege of my life to serve this country and pay it forward to the next generation of Americans.

I fully appreciate the enormity and gravity of this role, especially in a time where the reality we face as a nation is one of ever-increasing cyber warfare and seemingly ceaseless variations of intense, perhaps even weaponized, economic competition.

As you know, our rivals are playing the long game and they are playing for keeps—a four-dimensional game of economic, military, diplomatic and cultural chess with little respect for

human rights, intellectual property, international law, transparency, the environment, or the sovereignty of other nations.

At the end of the day, there is no substitute for American leadership. In order to prevail, we must play this game better and take economic statecraft to the next level.

My life's work has been focused on creating innovative companies and transformative social causes by building high-performance teams that challenge the status quo. I believe the team with the best people wins and that diversity of thought on any team is the catalyst for genius.

With that aim in mind, if confirmed, I will be honored to work side-by-side at all levels with our accomplished and committed diplomatic corp and with each of you in a meaningful way, benefiting from your experience, insights and wisdom.

Economic diplomacy is at an inflection point and technological advances have changed everything. Change is inevitable, and I believe it is also the most powerful and exciting word in any language. Change need not favor our adversaries.

If confirmed, my focus will be on embracing this opportunity and harnessing 3 powerful areas of competitive advantage: strengthening our partnerships with friends and allies, leveraging the innovation and resources of the private sector, and amplifying the moral high ground of our American values and enduring optimism to advance peace and prosperity for our country and for the world.

If confirmed, I will work tirelessly and strategically here and around the world to optimize economic growth, energy security and the health of our planet for the sake of advancing the interests of our citizens and maximizing our national security.

Chairman Risch, Ranking Member Menendez, and distinguished members of the Committee, I thank you for the opportunity to appear before you today. I am honored and humbled that you are considering me for this important position. I welcome your comments and questions. Thank you.