To authorize the establishment of a Technology Partnership among democratic countries, and for other purposes.

A BILL

To authorize the establishment of a Technology Partnership among democratic countries, and for other purposes.

Sec. 1. Short Title.

This Act may be cited as the “Democracy Technology Partnership Act”.

Sec. 2. Findings.

Congress finds the following:

(1) The 21st century will increasingly be defined by economic competition rooted in techno-
logical advances. Leaders in adopting emerging technologies, such as artificial intelligence, quantum computing, biotechnology, and next-generation telecommunications, and those who shape the use of such technologies, will garner economic, military, and political strength for decades.

(2) These technologies offer opportunities for the empowerment of citizens, but also and challenges to basic norms of democratic governance and internationally recognized human rights. The collection and analysis of data from individuals allows governments to know more about their residents’ behaviors, preferences, interests, and activities than was possible years ago. The concentration of this data in key technologies, such as smart phones, search databases, and facial recognition databases, along with the sharing of data among governments, creates pressing concerns about individuals’ scope to exercise their fundamental political and social rights.

(3) This challenge arises as the integrity and efficacy of post-World War II international institutions are increasingly challenged. New approaches to multilateral cooperation and arrangements are needed to tackle the challenges ahead to ensure that the
United States continues to lead in critical technologies.

(4) As information and communications technologies have matured and increasingly mediate large swathes of social, political and economic activity, it is incumbent on democratic governments to address the ways in which these technologies have undermined democratic values, consumer protections, and social cohesion. Moreover, as authoritarian regimes increasingly shape and deploy technologies to bolster repression, stifle free expression, and interfere with free and fair elections in other countries, the world’s advanced democracies will need to shape technology standards so that emerging and critical technologies reflect democratic values, including freedom of expression and privacy.

(5) Technological leadership by the world’s major liberal-democratic nations collectively will be essential to safeguarding democratic institutions, norms, and values, and contributing to global peace and prosperity, especially as authoritarian governments seek to promote closed information systems and technology that is not interoperable, often through trade and investment practices that are incompatible with global norms. A unified approach by
like-minded nations is needed to counteract growing investments in, and deployments of, emerging technologies by authoritarian powers.

(6) In addition to the development of emerging technologies, democratic nations must lead in shaping expectations for the responsible use of such technologies and push back against laissez faire approaches and authoritarian interests on internet governance advanced in multilateral forums by—

(A) advocating against efforts to criminalize or limit political dissent and freedom of speech online, such as those spearheaded by the Russian Federation, which seek to undermine the Council of Europe’s Convention on Cybercrime, done at Budapest November 23, 2001, in favor of a statist alternative; and

(B) prioritizing protections for elections, and other processes essential for healthy democracies, from cyber-attack.

(7) The world’s leading democracies must also confront new challenges to their market-driven economic systems to ensure their continued leadership in technology and innovation. The People’s Republic of China (referred to in this Act as the “PRC”) is pursuing an industrial policy to achieve dominance
in key technologies, including 5G, artificial intelligence (referred to in this section as “AI”), quantum computing, hypersonics, biotechnology, space capabilities, and autonomous vehicles.

(8) The PRC seeks to use technological superiority for national security, military-civil fusion, and economic gains, according to its strategic plans, including—

(A) the Made in China 2025 strategy;

(B) the Five-Year Plan for Standardization and China Standards 2035;

(C) the 2006 Medium-to-Long Term S&T Plan;

(D) the 2010 State Council Decision on Accelerating the Development of Strategic Emerging Industries; and

(E) the 13th Five-Year Plan for the Development of Strategic Emerging Industries.

(9) The PRC seeks to advance in areas in which democratic countries currently have a technological advantage and move ahead in emerging technologies where China seeks a unique opportunity to overtake such countries.
(10) For many years, the PRC has pursued industrial policies and discriminatory trade practices that include—

(A) heavily subsidizing Chinese companies, restricting foreign competition, conducting forced technology transfers, and using both licit and illicit means to access research and development around technologies in order to advantage Chinese companies in specific technology fields;

(B) providing significant government funding for research and development in the PRC in specific technologies to build future competitiveness;

(C) seeking to ensure global adoption of Chinese technologies, and the success of Chinese firms, especially in emerging and strategic markets, through significant foreign direct investment, low-cost financing and comprehensive services for foreign development projects, through initiatives such as the Belt and Road Initiative, which includes the Digital Silk Road and the Health Silk Road, as well as the Smart City Initiative, efforts centered on promoting the use of Chinese exports by offering far
cheaper rates and bundling these deals into larger development and aid packages;

(D) aiding the adoption of Chinese-led standards for digital technologies and products through compensating Chinese firms that submit standards and flooding forums with technical experts; and

(E) leveraging the international standard setting bodies to advance the vision of the PRC regarding standards and technologies.

(11) As a result of these practices in support of Chinese companies, the PRC is increasing its influence in AI, 5G, and a wide range of other science and technology disciplines that constitute long-term economic and security threats to the United States, its allies, and like-minded partners. According to market research firm Dell’Oro Group, Huawei’s share of worldwide telecommunications revenue equipment grew from 20 percent in 2014 to 31 percent in 2020.

(12) While the United States semiconductor industry is the worldwide industry leader with approximately 50 percent of global market share and sales of $193,000,000,000 in 2019, the situation may be changing. In 2019, all 6 of the new semiconductor
fabrication plants that opened worldwide were located outside of the United States, with 4 of these plants built in China. The Government of the PRC plans to spend $150,000,000,000 on its computer chip industry during the next 10 years.

(13) The PRC uses technologies, such as AI, facial recognition, and biometrics, to increase control over its population, facilitating mass surveillance, scalable censorship, and technology-enabled social control, including against ethnic and religious minorities including Tibetans, Uyghurs, ethnic Kazakhs, Kyrgyz, and members of other Muslim minority groups.

(14) The PRC uses its economic power to coerce and censor companies, individuals and countries.

(15) In the past decade, the Government of the PRC—

(A) blocked exports of rare earth elements to Japan;

(B) threatened to curtail domestic sales of German cars;

(C) cut off tourism to South Korea;

(D) restricted banana imports from the Philippines; and
(E) imposed large tariffs on Australian barley exports.

(16) The Government of the PRC—

(A) has banned United States technology companies, including Facebook, Google, and Twitter;

(B) has pressured movie studios based in the United States to alter content in movies that it deemed objectionable; and

(C) has retaliated against a range of American companies for actual or perceived support for a range of political positions, including recognizing territorial claims of countries in border disputes with China, recognizing Tibet, and more.

(17) Third countries have become particular targets of Chinese investments in technology. These third country investments provide access to innovation, data that allows Chinese companies to refine their own systems, and influence over the policies of these governments. The terms on which Chinese investments are made often are attractive in the short-term but create conditions for Chinese ownership of, or influence over, major industries in those countries.
(18) After decades of being the world leader in key technologies, the United States is at risk of falling behind the PRC in key technologies of the future. While private-sector research and development investments have steadily increased in the United States, Federal Government spending has declined as a percentage of Gross Domestic Product from approximately 1.2 percent in 1976 to approximately 0.7 percent in 2018. The decline has been even steeper in the physical sciences. The Federal Government plays a unique and critical role in America’s innovation ecosystem. Government research and development spending spurs private-sector investments, and the United States Government remains the largest source of basic research funding, which is foundational to game-changing technological achievements.

(19) During the past several years, the PRC has quadrupled its research and development spending and is on the brink of surpassing the United States in total investments in key technologies, with its growth in research and development spending doubling the United States Government’s spending increase in this area. Chinese patent publications
have surged in the fields of artificial intelligence, machine learning, and deep learning.

(20) The United States is highly dependent on China for key components of critical technologies in its supply chains, such as rare earths.

(21) The United States remains a leader in the science and technology areas of engineering and biology as well as key components, including telecommunications equipment and semiconductors. The United States does not have a domestic manufacturer of radio access network equipment for 5G networks, but is well-positioned to lead in 6G telecommunications, which depend on software and semiconductors, areas of United States strength.

(22) Other countries have unique knowledge, expertise, and capabilities in numerous cutting edge technologies, including semiconductor manufacturing equipment, such as extreme ultraviolet lithography machines for semiconductor fabrication and machine tools for fabrication of custom components. In order to successfully compete against the PRC, the United States must partner with such countries.

(23) The private sector in the United States and partner countries, including Japan, Korea, Australia, New Zealand, the United Kingdom, and the
European Union has considerable expertise in both technology and in standard setting, given the role of the private sector in international standard setting bodies, but this expertise can be better leveraged in shaping United States technology policy.

SEC. 3. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) emerging technology governance regimes driven by undemocratic governments that do not reflect democratic values are gaining traction internationally through coercive, diplomatic, and unfair economic, trade, and development practices;

(2) the United States is failing to lead international efforts or prioritize multilateral coordination, institutions, and legal compatibility in the area of technology governance, ceding leadership to authoritarian regimes and risking the growth of anti-democratic norms and standards around technologies; and

(3) promoting greater coordination, common functional problem-solving institutional mechanisms, and more compatible legal regimes among democratic nations is essential to create an international technology governance architecture that benefits all
nations and effectively counters and contains non-democratic governance regimes.

SEC. 4. STATEMENT OF POLICY.

It shall be the policy of the United States to lead in the creation of a new multilateral diplomatic architecture for technology policy composed of the world’s tech-leading democracies.

SEC. 5. INTERNATIONAL TECHNOLOGY PARTNERSHIP OFFICE AT THE DEPARTMENT OF STATE.

(a) Establishment.—The Secretary of State shall establish an interagency-staffed International Technology Partnership Office (referred to in this section as the “Office”), which shall be housed in the Department of State.

(b) Leadership.—

(1) Special Ambassador.—The Office shall be headed by the Special Ambassador for Technology, who shall—

(A) be appointed by the President, by and with the advice and consent of the Senate;

(B) have the rank and status of ambassador; and

(C) report to the Secretary of State, unless otherwise directed by the Secretary of State.

(2) Directors.—The Secretary of Commerce and the Secretary of Treasury shall each appoint,
from within their respective departments, directors for International Technology Partnership, who also shall serve as liaisons between the Office and the Department of Commerce or the Department of the Treasury, as applicable.

(c) Membership.—In addition to the leaders referred to in subsection (b), the Office shall include a representative or expert detailee from key Federal agencies, as determined by the Special Ambassador for Technology.

(d) Purposes.—The purposes of the Office shall include—

(1) creating an international technology partnership of democratic countries to develop harmonized technology governance regimes and to fill gaps where United States capabilities are currently insufficient, with a specific focus on key technologies, including—

(A) artificial intelligence and machine learning;

(B) 5G telecommunications and other advanced wireless networking technologies;

(C) semiconductor chip manufacturing;

(D) biotechnology;

(E) quantum computing;
(F) surveillance technologies, including facial recognition technologies and censorship software; and

(G) fiber optic cables;

(2) vigorously identifying existing and, as needed, new multilateral mechanisms to advance the objectives of the International Technology Partnership around technology governance that advances democratic values;

(3) coordinating with such countries regarding shared technology strategies, including technology controls and standards, as informed by the reports required under section 8; and

(4) developing strategies with partner countries for coordinated, development and financial support for the acquisition by key countries of the technologies listed in paragraph (1), or comparable technologies, in order to provide alternatives for those countries to systems supported by authoritarian regimes.

(e) SPECIAL HIRING AUTHORITIES.—The Secretary of State may—

(1) hire support staff for the Office, in accordance with section 303 of the Foreign Service Act of 1980 (22 U.S.C. 3943); and
(2) hire individuals to serve as experts or consultants for the Office, in accordance with section 3109 of title 5, United States Code.

SEC. 6. INTERNATIONAL TECHNOLOGY PARTNERSHIP.

(a) PARTNERSHIP CRITERIA.—The Special Ambassador for Technology (referred to in this section as the “Special Ambassador”) shall seek to establish an International Technology Partnership with foreign countries that have—

(1) democratic national government and a strong commitment to democratic values, including an adherence to the rule of law, freedom of speech, and respect for and promotion of human rights, including the right to privacy;

(2) an economy with advanced technology sectors; and

(3) a demonstrated record of trust or an expressed interest in international cooperation and coordination with the United States on important defense and intelligence issues.

(b) POLITICAL AND ECONOMIC UNIONS.—The International Technology Partnership may include relevant political and economic unions.

(c) OBJECTIVES.—The Special Ambassador, in cooperation with International Technology Partnership par-
participates, shall pursue, as appropriate, through memora-
danda of understanding, executive agreements, free trade
agreements, and existing multilateral channels—

(1) coordination of technology policies and
standards among International Technology Partner-
ship countries through participation in international
standard setting bodies, such as the United Nations
Group of Governmental Experts, World Trade Orga-
nization, the 3rd Generation Partnership Project,
and the International Telecommunications Union,
including pre-attendance meetings, education, and
panels to report on issues;

(2) coordination of policies with the private sec-
tor to ensure private sector led, politically neutral,
standards processes;

(3) the adoption of shared data privacy, data
sharing, and data archiving standards among the
United States and partner countries and relevant
economic and political unions, including harmonized
data protection regulations;

(4) the creation of coordinated policies for the
use and control of emerging and foundational tech-
nologies through—

(A) use restrictions and export controls;
(B) investment screening coordination, including the harmonization of technology-transfer laws, regulations, policies, and practices; and

(C) the development of other arrangements to regulate and control technology transfer; (5) coordination around the resiliency of supply chains in critical technology areas, with possible diversification of supply chain components among the group, while—

(A) abiding by transparency obligations related to subsidies and product origin; (B) conducting risk analyses of products manufactured in third party nations that fail to meet established standards similarly; (C) coordinating subsidy policies; and (D) limiting preferential trade agreements between member countries; (6) the coordination of supply chains regarding semiconductor fabrication through a fabrication research consortium for the semiconductor industry; (7) the facilitation of partnerships and cooperation among and between research universities, start-up companies, and other businesses in member countries regarding key technologies, including the cre-
ation of memoranda of understanding regarding science and technology collaboration with member countries and coordinated incentives and subsidies;

(8) the coordination of investments and co-finance in targeted countries with the goal of—

(A) promoting secure and resilient digital infrastructure and privacy-enhancing technologies that protect democratic values and create a clear contrast and alternative to the PRC through the United States International Development Finance Corporation, the Export-Import Bank of the United States, foreign development finance institutions (including the World Bank and the International Monetary Fund), the European Bank for Reconstruction and Development, the European Investment Bank, partner country development institutions, regional banks, other lending institutions, or new investment mechanisms; and

(B) seeking to ensure that all funding provided by those institutions, for any purpose, should be conditioned upon the protection of democratic values, and that financing is forbidden to companies involved in the international
investment programs of authoritarian or
illiberal governments; and

(9) information sharing among partner coun-
tries to raise awareness of—

(A) the technology transfer threat posed by
authoritarian governments; and

(B) ways in which autocratic regimes are
utilizing technology to erode democracies.

(d) WORKING GROUPS.—In carrying out the objec-
tives described in subsection (c) with respect to particular
technology areas, the Special Ambassador may establish
working groups within the International Technology Part-
nership, composed of representatives from partner coun-
tries, including relevant political and economic unions, to
coordinate on discrete strategies and policies related to
specific technologies.

SEC. 7. INTERNATIONAL TECHNOLOGY PARTNERSHIP
FUND.

(a) ESTABLISHMENT.—There is established in the
Treasury of the United States a trust fund, which shall
be known as the “International Technology Partnership
Fund” (referred to in this section as the “Fund”).

(b) DEPOSITS.—
(1) Federal Appropriations.—There is authorized to be appropriated $5,000,000,000 for the Fund.

(2) Donations.—In addition to amounts appropriated for the Fund pursuant to paragraph (1), the Secretary of the Treasury may accept donations from International Technology Partnership member countries.

(c) Use of Funds.—Subject to subsection (d), amounts deposited into the Fund may be used by the Secretary of State, in consultation with the International Technology Partnership and other relevant Federal agencies, to support—

(1) joint research projects between government research agencies, universities, technology companies, and other businesses from International Technology Partnership member countries; and

(2) technology investments in third country markets.

(d) Notification Requirement.—The obligation of funds under subsection (c) is subject to the notification requirement set forth in section 634A of the Foreign Assistance Act of 1961 (22 U.S.C. 2394–1).

(e) Public-Private Board.—
(1) Establishment.—There is hereby established an International Technology Partnership Advisory Board (referred to in this subsection as the “Board”), which shall provide the International Technology Partnership Office with advice and recommendations concerning the implementation of this Act.

(2) Membership.—The Board shall be composed of individuals—

(A) with demonstrated expertise in the fields of emerging technologies and international trade; and

(B) come from the private sector, academic institutions, national and international human rights organizations, and technology research institutions.

SEC. 8. DEPARTMENT OF STATE REPORTING REQUIREMENTS.

(a) National Strategy for Technology and National Security.—Not later than 1 year after the date of the enactment of this Act, the Secretary of State, in consultation with other relevant Federal agencies, shall submit an unclassified report to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives, with a classified
index, if necessary, that outlines a national strategy for technology and national security, which—

(1) assesses the emerging and foundational technologies of the future;

(2) identifies the current capabilities of the United States in critical technologies and its components, including any gaps in such capabilities;

(3) identifies the technology capabilities (horizon scanning and technology forecasting) among allied and partner countries;

(4) identifies governance models for emerging and foundational technologies being adopted by other countries and other areas of global policy convergence where the United States should better pursue multilateralism or coordination;

(5) identifies a preliminary set of priority technology areas on which the International Technology Partnership should be focused;

(6) analyzes the current capabilities of the PRC in critical technologies and components, including any gaps in such capabilities; and

(7) includes a set of recommendations for—

(A) rapidly enhancing United States technological capabilities;
(B) how the United States should collaborate with allied or like-minded countries, identifying existing and, as needed, new multilateral mechanisms to fill capability gaps and areas for the United States to advance democratic values; and

(C) the criteria for determining which countries should be included in the International Technology Partnership, including a strong commitment to democratic values and a history of working closely with the United States, as reflected in Department of State reports regarding human rights and media freedom.

(b) **Standards and Governance Regimes.**—Not later than 1 year after the date of the enactment of this Act, the Secretary of State shall submit a report to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives that assesses other countries’ standards and governance regimes for privacy, human rights, consumer protection, and free expression to supplement the criteria recommended pursuant to subsection (a)(7)(C).