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To prioritize the efforts of, and to enhance coordination among, United States agencies to encourage countries in Central and Eastern Europe to improve the security of their telecommunications networks, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 28, 2021

Mrs. SHAHEEN (for herself and Mr. PORTMAN) introduced the following bill;
which was read twice and referred to the Committee on Foreign Relations

A BILL

To prioritize the efforts of, and to enhance coordination among, United States agencies to encourage countries in Central and Eastern Europe to improve the security of their telecommunications networks, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Transatlantic Tele-
5 communications Security Act”.

1 **SEC. 2. SENSE OF CONGRESS; STATEMENT OF POLICY.**

2 (a) SENSE OF CONGRESS.—It is the sense of Con-
3 gress that—

4 (1) fifth generation (5G) telecommunications
5 networks in allied and partner countries based on
6 common, secure, transparent, democratic standards
7 have the potential to increase cultural, political, and
8 economic exchanges leading to mutual job creation,
9 closer citizen relations, and stronger democratic in-
10 stitutions;

11 (2) the United States has national security and
12 economic interests in assisting Central and Eastern
13 European countries to improve the security of their
14 telecommunications networks by—

15 (A) reducing their dependence on covered
16 telecommunications equipment or services that
17 are often offered with predatory economic in-
18 ducements; and

19 (B) replacing such equipment or services
20 with secure telecommunications equipment or
21 services;

22 (3) the People’s Republic of China’s Belt and
23 Road Initiative and the 17+1 Initiative seek to un-
24 dermine Central and Eastern Europe’s infrastruc-
25 ture resilience and sovereignty through predatory in-
26 ducements from state-linked providers of tele-

1 communications equipment or services, such as
2 Huawei Technologies Company and ZTE Corpora-
3 tion;

4 (4) the United States must assemble a coalition
5 of democratic and like-minded allies and partners—

6 (A) to counter the rise of global malign ac-
7 tors, such as the People’s Republic of China
8 and the Russian Federation; and

9 (B) to build resilience in Central and East-
10 ern Europe against malign influences; and

11 (5) in order to ensure robust military coordina-
12 tion and interoperability with the North Atlantic
13 Treaty Organization (referred to in this Act as
14 “NATO”) and transatlantic allies and partners, the
15 United States should ensure that allies’ and part-
16 ners’ telecommunications networks are secure and
17 free from potential threats in accordance with
18 NATO’s December 2019 London Declaration.

19 (b) STATEMENT OF POLICY.—It is the policy of the
20 United States—

21 (1) to strengthen the transatlantic alliance
22 based on shared values in the face of rising malign
23 influence from the Russian Federation and the Peo-
24 ple’s Republic of China, which seek to undermine
25 democratic institutions and values;

(2) to encourage public and private sector investment in European telecommunications infrastructure projects—

(A) to ensure secure telecommunications;

and

(B) to catalyze economic advancement through the highest standards of transparency, accessibility, and competition;

(3) to provide economically feasible alternatives to financing from providers of covered telecommunications equipment or services;

(4) to engage in diplomacy with European allies and partners to strengthen United States and European private sector efforts—

(A) to develop common telecommunications technology and industry standards; and

(B) to promote them globally;

(5) to support the Three Seas Initiative organized by 12 Central and Eastern European countries of the European Union to increase infrastructure resiliency and reduce reliance on malign actors, including in the telecommunications space; and

(6) to support the people of Ukraine, Moldova, and the Western Balkan countries in their desire for integration into euro-Atlantic institutions and econo-

1 mies through enhanced cross-border telecommuni-
2 cations infrastructure connectivity.

3 **SEC. 3. DEFINITIONS.**

4 In this Act:

5 (1) CENTRAL OR EASTERN EUROPEAN COUN-
6 TRY.—The term “Central or Eastern European
7 country” includes—

8 (A) Albania;

9 (B) Austria

10 (C) Bosnia and Herzegovina;

11 (D) Bulgaria;

12 (E) Croatia;

13 (F) Cyprus;

14 (G) Czechia;

15 (H) Estonia;

16 (I) Greece;

17 (J) Hungary;

18 (K) Kosovo;

19 (L) Latvia;

20 (M) Lithuania;

21 (N) Moldova;

22 (O) Montenegro;

23 (P) North Macedonia;

24 (Q) Poland;

25 (R) Romania;

- 1 (S) Serbia;
- 2 (T) Slovakia;
- 3 (U) Slovenia; and
- 4 (V) Ukraine.

5 (2) COVERED FOREIGN COUNTRY.—The term
6 “covered foreign country” means the People’s Re-
7 public of China.

8 (3) COVERED TELECOMMUNICATIONS EQUIP-
9 MENT OR SERVICES.—The term “covered tele-
10 communications equipment or services” means—

11 (A) telecommunications equipment or serv-
12 ices produced or provided by Huawei Tech-
13 nologies Company or ZTE Corporation (or any
14 subsidiary or affiliate of such entities); and

15 (B) telecommunications equipment or serv-
16 ices produced or provided by an entity that the
17 Secretary of State, in consultation with the Di-
18 rector of National Intelligence, reasonably be-
19 lieves to be an entity owned or controlled by, or
20 otherwise connected to, the government of a
21 covered foreign country.

22 (4) EARLY-STAGE PROJECT SUPPORT.—The
23 term “early-stage project support” includes—

- 24 (A) feasibility studies;
- 25 (B) resource evaluations;

1 (C) project appraisal and costing;

2 (D) pilot projects;

3 (E) commercial support, such as trade
4 missions, reverse trade missions, technical
5 workshops, international buyer programs, and
6 international partner searchers to link suppliers
7 to projects;

8 (F) technical assistance and other guid-
9 ance to improve the local regulatory environ-
10 ment and market frameworks to encourage
11 transparent competition and enhance tele-
12 communications security; and

13 (G) long-term telecommunications sector
14 planning.

15 (5) LATE-STAGE PROJECT SUPPORT.—The term
16 “late-stage project support” includes debt financing,
17 equity financing, insurance, and transaction advisory
18 services.

19 (6) MALIGN INFLUENCE.—The term “malign
20 influence” has the meaning given the term “foreign
21 malign influence” in section 119C(e)(2) of the Na-
22 tional Security Act of 1947 (50 U.S.C. 3059(e)(2)).

23 (7) SECURE TELECOMMUNICATIONS EQUIP-
24 MENT OR SERVICES.—The term “secure tele-
25 communications equipment or services” means tele-

1 communications equipment or services that are not,
2 and do not contain, covered telecommunications
3 equipment or services.

4 **SEC. 4. PRIORITIZATION OF EFFORTS AND ASSISTANCE**
5 **FOR TELECOMMUNICATIONS INFRASTRUC-**
6 **TURE PROJECTS IN CENTRAL AND EASTERN**
7 **EUROPE.**

8 (a) IN GENERAL.—In pursuing the policy described
9 in section 2(b), the Secretary of State, in consultation with
10 the Secretary of Commerce, the Chief Executive Officer
11 of the United States International Development Finance
12 Corporation, the Director of the United States Trade and
13 Development Agency, the Federal Communications Com-
14 mission, and heads of other relevant United States agen-
15 cies, shall, as appropriate, prioritize and expedite the ef-
16 forts of the Department of State and the aforementioned
17 agencies in supporting the efforts of the European Com-
18 mission and the governments of Central and Eastern Eu-
19 ropean countries to improve the security of their tele-
20 communications networks, including through providing
21 diplomatic and political support to the European Commis-
22 sion and Central and Eastern Europe countries, as nec-
23 essary—

24 (1) to support the enhancement of European
25 telecommunications markets, including through

1 early-stage project support and late-stage project
2 support for the construction or improvement of tele-
3 communications and related infrastructure;

4 (2) to remove covered telecommunications
5 equipment or services and replace such equipment or
6 services with secure telecommunications equipment
7 or services;

8 (3) to support the development of telecommuni-
9 cations networks that are inclusive, transparent, eco-
10 nomically viable, financially, environmentally, and
11 socially sustainable, compliant with international
12 standards, laws, and regulations, and supplied by
13 providers of secure telecommunications equipment or
14 services; and

15 (4) to facilitate international coordination on
16 cross-border telecommunications infrastructure con-
17 struction and security standards to ensure cross-bor-
18 der telecommunications are secure.

19 (b) PROJECT SELECTION.—

20 (1) IN GENERAL.—The Secretary of State, the
21 Chief Executive Officer of the United States Inter-
22 national Development Finance Corporation, and the
23 Director of the United States Trade and Develop-
24 ment Agency should identify telecommunications in-
25 frastructure projects that would—

1 (A) advance United States national secu-
2 rity; and

3 (B) be appropriate for United States as-
4 sistance under this section.

5 (2) PROJECT ELIGIBILITY.—A project is eligible
6 for United States assistance under this section if the
7 project—

8 (A)(i) improves, modernizes, or expands
9 telecommunications networks with secure tele-
10 communications equipment or services
11 through—

12 (I) an investment in hard infrastruc-
13 ture, such as telecommunications lines or
14 equipment; or

15 (II) an investment in soft infrastruc-
16 ture, such as innovative software develop-
17 ment or cloud services;

18 (ii) removes covered telecommunications
19 equipment or services and replaces such equip-
20 ment or services with secure telecommuni-
21 cations equipment or services; or

22 (iii) enhances telecommunications market
23 integration across the Central or Eastern Euro-
24 pean region that is secure from exploitation by
25 malign actors; and

1 (B) is located in a Central European or
2 Eastern European country.

3 (3) PREFERENCE.—In selecting among eligible
4 projects, the agencies described in subsection (a)
5 should give preference to projects that—

6 (A) can attract funding from the private
7 sector, an international financial institution, the
8 government of the country in which the project
9 will be carried out, or the European Commis-
10 sion;

11 (B) have been designated as available for
12 funding through the Three Seas Initiative In-
13 vestment Fund;

14 (C) are to be carried out in 1 or more of
15 the Three Seas Initiative member nations;

16 (D) are to be carried out in NATO mem-
17 ber nations that—

18 (i) meet or are making progress to-
19 ward meeting their commitments to up-
20 holding the rule of law and preserving
21 democratic institutions in accordance with
22 the preamble and Article 2 of the North
23 Atlantic Treaty, done at Washington April
24 4, 1949; or

1 (ii) meet or are making demonstrable
 2 progress toward meeting their defense
 3 spending commitments in accordance with
 4 the NATO Wales Summit Declaration
 5 issued on September 5, 2014; or

6 (E) have the potential to advance United
 7 States economic interests.

8 (c) TYPES OF ASSISTANCE.—

9 (1) DIPLOMATIC AND POLITICAL SUPPORT.—

10 The Secretary of State shall provide diplomatic and
 11 political support to the European Commission and to
 12 Central and Eastern European countries, as nec-
 13 essary, including by using the diplomatic and polit-
 14 ical influence and expertise of the Department of
 15 State to build the capacity of Central and Eastern
 16 European countries to resolve any impediments to
 17 the development of projects selected pursuant to
 18 subsection (b).

19 (2) INTERNATIONAL FINANCIAL INSTITUTIONS
 20 SUPPORT.—The Secretary of State shall encourage
 21 international financial institutions, including the Eu-
 22 ropean Bank for Reconstruction and Development,
 23 the European Investment Bank, and the Inter-
 24 national Monetary Fund, the Foreign, Common-
 25 wealth, and Development Office of the Government

1 of the United Kingdom, the Agency for International
2 Cooperation of the Government of Germany, and the
3 Development Agency of the Government of France
4 to invest in telecommunications infrastructure resil-
5 ience in Central and Eastern Europe.

6 (3) EARLY-STAGE PROJECT SUPPORT.—The Di-
7 rector of the United States Trade and Development
8 Agency shall provide early-stage project support with
9 respect to projects selected pursuant to subsection
10 (b), as necessary, including project support in
11 middle- and upper-income countries.

12 (4) LATE-STAGE PROJECT SUPPORT.—Agencies
13 described in subsection (a) that provide late-stage
14 project support shall provide such support with re-
15 spect to projects selected pursuant to subsection (b),
16 as necessary.

17 (5) UNITED STATES INTERNATIONAL DEVELOP-
18 MENT FINANCE CORPORATION SUPPORT.—Notwith-
19 standing the restriction under section 1412(c)(2) of
20 the BUILD Act of 2018 (22 U.S.C. 9612(c)(2)), the
21 United States International Development Finance
22 Corporation is authorized to provide support for
23 projects under this section in Central and Eastern
24 European countries that are countries with upper-
25 middle-income economies or high-income economies

1 (as such terms are defined by the International
2 Bank for Reconstruction and Development and the
3 International Development Association (collectively
4 referred to as the “World Bank”)).

5 **SEC. 5. PROGRESS REPORTS.**

6 (a) APPROPRIATE CONGRESSIONAL COMMITTEES
7 DEFINED.—In this section, the term “appropriate con-
8 gressional committees” means—

9 (1) the Committee on Foreign Relations of the
10 Senate;

11 (2) the Committee on Appropriations of the
12 Senate;

13 (3) the Committee on Foreign Affairs of the
14 House of Representatives; and

15 (4) the Committee on Appropriations of the
16 House of Representatives.

17 (b) IN GENERAL.—Not later than 1 year after the
18 date of the enactment of this Act, and annually thereafter,
19 the President shall submit a report to the appropriate con-
20 gressional committees that describes the progress made in
21 providing assistance for projects selected pursuant to sec-
22 tion 4(b), including—

23 (1) a description of the telecommunications in-
24 frastructure projects the United States has assisted;
25 and

1 (2) for each such project—

2 (A) a description of the role of the United
3 States in the project, including in early-stage
4 project support and late-stage project support;

5 (B) the amount and form of debt financ-
6 ing, equity financing, and insurance provided
7 for the project by—

8 (i) the United States Government;

9 (ii) the Three Seas Initiative Invest-
10 ment Fund;

11 (iii) international financial institu-
12 tions, including the European Bank for
13 Reconstruction and Development, the Eu-
14 ropean Investment Bank, and the Inter-
15 national Monetary Fund;

16 (iv) the Foreign, Commonwealth, and
17 Development Office of the Government of
18 the United Kingdom;

19 (v) the Agency for International Co-
20 operation of the Government of Germany;
21 or

22 (vi) the Development Agency of the
23 Government of France;

1 (C) the public summary disclosure of the
2 project that preclude the use of covered tele-
3 communications equipment or services; and

4 (D) an update on the progress made on
5 the project as of the date of the report.

