117TH CONGRESS 1ST SESSION

H. R. ______

To prioritize the efforts of and 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 HOUSE OF REPRESENTATIVES

Ms. KAPTUR introduced the following bill; which was referred to the Committee on ______

A BILL

To prioritize the efforts of and 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 Representatives of the United States of America in Congress assembled,

2 SECTION 1. SHORT TITLE.

3 This Act may be cited as the “Transatlantic Telecommunications Security Act”.

January 28, 2021 (9:44 a.m.)
SEC. 2. STATEMENT OF POLICY.

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) Fifth-generation telecommunications networks in allied and partner countries based on common, secure, transparent, democratic standards have the potential to increase cultural, political, and economic exchanges leading to mutual job creation, closer citizen relations, and stronger democratic institutions;

(2) the United States has national security and economic interests in assisting Central and Eastern European countries to improve the security of their telecommunications networks by reducing dependence on covered telecommunications equipment or services that are often offered with predatory economic inducements, and replacing them with secure telecommunications equipment or services;

(3) China’s Belt and Road Initiative and the 17+1 Initiative seek to undermine Central and Eastern Europe’s infrastructure resilience and sovereignty through predatory inducements from state-linked providers of telecommunications equipment or services such as Huawei Technologies Company and ZTE Corporation;
(4) the United States must assemble a coalition of democratic and like-minded allies and partners to counter the rise of global malign actors such as China and Russia, and build resilience in Central and Eastern Europe against malign influences; and

(5) in order to ensure robust military coordination and interoperability with the North Atlantic Treaty Organization (NATO) and transatlantic allies and partners, the United States should ensure that allies’ and partners’ telecommunications networks are secure and free from potential threats in accordance with the 2019 NATO London Declaration.

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

(1) to strengthen the transatlantic alliance based on shared values in the face of rising malign influence from the Russian Federation and the People’s Republic of China, nations that seek to undermine democratic institutions and values;

(2) to encourage public and private sector investment in European telecommunications infrastructure projects to ensure secure telecommunications and 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 to develop common telecommunications technology and industry standards, and in turn promote them globally;

(5) to support the Three Seas Initiative organized by twelve 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, Georgia, and the Western Balkan countries in their desire for integration into euro-Atlantic institutions and economies through enhanced cross-border telecommunications infrastructure connectivity.
SEC. 3. PRIORITIZATION OF EFFORTS AND ASSISTANCE FOR TELECOMMUNICATIONS INFRASTRUCTURE PROJECTS IN CENTRAL AND EASTERN EUROPE.

(a) IN GENERAL.—In pursuing the policy described in section 2, the Secretary of State, in consultation with the Secretary of Commerce, the Chief Executive Officer of the United States International Development Finance Corporation, the Director of the Trade and Development Agency, the Federal Communications Commission, and heads of other relevant United States agencies, shall, as appropriate, prioritize and expedite the efforts of the Department of State and those agencies in supporting the efforts of the European Commission and the governments of Central and Eastern European countries to improve the security of their telecommunications networks, including through providing diplomatic and political support to the European Commission and Central and Eastern Europe countries, as necessary—

(1) to support enhancement of European telecommunications markets, including through early-stage project support and late-stage project support for the construction or improvement of telecommunications and related infrastructure;

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

(3) to support the development of telecommunications networks that are inclusive, transparent, economically viable, financially, environmentally, and socially sustainable, compliant with international standards, laws, and regulations, and supplied by providers of secure telecommunications equipment or services; and

(4) to facilitate international coordination on cross-border telecommunications infrastructure construction and security standards to ensure cross-border telecommunications are secure.

(b) PROJECT SELECTION.—

(1) IN GENERAL.—The Secretary of State, the Chief Executive Officer of the United States International Development Finance Corporation, and the Director of the Trade and Development Agency shall identify telecommunications infrastructure projects that would advance United States national security and be appropriate for United States assistance under this section.

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

(A) the project—
(i) improves telecommunications networks through either hard infrastructure such as telecommunications lines or equipment or soft infrastructure such as innovative software development or cloud services;

(ii) is inclusive, transparent, economically viable, financially, environmentally, and socially sustainable, compliant with international standards, laws, and regulations, and supplied with secure telecommunications equipment or services solely by providers of secure telecommunications equipment or services;

(iii) does not use covered telecommunications equipment or services or removes covered telecommunications equipment or services and replaces such equipment or services with secure telecommunications equipment or services; and

(iv) enhances telecommunications market integration across the Central or Eastern European region that is secure from exploitation by malign actors; and
(B) the project is located in a Central or
Eastern European country.

(3) PREFERENCE.—In selecting among projects
that are eligible under paragraph (2), the agencies
described in subsection (a) shall give preference to
projects that—

(A) can attract funding from the private
sector, an international financial institution, the
government of the country in which the project
will be carried out, or the European Commiss-
ion;

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

(C) are to be carried out in the Three Seas
Initiative member nations;

(D) are to be carried out in NATO mem-
ber nations that meet or are making progress
toward meeting their commitments to upholding
the rule of law and preserving democratic instit-
tutions in accordance with the preamble and
Article 2 of the NATO Treaty;

(E) are to be carried out in NATO mem-
ber nations that meet or are making demon-
strable progress toward meeting their defense
spending commitments in accordance with the  
2014 NATO Wales Summit Declaration; or  
(F) have the potential to advance United  
States economic interests.

c) Types of Assistance.—

(1) Diplomatic and Political Support.—  
The Secretary of State shall provide diplomatic and  
political support to the European Commission and  
Central and Eastern European countries, as nec-  
essary, including by using the diplomatic and polit-  
ical influence and expertise of the Department of  
State to build the capacity of Central and Eastern  
European countries to resolve any impediments to  
the development of projects selected under sub-  
section (b).

(2) International Financial Institutions  
Support.—The Secretary of State shall seek to en-  
courage international financial institutions, including  
the European Bank for Reconstruction and Develop-  
ment, the European Investment Bank, and the  
International Monetary Fund, the Foreign, Com-  
monwealth, and Development Office of the Govern-  
ment of the United Kingdom, the Agency for Inter-  
national Cooperation of the Government of Ger-  
many, and the Development Agency of the Govern-
ment of France to invest in telecommunications infra-
structure resilience in Central and Eastern Eu-
rope.

(3) EARLY-STAGE PROJECT SUPPORT.—The Di-
rector of the Trade and Development Agency shall
provide early-stage project support with respect to
projects selected under subsection (b), as necessary,
including project support in middle- and upper-in-
come countries.

(4) LATE-STAGE PROJECT SUPPORT.—Agencies
described in subsection (a) that provide late-stage
project support shall do so with respect to projects
selected under subsection (b), as necessary.

(5) UNITED STATES INTERNATIONAL DEVELOP-
MENT FINANCE CORPORATION SUPPORT.—The
United States International Development Finance
Corporation is authorized to provide support for
projects under this section in Central and Eastern
European countries that are countries with upper-
middle-income economies or high-income economies
(as those terms are defined by the International
Bank for Reconstruction and Development and the
International Development Association (collectively
referred to as the "World Bank")) notwithstanding
the restriction under section 1412(c)(2) of the Bet-
ter Utilization of Investments Leading to Development Act of 2018 (22 U.S.C. 9612(e)(2)).

SEC. 4. PROGRESS REPORTS.

(a) IN GENERAL.—Not later than one year after the date of the enactment of this Act, and annually thereafter, the President shall submit to the appropriate congressional committees a report on the progress made in providing assistance for projects under section 3 that includes—

(1) a description of the telecommunications infrastructure projects the United States has identified for such assistance; and

(2) for each such project—

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

(B) the amount and form of debt financing, equity financing, and insurance provided by the United States Government, the Three Seas Initiative Investment Fund, international financial institutions, including the European Bank for Reconstruction and Development, the European Investment Bank, and the International Monetary Fund, the Foreign, Commonwealth, and Development Office of the Government of
the United Kingdom, the Agency for International Cooperation of the Government of Germany, and the Development Agency of the Government of France for the project;

(C) the contractual terms of the project that preclude the use of covered telecommunications equipment or services and steps taken to ensure providers of telecommunications equipment or services meet such contractual terms; and

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

(b) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this section, the term “appropriate congressional committees” means—

(1) the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatatives; and

(2) the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

SEC. 5. DEFINITIONS.

In this Act:

(1) CENTRAL OR EASTERN EUROPEAN COUNTRY.—The term “Central or Eastern European country” includes—
(A) Albania;
(B) Austria
(C) Bosnia and Herzegovina;
(D) Bulgaria;
(E) Croatia;
(F) Cyprus;
(G) the Czech Republic;
(H) Estonia;
(I) Greece;
(J) Hungary;
(K) Kosovo;
(L) Latvia;
(M) Lithuania;
(N) Moldova;
(O) Montenegro;
(P) North Macedonia;
(Q) Poland;
(R) Romania;
(S) Serbia;
(T) Slovakia;
(U) Slovenia; and
(V) Ukraine.

(2) COVERED FOREIGN COUNTRY.—The term "covered foreign country" means the People's Republic of China.
(3) COVERED TELECOMMUNICATIONS EQUIPMENT OR SERVICES.—The term "covered telecommunications equipment or services" means any of the following:

(A) Telecommunications equipment or services produced or provided by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).

(B) Telecommunications equipment or services produced or provided by an entity that the Secretary of State, in consultation with the Director of National Intelligence, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

(4) EARLY-STAGE PROJECT SUPPORT.—The term "early-stage project support" includes—

(A) feasibility studies;

(B) resource evaluations;

(C) project appraisal and costing;

(D) pilot projects;

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

(F) technical assistance and other guidance to improve the local regulatory environment and market frameworks to encourage transparent competition and enhance telecommunications security; and

(G) long-term telecommunications sector planning.

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

(6) SECURE TELECOMMUNICATIONS EQUIPMENT OR SERVICES.—The term “secure telecommunications equipment or services” means telecommunications equipment or services that are not, and do not contain, covered telecommunications equipment or services.