

# BUSINESS MEETING

*Wednesday, April 21, 2021*

U.S. SENATE  
COMMITTEE ON FOREIGN RELATIONS  
*Washington, D.C.*

The committee met, pursuant to notice, at 10:07 a.m., in Room SD-106, Dirksen Senate Office Building, Hon. Bob Menendez, chairman of the committee, presiding.

Present: Senators Menendez [presiding], Cardin, Shaheen, Coons, Murphy, Kaine, Markey, Merkley, Booker, Schatz, Van Hollen, Risch, Rubio, Johnson, Romney, Portman, Paul, Young, Barrasso, Cruz, Rounds, and Hagerty.

## OPENING STATEMENT OF HON. BOB MENENDEZ, U.S. SENATOR FROM NEW JERSEY

**The Chairman:** Good morning. The business meeting of the Senate Foreign Relations Committee will come to order.

This morning, we will consider the Strategic Competition Act of 2021, as well as S. 413, a bill to establish the China Censorship Monitor and Action Group, and S. 814, the Ukraine Security Partnership Act of 2021. We also have two nominees on the agenda: Victor Nuland to be undersecretary for political affairs;

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

### **Business Meeting**

*Wednesday, April 21, 2021*

Uzra Zeya to be undersecretary for civilian, security, democracy, and human rights. These positions are essential to advancing our diplomacy, our interests, and our values, and these two nominees are superbly qualified to do so, particularly given their decades of experience in the Foreign Service. I strongly support their nominations and urge all of my colleagues to work together towards their swift confirmation.

Let me turn to the legislative side of the agenda. As I have said before, I believe that China today, led by a communist party and propelled by Xi Jinping's hyper nationalism, is unlike any challenge we have ever faced as a nation. China today is challenging the United States, disabling the international community across every dimension of power -- political, diplomatic, economic, innovation, military, even cultural -- and with an alternative and deeply disturbing model for global governance. So this is a challenge of unprecedented scope, scale, and urgency, and one that demands a policy and strategy that is genuinely competitive.

So I am genuinely pleased that Senator Risch and I, with input from many members of the committee, have come together to create the Strategic

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

Competition Act of 2021. The Strategic Competition Act is an unprecedented bipartisan effort to mobilize all United States' strategic, economic, and diplomatic tools for an Indo-Pacific strategy that will allow us to truly confront the challenges China poses to our national and economic security. This moment demands a unified, strategic response so that we can rebuild American leadership, invest in our ability to out-compete China, and reground diplomacy and our core values.

The bill will help us reinforce and rebuild alliances and partnerships, restore American leadership of international and regional organizations, respond to China's predatory economic practices, reinvest and replenish the sources of our economic strength and innovation, and grounds our approach to China in our values and highest aspirations as a nation. There should be little doubt that the right framework for thinking about our relationship with China is strategic competition, not because that is what we want or what we have tried to create, but because of the choices that Beijing has and is making, and we must be clear-eyed and sober about Beijing's intentions and actions, and calibrate our policy and strategy accordingly.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

I want to reiterate my thanks to Ranking Member Risch for his excellent contributions offered in a bipartisan spirit of cooperation. In fact, I would like to thank all members and their staffs for their significant contributions to the bill, and I would be remiss if I did not extend my enormous appreciation to the ranking member's staff and my own for their tireless efforts on this bill, which included hundreds of hours of painstaking negotiations as well as countless late nights.

As I mentioned earlier, we will also be taking up the China Censorship Act, and I commend Senators Merkley and Rubio for their work on this bill. It is an important contribution, and they have been waiting for quite some time to get it out of the committee. And finally, with respect to Ukraine, in the 7 years following Russia's invasion, Ukrainian service members have selflessly and courageously continued to defend their homeland against Russian ground, sea, and cyberspace assaults that violate Ukraine's sovereignty and security. I am proud to join with Senator Risch on the Ukraine Security Partnership Act, a long-term security assistance package that demonstrates our bipartisan commitment to a secure Ukraine. As we all know, the security situation has grown increasingly

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

dire as thousands of Russian forces have amassed on Ukraine's border. This bill could not be timelier in sending a message to the world that we stand by Ukraine.

Let me finally register my deep concern about the treatment of Russian opposition leader, Alexei Navalny. The Russian Government must release Mr. Navalny immediately and allow him access to desperately-needed medical care. We must be perfectly clear that if he is not afforded this care, we are prepared to impose sanctions not only on individuals, but on the Russian banking and financial sector. This is barbarism playing out in real time, and we cannot be silent.

With that, let me recognize our distinguished ranking member for his comments. Senator Risch?

**STATEMENT OF HON. JAMES RISCH,  
U.S. SENATOR FROM IDAHO**

**Senator Risch:** Thank you, Chairman Menendez. I want to thank everyone for being here today. The good news for everybody who are here is that, indeed, as is true in a lot of the speeches that we give, and that is that the issues facing us today in foreign policy, and perhaps for the entire 21st century, is

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

going to be China, China, and China. This is our answer, and this has been a long time coming. It has been a lot of hard work, and I want to thank all of our members of this committee who were consulted actively and who participated actively, and their staffs participated actively. This has got virtually everyone's fingerprints on it, for better or for worse. As a result of that, of course, we have a piece of legislation that has things in it everybody will love and things in it that everybody is not so red hot about, but that is the way you get legislation through.

I have said from the beginning, this proposal needs to be strong, actionable, and truly bipartisan, and it really is. The challenge that we are facing from China deserves no less than what we are undertaking here. I think this package that we have prepared today for markup actually meets all of those criteria. This bill -- I cannot overstate the significance of the bill. It has the potential to be an important step toward ensuring the U.S. is postured to compete with China for decades to come. Indeed, if we are successful here, that will be the outcome. Only history will judge that, but this really needs to be done.

One of the priorities that I had, and I want to compliment Senator Menendez for working with me on this because this is a difficult situation, but it

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

definitely needed to be addressed, and it is going to be controversial as it gets out in the public. I had the good fortune -- Vicki and I had the good fortune of traveling in China in 1983, and at that time, China was very much a third world country. And as I looked around, it had nothing that we had, and I could not imagine things being different. Well, fast forward these decades, and, of course, things have changed dramatically.

Now, how did that happen? Well, China has stolen every single good idea we have and taken it back to their people to make life better for them, except they left behind the freedoms that we have, the respect for human rights that we have, and certainly our form of democracy that we have. Their autocratic form of government is very different than ours, and, as a result of that, they can move things much more quickly. And as a result of that, they have gotten to where they are by stealing our ideas.

Now, one of the ways they have done that is through our university system. There are 300,000 Chinese students studying in America today. Three hundred thousand. They are not here studying ancient Greek philosophy. They are not studying home economics. They are in all the areas that we for decades

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

have built the foundations that we have for America. Now, there is nothing wrong with us sharing our good fortune with the world. Indeed, we want everyone to have the quality of life that Americans have. But unfortunately, the Chinese have infused a tremendous amount of influence into the universities. So one of the ways that we have come up with in this bill to counter that is that we are going to require that these very substantial contributions of a million dollars or more be reviewed by CFIUS, just as the other kinds of expenditures are, to determine whether or not these things are in the best interest of the United States.

We do not allow our politicians to take money from China. Why do we not? Because we do not want them influenced with the kind of things that China is peddling. There is no reason why these important institutions that are debating and that are producing the future leaders of this country should have that kind of influence if, indeed, it is put there for malign purposes. So as a result of that, we have come up with this provision so that CFIUS has a look at it.

Now, let us not be naive. We are going to get pushback from the colleges and universities. Everybody in this room has dealt with college presidents before, and it is their job to generate as much money as they can for their colleges

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*



and universities, but it is not right to be taking money from the Chinese Communist Party. Indeed, if money is fungible, and it is, certainly some of the money that the Chinese Communist party amasses is a result of slave labor from the Uyghurs. And if you trace that money, where does it go? It goes into their general pot and then into whatever they spend it on, so you can make a very legitimate argument that that money is going into our colleges and universities, which should not be done. We hope that colleges and universities will look at this, buy on to our arguments that this needs to be substantially more tamped down and regulated than what it is. And if they have constructive ways of dealing with this, we certainly have no problem with dealing with that.

We saw an example right here on this committee when Linda Greenfield testified. I supported her, and one of the reasons I supported her was she admitted that she had made that speech that was highly favorable towards China, and did it as a result of a \$1,500 contribution from a Confucius Institute that employed her to speak at that. So if you can buy that for \$1,500, imagine what you can buy with millions that go into these colleges and universities.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

So with that, let me just conclude on that note, that this bill really has the potential for drawing 75, 80, or more votes on the floor. Senator Menendez and I both started on this in the prior Congress. I introduced a bill, Senator Menendez introduced a bill, so this has been in the works for many, many months. The work has been difficult, but we have gotten through it, and I want to join Senator Menendez in thanking all members of the committee for being involved in this, and the staffs. Particularly, I want to commend Senator Menendez's staff and my staff for working together. These were difficult things to work through, and, as Senator Menendez noted, they had many late nights trying to bring this together, and they have done really an outstanding job.

So with that, we have got some amendment work to do on this. I am going to be voting against some of the amendments, even some that are submitted by members of my own party. And it is painful sometimes to vote against these because my heart is there, but on the other hand, we have made commitments as far as getting this bill to where it is that is a balance that can really go across the floor in good fashion and have a very substantial road behind it, and I think that is very important.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

So thanks to all who participated in this. It has certainly been a team effort, and we will see if we cannot make this work. I would again plead with everyone, particularly the majority leadership at this time, to let this bill run by itself. I know Senator Young and Senator Schumer have a bill of their own that is a China bill. It is in an entirely different lane than this bill is. This bill is very much in our lane as the Foreign Relations Committee. I think Senator Young/Senator Schumer's bill's lane is more in a commercial sense. I am not as familiar with it as I should have been because I have been focused on this, but, again, I hope this one will be a standalone vote that we can take, and I think we can do good things with it.

As far as Ukraine, the Security Partnership Act that we are going to vote on, 7 years ago, Russia illegally seized Crimea and began a campaign of covert military support for Eastern Ukrainian separatists. The past few weeks, Russia has built up a massive military presence on Ukraine's border, and fighting tensions have increased in the eastern Ukraine. You can add this to the long, long list of Russia's malign activities. This bill, I think, addresses that. There is going to be an amendment offered today. Senator Cruz's amendment would require

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

the President to report to Congress within 15 days whether Nord Stream 2 AG, the company building the Nord Stream pipeline, and around 20 other entities are eligible for sanctions PEESA, which, of course, we know they are, and we want to urge them to move forward with those and get that done.

With that, we have got a lot of work to do this morning, and I will yield.

Thank you, Mr. Chair.

**The Chairman:** Thank you very much, Mr. Ranking Member, for your comments. Let me first turn to the two nominations on the agenda: Ambassador Victoria Nuland to be the special representative for nuclear non-proliferation -- no, that is not right. It is undersecretary, right?

**Voice:** Undersecretary for political affairs.

**The Chairman:** To be undersecretary for political affairs, and Ms. Uzra Zeya to -- also to the position of undersecretary. Would any senator like to speak concerning these nominations?

[No response.]

**The Chairman:** If not, I will entertain a motion to approve both nominations by voice vote.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

**Senator Coons:** So move.

**The Chairman:** It is moved. Seconded?

**Senator Cardin:** Second.

**The Chairman:** The question is on the motion to favorably report the nominations.

All in favor will say aye.

[A chorus of ayes.]

**The Chairman:** All those opposed will say no.

[No response.]

**The Chairman:** The ayes have it, and the nominations are agreed to.

**Senator Paul:** May I be recorded as a "no" on the record, please?

**The Chairman:** I am sorry?

**Senator Paul:** I ask to be recorded as a "no."

**The Chairman:** Absolutely. Senator Paul will be recorded as a "no." The ayes have it and will be favorably reported to the Senate.

Without objection, we will now consider S. 1169, the Strategic Competition Act of 2021. I am very pleased that over the past couple of days, the ranking

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

member and I and our staffs have painstakingly negotiated a bipartisan manager's package. This package takes the base bill of the Strategic Competition Act, which the ranking member and I circulated a few weeks ago, and it incorporates your excellent input. Dozens of Democratic and Republican amendments have now been worked into the text, so it is no longer really a Menendez/Rich text. It is already, in a very concrete sense, a committee text. Once adopted, the manager's package will serve as the base bill for the markup.

Unless there are any comments or questions, Senator?

**Senator Risch:** I would occur in the chairman's comments, and I would move the adoption of the --

**The Chairman:** A motion has been made to approve the manager's package by voice vote. Is there a second?

**Senator Cardin:** Second.

**The Chairman:** Seconded by Senator Cardin.

All those in favor will say aye.

[A chorus of ayes.]

**The Chairman:** Opposed, say no.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

[No response.]

**The Chairman:** The ayes have it, and amendment is agreed to.

Next, I want to briefly discuss how I intend to approach amendments today. This committee has not marked up a bill of this size and with this many amendments for several years. Additionally, we are under COVID restrictions, so each office has had to print and organize all of the relevant paper on their own. Particularly in light of this complexity, I am going to make every effort to organize the markup as efficiently and effectively as possible. So I intend to go down the dais in order of seniority, alternating between Democrats and Republicans, asking you to call up only one amendment each turn, and I intend to continue in this process until all members are satisfied in terms of amendments that they seek to offer. If there is a second amendment to that amendment, then we will consider that second amendment at that time after the first amendment has been offered.

I also want to say that I have been working with the ranking member to have a bill that, number one, not only can be reported on a bipartisan basis on the floor, but that can sustain challenges to it on questions, such as blue slip, which is,

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

of course, issues of generating revenues over in the House of Representatives and out of our jurisdiction. I have heard from several chairman and a few ranking members about issues that are may come before the committee, of which they have exerted very strong opinions about the rights they have of jurisdictional issues. And as vigorous as I would like to support the committee's jurisdictional issues, I understand why they are doing that in their respect. So I think we are going to have a robust debate, a lot of amendments, but there may be some that fall into those buckets that I will have to rule out of order.

So with that, let me turn to Senator Risch for any amendments that he may have.

**Senator Risch:** First of all, let me concur in the chairman's remarks regarding the construction of the bill that we can actually accomplish something. And I agree with him on the blue slip remarks, and also, on top of that, we know there are some poison pills out there that fall within our jurisdiction, and I will be voting against all those poison pills, as much as it pains me, because some of the things, substantively, I support. But nonetheless, I think that we have a product

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*



here that, with the consideration of the non-poison pill amendments, we can move. So I am going to yield back without any amendments, Mr. Chairman.

**The Chairman:** Thank you very much. Senator Cardin?

**Senator Cardin:** Let me thank the chairman and ranking member. This bill is very important, and I hope we can move it quickly. I want to thank you and your staff for working with our staffs, as you pointed out. Included in the manager's package that was just approved are several amendments that I offered in regards to the human rights dimension, dealing with a report on corruption within the Chinese regime, as well as dealing with the plight of the Uyghurs and the Hong Kong human rights advocates. And I appreciate the strong commitment to human rights that are included in the manager's package.

Also included was an amendment that would have removed the sunset on the Global Magnitsky and codified a stronger provision. I understand that there has been communication between staffs here and the Speaker's staff in the House of Representatives. There is a blue slip issue. I believe those issues have been resolved, but they have not been resolved to the satisfaction of the House and Senate at this particular moment. There is a way of drafting it that does not

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

create a blue slip issue, and I hope I can work with the chairman and the ranking member as we move forward to see whether there still may be an opportunity on this bill for that provision to be included.

I do not believe it is controversial. I think everyone here supports Global Magnitsky and removing the sunset. It is bipartisan legislation. If we cannot get it into this legislation, then we will look for a vehicle, a House vehicle, in order to move this legislation. I serve on the Senate Finance Committee, so I will also be working with my colleagues on the Senate Finance Committee. But it is extremely urgent that we make it clear that Congress maintains its support for the Global Magnitsky sanctions, which have been so widely accepted globally, and are a very important tool against the Russian Federation and other governments that have abused the rights of their citizens.

So with that, Mr. Chairman, let me thank you. I have no additional amendments that I wish to offer.

**The Chairman:** Thank you, Senator Cardin. Let me just say I strongly support your ending the sunset on Global Magnitsky, and but for the potential blue slip issue, I would be making sure you had it up, and I would be voting for

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

it. I think you would get an overwhelming vote here in the committee. If we can get clearance before the end of this markup, I will recognize you again to do it, and if not, you have my commitment to work with you on the floor to try to achieve that.

**Senator Cardin:** Thank you, Mr. Chairman.

**The Chairman:** Senator Rubio?

**Senator Rubio:** Thank you, Mr. Chairman. I also appreciate the work that you and the ranking member's staff have done in putting this together. A lot of our amendments have been included. I did want to call up Rubio Amendment Number 1, which I think is -- and I believe there is an amendment -- first-degree amendment to the amendment, which is the one that we should probably take up.

**The Chairman:** The senator is recognized for 5 minutes.

**Senator Rubio:** Thank you, and hopefully it will not take that long. One thing the bill does not do, it does not include any actionable measures to address Beijing's activities in the South China Sea, and it is clear that what they are doing is a flagrant violation of international law. A Hague tribunal rejected their

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

maritime claims, and it was a unanimous decision. And despite that, we now see an unprecedented amount of outpost development, military presence there.

You will recall that in September 2015, Xi Jinping stood in the Rose Garden with President Obama, and he pledged that they would not militarize the South China Sea. Well, by December of the following year, we had imagery showing that Xi had deployed military assets, including large anti-aircraft guns, at each of the outposts Beijing controls in the Spratly Islands. They have built runways on these islands, dozens of hangars for fighter aircraft, anti-ship cruise missiles, anti-aircraft batteries, missile defenses, and it is using these islands for its pressure campaign against Taiwan, Vietnam, the Philippines, Malaysia, and the Spratlys and Paracels, and has even pressed into the Natuna Sea to challenge Indonesia.

They now have over 20 outposts in the Paracel Islands and seven in the Spratly Islands. It uses a constant Coast Guard presence to control the Scarborough Shoal, which it illegally seized from the Philippines in 2012. Since 2013, they have engaged in dredging and artificial island building, creating 3,200 acres -- 3,200 acres -- of new land, and it has also substantially augmented their presence in the Paracel Islands. I could go on and on, but in recent weeks, we

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

have seen them continue to use intimidation to change the facts on the ground. It is creating a new flashpoint in the South China Sea, Beijing is. They are amassing about 220 fishing and militia vessels in a reef inside the Philippines' exclusive economic zone, and it is a traditional Filipino fishing ground.

And so what this amendment would do is it would impose -- it would do a number of things, but I think the key is that it would impose sanctions on Chinese persons and entities that contribute to development projects in parts of the South China Sea contested by a member country of the Association of Southeast Asian Nations, or engage in actions or policies that threaten the peace or stability in disputed South China Sea areas, or in an East China Sea area administered by Japan or South Korea. It would prohibit U.S. entities from investing in or ensuring projects involving sanctioned entities in either sea. It would impose prohibitions and restrictions correspondent and payable through accounts related to sanctioned entities if the Office of the Director of National Intelligence determines that China has taken certain actions, such as declaring an air defense identification zone over the South China Sea. It goes on and on, a

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

number of other items regarding government publishing prohibitions and things of this nature, but those are the key provisions.

I would point out that this is a bill that I have filed -- a bipartisan bill that I have filed, I believe, since 2016, and it has been referred to this committee each time. I think we have not taken action on it up to this point, but I hope that that will change today. Thank you.

**The Chairman:** Thank you, Senator Rubio. Let me -- and then I will recognize members. Let me just make a comment. I share your concerns about the PRC's aggressive and expansionist approach in the South China Sea. It is clear we have to do a better job in bringing to bear all the tools at our disposal to shape, constrain, and deter Beijing's behavior. But this amendment contains provisions that would clearly create a blue slip issue and, therefore, allow the whole bill to fail on the floor. As well, it has provisions in it that are outside of the committee's jurisdiction. So while I share your concerns and would be happy to work with you as we move forward, I will have to vote no today based upon those issues to preserve the integrity of the bill on the floor. Senator Paul?

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

**Senator Paul:** I oppose the amendment. I think defining things as contested areas without GPS coordinates could mean anything. It is overly broad. I think also this would include construction or development projects that might not be military in nature, so I think it needs to be thought through a little more before something like this is passed. So I will oppose the amendment.

**The Chairman:** Any other comments? Senator Risch?

**Senator Risch:** Mr. Chairman, I am going to support this amendment. First of all, the South China Sea is really important on the issue involving China, and I agree with the chairman that the House very well could raise the blue slip issue on this, just as it would in Magnitsky. But I am really concerned that to say that we can allow House Ways and Means to preempt entirely the field of sanctions, I just do not buy onto. And I think they can rate -- it cannot be raised here. It is going to be raised in the House, and I think they are going -- the House is going to deal with this anyway, so I think we will wind up perhaps in a conference committee knocking these out. I cannot imagine that they would want to walk away from the provisions regarding the South China Sea. So for that reason, I am going to -- and I share the same thing. My view is the same as

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

far as Senator Cardin's are concerned. I just -- I do not want to concede this ground to the House Ways and Means Committee.

**Senator Cardin:** Mr. Chairman?

**The Chairman:** Yes, Senator Cardin?

**Senator Cardin:** I believe I am Senator Rubio's co-sponsor of the amendment, so I strongly support it, but I am going to support the chairman. I think Senator Risch raises a very good point. I do not want to accept what the House is saying, but I think we have to have a process to bring these issues to conclusion and not jeopardize the overall bill in doing that. I am willing to back off on Global Magnitsky. I would hope Senator Rubio would work with us in regards to the China Sea. I hope we can get that included in the legislation before it reaches the President's desk. But I think the orderly way to do it is not to raise an issue in the bill that we are moving forward that you would like to see considered on its own. I think putting these provisions in it make it much more problematic, that that will eventually happen. So I am going to support the chairman, although I strongly support what Senator Rubio is trying to do in regards to the China Sea.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*



**The Chairman:** Thank you very much. Senator Rubio?

**Senator Rubio:** Just to address a couple points on the argument of overly broad. I mean, actually China has consistently made this argument for years about this nine-dash line. If you look at the passports they issue, it claims these territorial areas that do not belong to them. That has been adjudicated at the Hague, which is the international body that adjudicates these matters with great precision, and they lost unanimously, and they have ignored it and done whatever they wanted.

On the issue of jurisdiction, you know, obviously this is a major geopolitical issue. The tensions with the Philippines now are extraordinary, and I hope everyone is paying attention to what could happen there next with regards to a real potential military conflict given the recent pronouncements by the president of the Philippines about what they intend to do. But this is part of an ongoing strategy to control one of the world's, if not the world's, most important shipping lane. And this bill, I filed it as a bill 4 years ago. It was referred to this committee. So if it was referred to this committee, it is the only place that this

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

could be worked. I would love for it to be voted on as a standalone bill. We have tried to do that. It has not happened.

This is a bill regarding China and strategic competition and strategic issues. This is a major strategic issue. I am not sure what the forum is in the Senate to address something like this if it is not the committee it has been referred to as a standalone bill, and I would hope that we would recognize that in how we vote today. I understand how difficult it is to put together complex pieces of legislation and the procedural grounds that can be raised as a result. But, frankly, I mean, at the end of the day, if I file a bill and the bill is referred to the Foreign Relations Committee, this is the jurisdiction. It is the only jurisdiction I have as a senator to take it up in, and that is what I hope we will do today. Thank you.

**The Chairman:** Let me -- yes, Senator Shaheen?

**Senator Shaheen:** If we are expecting a resolution on the blue slip issue with respect to Global Magnitsky, is it possible to get a resolution on this issue before the end of this markup?

**The Chairman:** Well, we are not going to get all blue slip issues dealt with. We have been reaching out to the Ways and Means Committee to try to

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

verify whether there is or is not a blue slip issue on all of these questions. We are not going to get it done by the end of this markup, so that is clear. The question is, listen, I share Senator Rubio's concerns, but if we are going to start picking over which blue slip issue we are going to preserve and which one we are not, then we are going to have a risk on the floor. The question becomes -- I would like to have a product after all this hard work that withstands the test of leaders on either side of the aisle choosing blue slip as a reason not to proceed with the vehicle. And so I would like to have the time to work, as we move to the floor, to solve many of these, of which I happen to agree with. Magnitsky is one, I agree with Senator Rubio's, but I am not about to take all of the work and then put it to risk on the floor. I am not sure what -- that would be a pyrrhic victory, so.

**Senator Risch:** Mr. Chairman?

**The Chairman:** Senator Risch?

**Senator Risch:** If this fails, and I assume it is going to here, I think Senator Menendez and I would commit that we are going to work with the House to try to get these things in there and get them included, particularly if it gets a good vote here on the --

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

**The Chairman:** I would be happy to work towards that goal.

**Senator Risch:** Thank you.

**The Chairman:** Is there any other member wishing to be heard on this amendment?

[No response.]

**The Chairman:** If not --

**Senator Hagerty:** Mr. Chairman, I would like to be heard.

**The Chairman:** Yes, Senator Hagerty.

**Senator Hagerty:** I am going to support Senator Rubio's amendment because this area is of incredible strategic significance. It is part of a malign strategy that the Chinese Communist Party has been deploying in that region to take over one of the busiest sea lanes in the world. It is a vital flow of commerce for our allies in the region, and we need to stand strong right now rather than lose ground. Thank you, sir.

**The Chairman:** Anyone else? Senator Cruz?

**Senator Cruz:** Mr. Chairman, I also support Senator Rubio's amendment. I am a co-sponsor of it. I think this is an important amendment, and I appreciate

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

the chairman's commitment to work with the ranking member and to work with the Ways and Means Committee to get the blue slip issue resolved because I think this would be a meaningful improvement in the underlying bill.

**The Chairman:** Anyone else?

[No response.]

**The Chairman:** If not, the question is on Rubio Amendment 1.

All those in favor will say aye.

[A chorus of ayes.]

**The Chairman:** All those opposed will say no.

[A chorus of noes.]

**The Chairman:** The noes have it, and the amendment is not agreed to.

Senator Shaheen?

**Senator Shaheen:** Well, thank you, Mr. Chairman, and thank you to you and Senator Risch and everyone on this committee who has worked so hard on this legislation. We need a strategy, a whole-of-government strategy to combat what China is doing, and we have not had one to the extent we need to. This bill is part of that effort to address it in a meaningful way across a variety of aspects

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

of our government, and I appreciate your including two of my amendments in the manager's package.

This third amendment, which is Shaheen Amendment Number 2, is really based on legislation that was passed out of this committee in 2012 and 2013 by unanimous consent, that was sponsored initially -- I was a co-sponsor, but Senator Durbin and Senator Boozman, and the original bill was called Increasing American Jobs Through Greater Exports to Africa Act. What we have done is to take that legislation and to add Latin America. And the reason I did that is because I was at an Armed Services Committee hearing with Admiral Fowler, who is the head of Southern Command, which includes all of Latin America, except Mexico, and he presented this map to us to show us the spreading of Chinese influence that is going on in Latin America.

And you can see -- you probably cannot see from where you are sitting, but there are several things that are really concerning about this. One is the \$500 billion trade goal by 2025 that China has in Latin America, the 25 of 31 countries that host Chinese infrastructure projects, the \$120 million value of COVID cumulative aid, and it goes on. We will leave this in the corner for anybody who

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

would like to see it, but the red countries are One Belt One Road members with China. And when we asked the question, so what does the map for the United States' influence look like, we do not have an answer yet.

And so what this legislation is designed to do is to look particularly at exports in Latin America and Africa, and to try and encourage additional exports which will not only improve our influence in both of those countries, but it will also contribute to jobs in America. And it does this by adding coordinator roles to develop a target-driven strategy to ensure training for U.S. diplomats and increasing trade missions to both regions. So this not only supports economic development in the regions, it will boost American jobs.

I think, as we have all said, China's trade agenda threatens to undermine decades of our investment in Latin America and in Africa, and I hope you will join me in supporting this amendment. Thank you, Mr. Chairman.

**Senator Risch:** Mr. Chairman?

**The Chairman:** Senator Risch?

**Senator Risch:** Mr. Chairman, I am going to support this amendment.

This committee has a history with this piece of legislation and has passed it

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

before. I think it is a good addition. Unfortunately, it is one of those ones that just wound up on the cutting room floor because of the volume of things, so I am going to support it.

**The Chairman:** Thank you.

**Senator Shaheen:** Thank you.

**The Chairman:** Anyone else? Senator Booker?

**Senator Booker:** Thank you, Mr. Chairman. I am a co-sponsor of this and I support it, and I really see the urgency for it. We know that despite the strong demand for American products and services, China really, and others, really have been building the markets, as we see from that chart, as well as on the African continent, and the U.S. is decidedly being left behind. From 2008 to 2019, China alone provided more than \$462 billion in loans to the developing world, and in 2009, China surpassed the United States as the leading trade partner of African countries. The Export-Import Bank of the United States reports China's Export Finance Authority is larger than all the other export credit agencies in the G7 countries combined, making China the world's largest official creditor with a

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*



portfolio more than twice the size of the World Bank and International Monetary Fund combined.

China's aggressive investment in Africa and abroad puts American businesses and workers at a severe disadvantage as key markets are instead filled by foreign companies using low-interest government loans. African consumers lose access to high-quality American products, and American workers lose import-export markets. American businesses need more tools to compete with China, and this would give us exactly that, create jobs at home, and, once again, have America be seen as a leader in some of the most dynamic parts of the world. Thank you, Mr. Chairman.

**The Chairman:** Senator Paul?

**Senator Paul:** I will oppose the amendment. The deficit last year was over \$4 trillion for the United States. This year, it will be over \$3 trillion. It makes no sense to borrow money from China to send it to countries to combat the effect of China. So this is fiscally unsound, adds to our deficit, and is not a good idea.

**The Chairman:** Senator Young?

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

**Senator Young:** I will be supporting the amendment. I would like to be added as a co-sponsor.

**The Chairman:** Without objection.

**Senator Young:** Investment per se by the Chinese Communist Party is not a bad thing, especially in our hemisphere, but their investments are not transparent and they are transactional. They are oftentimes used to put countries into debt traps. They are also used to gain votes in international forums. They use their leverage to extract natural resources in our hemisphere, and increasingly we are seeing mil-to-mil cooperation in a number of countries. Most recently, I had some dialogue with the Jamaican government that was quite sobering.

So we need to up our own trade game. I think that is a very important part of the piece, to Senator Booker's comment, so we will have to optimize those tools. And we might even explore looking at USTR capacity, a very lean agency, but, you know, we need to be striking as many of these trade agreements, or investment agreements, as possible. So I will be supportive.

**The Chairman:** Thank you. Senator Coons?

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

**Senator Coons:** Thank you, Chairman Menendez. I am enthusiastically supporting the initiative of Senator Shaheen. I will just draw your attention to the bottom left corner: eight countries interested in partnering with China and getting access to a vaccine to combat COVID-19. In the coming months, we will be awash in vaccines in the United States, and I just would urge that we work together with the Administration to find a way, once we have vaccinated the American population, to make available robustly our surplus of vaccines. I have heard from several African heads of state, who I got to know in my years as the subcommittee chair, desperate for a path towards getting the more reliable, more effective American-developed vaccines. This is critical in South America, in the Caribbean, in Africa, in Oceania. There are many places in the world where the absence of availability of our developed vaccines is something that we could work together to accelerate, and would push back on some of the vaccine diplomacy by China. Thank you.

**The Chairman:** Does anyone seek recognition?

**Senator Romney:** Mr. Chairman?

**The Chairman:** Senator Romney?

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

**Senator Romney:** I support this amendment also. This is as good a place as any to make a comment about the overall legislation, which I support and applaud. At the same time, I would note that I do not believe anyone would think that this legislation is going to change China's march towards global hegemony of autocracy and repression. We do not have, as a nation, a comprehensive, effective strategy to change China's course and to assure America's leadership in the world going forward over the long haul. And while I very much support this legislation as a positive step, I would suggest that we have a lot more work to do. And the Administration, in particular, given the fact that foreign policy is typically carried out at the executive branch level, has a responsibility to actually help develop a highly-effective strategy, which the world will look at and recognize the reality that we have developed an approach to change the trajectory that China is on and that we are on. Thank you, Mr. Chairman.

**The Chairman:** I very much appreciate the senator's remarks. I agree with him. I hope this can be the beginning of setting some direction and continuing to build upon it. Is there any other member seeking recognition? Senator Portman?

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

**Senator Portman:** I am happy to support Senator Shaheen's amendment. We spoke about it yesterday on the floor. And it is interesting, we have free trade agreements with Central American countries of course, Colombia, Peru, Chile, so we have an advantage actually, and this enables us to take advantage of those trade agreements in a more specific way. And it is true that this is our hemisphere, as some would say, our zone of influence, and it is troubling when you see the investments and the, sometimes, course of activity that goes along with those investments, and high-interest loans, and so on. So I think this is a step in the right direction, and I look forward to working with Senator Shaheen going forward on this.

**The Chairman:** Thank you. Any other members seeking recognition? If not --

**Senator Hagerty:** Mr. Chairman?

**The Chairman:** I am sorry. Senator Hagerty?

**Senator Hagerty:** First, I would like to say I agree wholeheartedly with Senator Romney's comments. This is the beginning of something that we have to spend a lot more time working on. But in this respect for this amendment, for

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

Senator Shaheen's amendment, I support it wholeheartedly as well. China is weaponizing trade, it is weaponizing its vaccine diplomacy, and we need to take every step we possibly can to step up our game to resist it. So thank you for making this amendment, Senator Shaheen. Thank you, Mr. Chairman.

**The Chairman:** Thank you. If there is no other member seeking recognition, the vote is on the Shaheen Amendment Number 2.

All those in favor will say aye.

[A chorus of ayes.]

**The Chairman:** All those opposed will say no.

[A chorus of noes.]

**The Chairman:** The ayes have it, and the amendment is agreed to.

Senator Johnson?

**Senator Johnson:** Thank you, Mr. Chairman. I want to thank you and the ranking member for including my amendment on the Open Technology Fund, helping to ensure that funds from that will actually be used to circumvent the firewall that the Communist Party of China puts in place so that the Chinese

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

people do not understand what is happening in the world with the censorship. I think it is incredibly troubling, so I appreciate you including that amendment.

I have another amendment that I will not ask for a vote on. Apparently there are some issues of jurisdiction, but I think I have both your commitments to work with me to try and get that on the floor. It really -- it relates to Taiwan. My amendments were really designed to put pressure on the Communist Party of China to hopefully modify their behavior. I do not think there is a better way of putting pressure on them than to support Taiwan. I think it is very difficult to do it. It is important to do it, but to do it the right way, and I know there are some other amendments regarding Taiwan on the markup today.

This would elevate them to the Tier 1 list on the Strategic Trade Authorization, allowing them to obtain different types of products without a license, put them on par with other friends and allies. So, again, I just appreciate your commitment to work with me in the future, but I think it is incredibly important that we here in the United States Senate show strong support for Taiwan as China ramps up its pressure on that nation. Thank you.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

**The Chairman:** I share the senator's concerns about Taiwan as the co-chair of the Taiwan Caucus, and I would very much look forward to working with the senator to try to make this an order. With that, Senator Coons?

**Senator Coons:** Thank you, Mr. Chairman. Chairman Menendez, Ranking Member Risch, I just wanted to take a moment and congratulate you and your staff for your very hard work. For the newer members of this committee, this is what legislating looks like, and it is very difficult. It has been very rare in the last couple of years, and I am so grateful to both of you for this moment, one of the more encouraging markups I have been a part of in many years on this committee.

I have two amendments that I would love to have considered today, but for the same reasons other senators have just recognized, I will not be calling them up. One has to do with designating residents of Xinjiang as Priority 2 refugees, which would cause jurisdictional challenges. The other has to do with international standard setting bodies, and I will just briefly speak to this.

China missed 4G. They are not missing 5G, and they absolutely intend to dominate 6G. There are a number of cutting-edge technologies where the

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*



Chinese are exceptionally aggressive on IP rights issues in global standard-setting bodies. You did include in the base text a number of provisions that my very capable and talented staff, led by Tom Mancinelli, helped work with you on. One was about U.S. and allied contributions to standard-setting bodies, which I appreciate. Another encourages USTR to work with our allies on digital trade agreements, and another calling for a thorough and credible investigation of forced labor and re-education in Xinjiang.

Let me just say that, to the points made about the need for a more comprehensive strategy, the best thing we can do is to start by investing in ourselves, demonstrating our democracy and how our legislature can work in investing in ways that will make us more competitive. Mr. Chairman, I would be grateful to be added as a co-sponsor of this bill.

And one concluding comment, if I might. I am an appropriator. There are seven of us here today who are on the SFOPS Appropriations Subcommittee. There are aspirational funding levels for programs being authorized in this bill, which I enthusiastically will support on the floor. But I hope everyone recognizes that the constraints in our current allocations on State and USAID funding will

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

force very difficult decisions about funding. So I look forward to working in close consultation with you as well as with my ranking member, Senator Graham, as we move towards trying to fund the impressive, ambitious, even aspirational provisions that will be in this, and to, of course, work with the Administration on how to move forward.

Thank you again for what I think is going to be a great markup and a great process forward.

**The Chairman:** Thank you, Senator Coons. Without objection, you will be added as a co-sponsor. I appreciate your forbearance of your amendments, which I agree with, but it is just a question of, again, preserving the sanctity of the bill as best we can on the floor. So we look forward to working with you, and we appreciate your leadership as a chair on the SFOPS, and I look forward to working with you to make as robust as possible our abilities, not only on this, but on other things as well for the State Department. And with that, let me recognize Senator Romney.

**Senator Romney:** Thank you, Mr. Chairman. I very much appreciate the numerous amendments which I offered as having been included in the manager's

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

package. I bring the committee's attention to one in particular, and that is with regards to the upcoming Beijing Olympics. Senator Kaine and I worked together to make sure that we point out that it is disgusting that the IOC has provided Beijing a platform to host the world, and to have a nation, which is committing genocide against a people is, at the same time, hosting an Olympic Games is something which is jarring and outrageous. And as a result, the amendment calls for a diplomatic boycott, such that we will probably not be sending any diplomats to participate in the Olympic experience there.

I would note for my colleagues that I think it is important at the same time that we not express our outrage by telling our athletes that they cannot compete there, and that we allow -- this is not part of the amendment, but that we allow our athletes to compete there. They have trained their entire lives to be ready for this moment, and asking a handful of young Americans not to be able to fulfill their dream and to carry the burden of our national outrage would be a mistake. And instead, those who will carry that outrage will be our diplomats, our sponsors, people who would otherwise go as spectators, and that is where, in my opinion, the boycott should occur. Thank you, Mr. Chairman.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

**The Chairman:** Thank you for your --

**Senator Kaine:** Mr. Chair?

**The Chairman:** Thank you for your contributions, Senator Romney.

Senator Kaine?

**Senator Kaine:** Mr. Chair, I would just like to compliment my colleague, Senator Romney, on this proposal, which I think is a very important one, and I think we need to continue to explore other steps that we can take, particularly to shine the attention of the world on human rights issues in China during the Beijing Olympics, whether it is treatment of the Uyghurs or persecution of pro-democracy activists in Hong Kong. There will be an opportunity to grab dramatic attention during that period, and we need to explore additional ways to do that, but I appreciate my colleague including me on this bill.

**The Chairman:** Thank you very much. Senator Murphy?

**Senator Murphy:** Thank you very much, Mr. Chairman. Let me add my thanks to both you and the ranking member and your staff. This is an extraordinary achievement. Granted there is still much work to do, but we have been trying to compete with China and other ascended nations with one, and

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

sometimes two, hands tied behind our back. And this legislation, while certainly not completing the job, points us in a direction where we can start to stand up the real capacities that are going to allow us to be able to truly compete. And, again, let me thank you for putting this committee in the position to lead, for the ranking member and the chairman to allow us further down the dais to add our ideas to this legislation, greatly appreciate it.

Two comments on the underlying bill, as amended by the manager's package, and then I do have one amendment to offer. I appreciate the focus that this bill puts on the direct investment that the Chinese Government is making in our university system. I think that is appropriate. I will say that there is an important distinction between the impact of direct Chinese Government funding in universities versus the role that Chinese students and researchers play in our university system. And I would hope that as we move this legislation to the floor, and as we continue discussions about how we rightsize our policy with respect to the role that Chinese funding, but also Chinese researchers, are playing at our universities, that we do not cut off our nose to spite our face. I think we need to get this policy right.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

Second, there is a provision in the manager's package that I think is really important. It requires the Administration to notify Congress in this committee when relations have begun on a bilateral or multilateral agreement with a foreign country, and when those negotiations have been completed. I think that can get us back in the game of having real input into these talks. I do hope that there is some openness to continue to work on that language. I know the State Department has some concerns about when they would be required to make that initial notification of Congress. It is sometimes difficult to know when a negotiation begins, and so I would hope that we would work with the State Department moving forward to make sure that we get that provision right.

As to amendments, I want to thank the chairman for agreeing to continue to work with me on one amendment that I will not offer, re-establishing the capacity at the State Department to incentivize and fund what we call sub-national diplomacy. The Chinese are really good at using regional and local officials to travel the world to spread China's message, to spread their influence. We are not as good at using governors and local elected officials to represent the United States abroad. There are many that are very willing, and so I would love

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

to continue conversations about how we can re-establish what was a former capacity at the State Department to help lead that effort. I think that is an example of a tool that we would be better off utilizing more robustly.

The amendment that I would like to call up, if the chairman would allow me, is Revised Murphy Number 5.

**The Chairman:** Revised Murphy Number 5 is called up and recognized.

**Senator Murphy:** Thank you, Mr. Chairman. I want to thank Senator Coons and others for their leadership on empowering the Development Finance Corporation to be able to do the kind of international development deals that are good for the world and our partners, but also help us compete with a Chinese International Development Bank that still distinctly dwarfs the size of our own. This amendment that I am hoping the committee will support would do two things. First, it includes a sense of the Congress that DFC's equity investments should be treated as loans, which are expected to generate returns. Right now these equity investments are treated as spending, meaning that they count against us when it comes to congressional expenditures and any budget agreements that we provide. These equity investments are not that different than loans. They, in

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

fact, bring money back into the U.S. Treasury. This is just a sense of the Congress that, moving forward, working with other committees of jurisdiction, we can treat them in the same way that would allow DFC to do much more sound equity investment.

Second, this amendment would increase the cap for those investments up to \$100 billion. Again, we are talking about a China Development Bank that has a \$1 trillion portfolio. This amendment would simply move from \$60 to \$100 billion the amount of equity investment that DFC can do. I would argue that we should go further, but that would be a really important step to try to get to a position where we can better compete with China's International Development Bank, especially when it comes to developing nations, which is where DFC's focus is.

**Senator Risch:** Mr. Chairman?

**The Chairman:** Senator Risch?

**Senator Risch:** Mr. Chairman, I am going to support this amendment. You know, it is not perfect. I would rather the jump-up was a little less than what it is, but I understand this opportunity does not come along very often, so I

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*



understand why this is being done. More importantly, what I really like about this is mandating the change on how CBO works with these things. I mean they - I never -- CBO does all kinds of things that I do not understand. This is a correction to the way they are doing things that I think is beneficial, so I am going to support this amendment.

**The Chairman:** Thank you. Let me say that I think the revised amendment draws attention to the need for the equity fix to change the way CBO scores DFC's budget, and I support what Senator Murphy wants to achieve. I appreciate his decision to modify the amendment to remove language which may have triggered a 306 budget point of order from the Budget Committee. So I understand that -- so we support your compromise and we urge others to vote as well. I want to make one comment about Senator Murphy's. We look forward to working with you, and your sub-national suggestion, I think is a good one.

I do want to say one thing about the transparency provisions included in the manager's package. You know, I have a strong belief in a separate, co-equal branch of government. I have had that under Democratic and Republican administrations. If we are not informed, we cannot ultimately make informed

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

decisions. We stand ready and willing, as we have offered. I am very supportive of this President and the State Department and the Secretary, and we have offered the opportunity to revise it in such a way that meets our goal of getting information and notification in a timely manner, and not being overly burdensome. And so we will continue to work with them in that spirit.

Are there any other comments about this amendment? Senator Coons?

**Senator Coons:** Thank you, Mr. Chairman. Thank you, Senator Murphy. I enthusiastically support your amendment. As initially drafted, the bill had a \$100 billion authorization. It was Chairman Corker, who, at the last minute, decided to bring it back down after it was enacted, and seeing what good the DFC has done, and he, like Senator Risch, was, like, you know, we should have put it up higher. So I think this is an overdue and welcome correction. And the equity treatment, I have tried so far unsuccessfully with OMB and CBO, and I look forward to working with you in coordination with the Budget Committee, OMB, and CBO to address this equity scoring issue, which is critical if the DFC is actually going to achieve its impact. Thank you for offering this amendment.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

**The Chairman:** Any other member seeking recognition on this amendment?

[No response.]

**The Chairman:** If not, the vote is on the Revised Murphy Amendment 5.

All those in favor will say aye.

[A chorus of ayes.]

**The Chairman:** All those opposed will say no.

[A chorus of noes.]

**The Chairman:** The ayes have it, and the amendment is agreed to.

**Senator Cruz:** Mr. Chairman, I ask that I be recorded as a no.

**The Chairman:** Senator Cruz will be recorded as no as will Senator Paul.

Now, let me turn -- I see Senator Portman is not with us at this moment, so let me turn to Senator Paul.

**Senator Paul:** This bill has been devised as a way to counter China by spending government funds through the National Science Foundation, about \$10 billion a year. I think it is important, before we add \$10 billion a year to the National Science Foundation -- this will be Paul Amendment 2 -- that we look a

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

little bit at how successful they have been. We have not authorized them in years but we just keep funding them.

They currently spend about \$8 billion, so this would more than double their budget. Government, as we all know, lacks the profit motive and is inherently less efficient than the marketplace.

Congress has doled out money again and again to the National Science Foundation only to see the money wasted, decade after decade. There is no evidence it will be any different this time.

In 1975, the conservative Democrat, William Proxmire, criticized the NSF for spending \$84,000 to try to find out why people fall in love. Now, 45 years later, the NSF is still spending money, \$585,000 to be exact, to find out how people fall in love, studying online dating habits.

The late Senator Coburn similarly criticized the NSF for wasting money. I am sure we have all heard of the infamous shrimp on a treadmill, the nearly \$700,000 project to run a shrimp on an underwater treadmill.

That is not all. Seven hundred thousand dollars in money that was to be spent on autism research was sub-granted to study whether Neil Armstrong,

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

when he stepped on the moon, said, "One small step for man" or "One small step for a man." That was \$700,000 worth of autism research. This is the group you are wanting to give the money to.

In the end, they listened to the tape over and over, the crackly tape from the moon, and they could not decide.

So what does this have to do with China? Well, some in Congress want to pour tens of billions more into this very agency, the National Science Foundation, putting it not only in charge of science but technology research as well.

How well will the money be spent? Let us look at what they do with the money they already have. One point five million to study how to improve how tomatoes taste. Researchers determined that adding sugar would help.

What about \$188,000 to study why Americans will not use the metric system, \$30,000 to study gambling habits in Uganda, and \$500,000 to study if you take a selfie of yourself while smiling and look at it later in the day whether that will make you happy.

Unless studying selfies is somehow a deterrent to China, what Congress is doing with this new effort is supercharging the next generation of government

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

waste. If you are unwilling to fix the waste that currently exists in the National Science Foundation, there is no expectation they are going to do better this time.

Increasing dollar amounts and expanding mandates is not the answer. We need government accountability to unleash private investment and to get Congress out of these funding decisions.

Otherwise, we will just keep borrowing money from China, hoping that the debt to them will stop their rising influence, hardly a recipe for success.

My amendment would attempt to pay for the \$10 billion a year by looking at foreign aid. We have spent about \$30 billion in foreign aid.

Mine would cut \$10 billion a year with an exemption for Israel, and this would be a way that if you really do believe this is the way to combat China that it actually would be a bill that is paid for.

This is in recognition that our deficit last year was \$4 trillion. This year it will be over \$3 trillion, and we have an institutional deficit every year of about a trillion just from ongoing mandatory spending.

So I think the responsible thing to do here is to vote for some sort of pay-for and that is what this is intended as.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

And I would like a recorded vote, please.

**The Chairman:** The gentleman asks for a recorded vote.

Other members?

Senator Risch?

**Senator Risch:** Yeah. Mr. Chairman, first of all, I do not disagree with those outrageous examples that Senator Paul has given. Certainly, we need a whole lot more oversight into those kinds of things.

But we are getting a little confused here that the Endless Frontiers Act, which is Senator Schumer and Senator Young's bill, deals with the National Science Foundation. That is not included in this bill.

What this -- as I understand what Senator Paul is doing with this bill is taking \$10 billion out of the assistance budget that was in the 2021 budget that we have already passed and is in place, and is using that to, I guess, cover spending by the National Science Foundation.

But I want to be perfectly clear that this bill in no way will fund any of those kind of outrageous things that has been done in the past, and I certainly would not support it if it did.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

So I am going to be opposing this particular amendment.

**The Chairman:** Thank you. Any other members?

This is an amendment that, if enacted, I think would have some serious consequences in terms of \$10 billion cut in foreign affairs spending. I appreciate the examples that the senator has raised. I do believe there has to be more vigorous oversight in the collective spending that we have.

But to target the foreign affairs budget, which is already, I think, woefully underfunded is something I cannot support.

Is there any other members seeking recognition?

If not, the senator has asked for a roll call vote.

The clerk will call the roll.

**The Clerk:** Mr. Cardin?

**Senator Cardin:** No.

**The Clerk:** Ms. Shaheen?

**Senator Shaheen:** No.

**The Clerk:** Mr. Coons?

**Senator Coons:** No.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*



**The Clerk:** Mr. Murphy?

**Senator Murphy:** No.

**The Clerk:** Mr. Kaine?

**Senator Kaine:** No.

**The Clerk:** Mr. Markey?

**Senator Markey:** No.

**The Clerk:** Mr. Merkley?

**Senator Merkley:** No.

**The Clerk:** Mr. Booker?

**Senator Booker:** No.

**The Clerk:** Mr. Schatz?

**Senator Schatz:** No.

**The Clerk:** Mr. Van Hollen?

**Senator Van Hollen:** No.

**The Clerk:** Mr. Risch?

**Senator Risch:** No.

**The Clerk:** Mr. Rubio?

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

**Senator Rubio:** No.

**The Clerk:** Mr. Johnson?

**Senator Johnson:** No.

**The Clerk:** Mr. Romney?

**Senator Romney:** No.

**The Clerk:** Mr. Portman?

**Senator Risch:** No by proxy.

**The Clerk:** Mr. Paul?

**Senator Paul:** Yes.

**The Clerk:** Mr. Young?

**Senator Risch:** No by proxy.

**The Clerk:** Mr. Barrasso?

**Senator Barrasso:** No.

**The Clerk:** Mr. Cruz?

**Senator Cruz:** Aye.

**The Clerk:** Mr. Rounds?

**Senator Rounds:** No.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

**The Clerk:** Mr. Hagerty?

**Senator Hagerty:** No.

**The Clerk:** Mr. Chairman?

**The Chairman:** No.

Clerk will report.

**The Clerk:** Mr. Chairman, the yeas are two, the nays are 20.

**The Chairman:** And the amendment is not agreed to.

Senator Kaine is next if the senator has an amendment or wishes to speak at this time.

**Senator Kaine:** I do not have an amendment to call up.

**The Chairman:** Thank you. Then we will move down the aisle to Senator Barrasso.

**Senator Barrasso:** Thank you, Mr. Chairman, and I would like to call up Amendment No. 5, and I would like to describe the amendment.

**The Chairman:** The amendment is called up and the senator is recognized for five minutes.

**Senator Barrasso:** Thank you, Mr. President -- Mr. Chairman.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

This amendment is going to --

**The Chairman:** I thank you for the promotion, though.

**Senator Barrasso:** You are well -- well deserved.

[Laughter.]

**Senator Barrasso:** My amendment is going to strike the rushed authorization of the largest capital increase in the history of the Inter-American Development Bank.

The amendment, instead, requires the Department of Treasury to report to Congress with the critical information needed to make an informed decision and a clear-eyed assessment of the issue that is before us.

Since the bank was established in 1959, the Inter-American Development Bank has completed a total of nine capital increases. Each time there was a thorough and orderly process that was followed.

Yet, this bill authorizes the U.S. Governor of the Bank to vote in favor of some unknown resolution for the tenth capital increase, and that will be worth \$80 billion.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

There is no data analysis or information available on the tenth capital increase since the 1950s. The reason that there is no data or analysis or information available is because there still has been no negotiations of strategic planning that has ever been discussed at the bank yet as to what would be involved in this.

So when my office talked to the Department of Treasury this week, we were informed it was the United States position that right now it is too early to talk about a capital increase. To this point, the Board of Governors just started gathering information only about a month ago.

In March of this year, the Board of Governors of the bank approved a resolution authorizing the beginning of the analysis work required to consider whether they even needed a capital increase.

So we are still at the very beginning of the process. The first step is to analyze the regional needs, assess the adequacy then of the bank's current capital, and identify any potential reforms needed. The work is expected to be completed in the fall.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

So then countries will review the information and determine whether the bank needs additional funds, how they would best be used, and then to share the allocations.

At that point, that is when the negotiation process would start, which can take about a year. But that is not the process being pursued by this bill.

We are being asked to authorize a resolution when there are still so many unanswered questions. What are the specific capital needs of the bank? No data provided.

How will the bank use the resources? No information available. What are the reform priorities that will be part of the package? Nothing has been discussed.

How will the U.S. contributions be leveraged to get other donors to increase their support? No plans are provided. How will shares be distributed and allocated to which nations? No answers available.

What role does the U.S. want the bank to play in the region in comparison to USAID, in comparison to the Development Finance Corporation, in

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

comparison to the World Bank, in comparison to the International Monetary Fund? Absolutely no strategy is created or outlined.

The U.S. Congress has never ever authorized or appropriated a capital increase before the formal completion of a full review and negotiation by the bank.

So I do not think this is good governance. It is not proper oversight. I understand there is an interest to respond to China's lending in Latin America. I understand it completely. We have seen terrible impact of China's predatory lending.

But Congress should not blindly authorize taxpayer funding without doing the due diligence work needed to make this kind of decision.

So this amendment commits Treasury to begin the traditional process for reviewing the capital increase.

Thank you, Mr. Chairman.

**The Chairman:** Thank you, Senator.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

Let me respond to this particular amendment. Clearly, over the last 15 years, China has aggressively expanded its sovereign lending in Latin America and the Caribbean, leaving many countries facing challenging levels of debt.

China's pervasiveness in the hemisphere is beyond one's imagination. Within our own sphere and neighbors, they are challenging us dramatically. Their predatory economic diplomacy is a challenge to U.S. national interests and one that demands a response.

We are talking about economic growth and stability with our neighbors. The IDB is our hemisphere's preeminent multilateral development bank and one of the greatest tools we have to push back against the PRC's economic practices.

They have been trying to muscle in also at the IDB. By authorizing a capital increase, we can counter Chinese lending and position the IDB to address the region's crises.

As Latin America and the Caribbean suffered the highest levels of COVID-19 cases and related deaths in the world, GDP contracted by 7.4 percent and 44 million Latin Americans and Caribbean fell into poverty.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*



In November of 2020, a major hurricane struck Central America, inflicting severe devastation on the region, displacing tens of thousands, and driving new waves of immigration towards the United States.

By authorizing a tenth general capital increase, we can position the IDB to support countries facing challenges from Chinese debt, help the region rebuild after the COVID crisis, and support countries suffering from natural disasters.

We have a 30 percent stake in the IDB. It is time for us to lead. In March, the Biden administration joined IDB governors and voted for a capital review, the first step towards such an increase.

This provision provides the president with all the flexibility he needs to negotiate and ensures that he has the authorization he needs for the tenth capital increase. That review is already underway.

I do not believe we need a report to be proposed, as this amendment does, when we have the ability to be briefed by the administration and hear from the IDB directly, and ultimately have further review by the Appropriations Committee.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

This language was shared with the administration and they expressed no objection nor requested any edits.

So for those reasons, I will be opposing the senator's amendment.

Is there any other member seeking recognition?

Senator Risch?

**Senator Risch:** Mr. Chairman I am likewise going to oppose this. I, generally, support Senator Barrasso's philosophy and am generally there, but this is something that really deserves our attention.

Look, the IDB has not had an increase since March of 2010. This is the first increase in 10 years, and I think we all wring our hands over the money that the Chinese are spending in our hemisphere. This is our opportunity to do something about it.

This increase in IDB's resources shows that we are prepared to act and are acting to counter Chinese efforts to secure a foothold in this hemisphere.

So for that reason and reasons, I think, articulated by the chairman about what is happening in our own hemisphere, I am going to oppose this amendment.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

**The Chairman:** Any other senators seeking recognition?

Senator Rubio?

**Senator Rubio:** Thank you, Mr. Chairman.

Actually, this is an important amendment because I think it touches on the broader topic everyone has been talking about today. This whole issue of China is really going to challenge us to rethink orthodoxy on a number of fronts and in the issue of investment in particular.

Let me first begin by saying there really is no such thing as a Chinese corporation, I think, at least as far as it being an equivalent to an American corporation.

Every single one of these are national champions allowed to succeed by a repressive regime that also subsidizes them, that sends them abroad to undercut the competition in order to dominate market share.

There is also no such thing as Chinese foreign aid, at least from the Chinese Communist Party. They do not come in and help a country because they want the country to be more stable and become a democracy or even an ally.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

They use it as leverage. They use it as an opportunity to send their workers to these countries, as you have seen it in these projects. But they also use it as an opportunity to create leverage -- diplomatic leverage.

They use lending as a way to force you to vote with them in international forums. They take commodities, natural resources, port rights, and all sorts of things as leverage and as collateral in order to be repaid.

And we have left these countries incredibly vulnerable. I guess my point being is I believe in the free market as much as anyone in this place.

But when it comes to China, we are not competing in a free market competition. This is mercantilism. This is a state-sponsored, state-directed effort to use money to gain geopolitical advantage, including in our own hemisphere.

It is one of the reasons why I thought it was very important that for the first time ever, in 2020 an American was elected as the IDB's president and elected, by the way, on a platform of transparency -- where is the money going, how is it being invested -- and calibrating China, and I think it represents a unique opportunity to strengthen our footprint in the hemisphere in which we live in and have to operate.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

And it is a winner all the way around because this is what allows us to get into the game of creating opportunities to basic front-end investment to leverage the private sector to become more involved.

We have left countries all over the planet vulnerable to this, but we have particularly done so in the Western Hemisphere. Almost without exception, every leader of a country in the Western Hemisphere would prefer to do trade, commerce, and investment with the United States.

But it is not happening. It is not forthcoming. And as a result, they are forced to turn to these mechanisms that the Chinese Communist Party is putting out there.

And I just fear that we are going to come back in 10 or 15 years and realize that we have been encircled through a combination of things.

And my last point is look at what is happening with Panama. The Panama Canal today, the Chinese control major operations in the ports there, in fact, on both sides of the port heading east and west. They are not a charity. They are probably not even making money on it.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

It is because it provides them the opportunity in the future to have at least rotational naval visits, but also an opportunity to create havoc as a choke point in case of a conflict.

And that is just one small-scale example among many. You know, they were on the verge of acquiring fishing rights just off the coast of Florida and the Bahamas. We saw recently what happened with Paraguay's inability to acquire vaccines and how it almost, I believe, was going to change its diplomatic recognition of Taiwan.

So we could go on and on for hours. I understand the intent behind this and I think, generally, we are all in favor of not doing things that spend money in ways that should not be spent.

But I think we should be very careful about sending out signals or doing anything that harms our ability to rethink how we approach this very unique challenge that is historic in scope and is going to define the 21st century.

**The Chairman:** Any other members?

Senator Barrasso?

**Senator Barrasso:** Thank you very much.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

Just briefly, I think we can rethink how we look at things, as the senators have talked about. But we should not rethink oversight, and I agree with what you said a little earlier during the discussion of Senator Paul's amendment, Mr. Chairman, when you agreed that more vigorous oversight of collective spending continues to be necessary. I agree with everyone who wants to do everything we can to provide alternatives to Chinese lending.

You know, even in this bill, a provision to counter China through international financial institutions only allows for low-carbon projects. You take a look at the Belt and Road Initiative, it is all about coal-fired power plants. That is what they are doing around the world with their predatory lending by China.

Currently, China is providing seven of 10 global coal production plants right now that they have either permitted or are under construction. So for countries that want low-cost electricity, we are already writing them off because of what is in this with our efforts to allow only low-carbon projects.

So, you know, I think that is pushing countries into predatory lending with China rather than coming to look for us for help in their energy needs as well.

So I would like a recorded vote, Mr. Chairman.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

Thank you.

**The Chairman:** Seeing no other member seeking recognition, the senator asked for a recorded vote. The clerk will call the roll.

**The Clerk:** Mr. Cardin?

**Senator Cardin:** No.

**The Clerk:** Ms. Shaheen?

**Senator Shaheen:** No.

**The Clerk:** Mr. Coons?

**Senator Coons:** No.

**The Clerk:** Mr. Murphy?

**Senator Murphy:** No.

**The Clerk:** Mr. Kaine?

**Senator Kaine:** No.

**The Clerk:** Mr. Markey?

**Senator Markey:** No.

**The Clerk:** Mr. Merkley?

**Senator Merkley:** No.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*



**The Clerk:** Mr. Booker?

**Senator Booker:** No.

**The Clerk:** Mr. Schatz?

**Senator Schatz:** No.

**The Clerk:** Mr. Van Hollen?

**Senator Van Hollen:** No.

**The Clerk:** Mr. Risch?

**Senator Risch:** No.

**The Clerk:** Mr. Rubio?

**Senator Rubio:** No.

**The Clerk:** Mr. Johnson?

**Senator Johnson:** Aye.

**The Clerk:** Mr. Romney?

**Senator Romney:** No.

**The Clerk:** Mr. Portman?

**Senator Risch:** Aye by proxy.

**The Clerk:** Mr. Paul?

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

**Senator Paul:** Yes.

**The Clerk:** Mr. Young?

**Senator Risch:** Aye by proxy.

**The Clerk:** Mr. Barrasso?

**Senator Barrasso:** Aye.

**The Clerk:** Mr. Cruz?

**Senator Cruz:** Aye.

**The Clerk:** Mr. Rounds?

**Senator Rounds:** Aye.

**The Clerk:** Mr. Hagerty?

**Senator Hagerty:** Negative.

**The Clerk:** Mr. Chairman?

**The Chairman:** No.

**The Clerk:** Mr. Chairman, the yeas are seven, the nays are 15.

**The Chairman:** And the amendment fails.

**Senator Barrasso:** Mr. Chairman, I also would ask that I could please be recorded as a no on the Murphy amendment that was previously voted upon.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

**The Chairman:** Senator, we will record it as such.

Let me turn to Senator Markey.

**Senator Markey:** Thank you, Mr. Chairman, very much. Thank you for this hearing. Thank you to your staff, Senator Risch, for your incredible leadership on this issue.

We are, clearly, at a defining moment, and China has a plan. They are executing their plan. The United States will win, but you need a plan to win. Cannot win without a plan and you have to understand the plan as well. You have to be able to explain the plan to the American people.

The Chinese people actually understand the plan that their country has because it is pretty simple. Our country has to do the same thing now.

We have to lay out what we are going to do to deal with these multiple threats from the Chinese, and we are not going to win by being like the Chinese.

We are going to win by being more like ourselves, by being a better form of ourselves, and we express our own values, our own American culture, in a way that expresses the best values of our country.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

That is our moment. That is what this committee begins here today to express and there are other places in this Congress that the same thing is happening. But there is a lot more work to do to be more like ourselves.

We have waited too long, but we can still catch up and then exceed anything that the Chinese may have planned.

Back a few years ago, Senator Gardner and I joined forces to adopt a strategy for U.S. engagement in the most consequential region, and that was something called the Asia Reassurance Initiative signed into law in 2018, dedicating \$7.5 billion dollars over five years to cement the United States' status as a Pacific power in the 21st century.

And it does that by helping our partners in the region defend a free and open Indo-Pacific and defend human rights that are increasingly under assault.

Towards that end, I am pleased that the Strategic Competition Act through the manager's amendment authorizes the Asia Reassurance Initiative Act for an additional three years and adds \$500 million more per year in resources so that we can help to meet those challenges by giving all of our federal agencies the

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

tools they need, the additional tools they need, to be able to play in these countries in the Indo-Pacific region.

I also want to thank you, Mr. Chairman, for everything that you did to help Senator Rubio and I with the Taiwan Fellowship Act, which is in additional funding for Radio Free Asia and for the language which was included to deal with the fentanyl issue. I thank you for that.

We know that China is still a major source of the flow of fentanyl precursors into our country and this will work to establish Drug Enforcement Agency offices in two of China's biggest exporting cities.

We are losing hundreds of thousands of Americans to fentanyl, hundreds of thousands over the course of a decade, and it is important for us to focus upon that issue as well.

And the amendment, which I am calling up right now, is Markey No. 3, calling on the State and Defense Department to jointly develop a climate-resilient strategy for the Indo-Pacific.

We know that our own Defense Department says that climate change is a threat multiplier. A continued shift in weather patterns and rising sea levels will

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

lead to growing food insecurity and larger storms increasing the humanitarian response burden for our armed services, for our allies, and for our partners.

This amendment would take a step to acknowledge that climate security is inextricably linked to our national security by reaffirming our commitment to working with our partners and allies in the Indo-Pacific on climate resiliency and adaptation efforts.

And the amendment also calls on the United States government to develop an interagency climate resiliency strategy for the Indo-Pacific so that we can ensure that our own military bases, our troops, our partners, our allies, are prepared to deal with climate-related challenges in the years ahead.

We see it already in Virginia. Senator Kaine is an expert on what is happening in Virginia, but it is happening all around the world.

Who tells us we should do this? Our admirals and our generals. They are telling us what is happening to them. They are telling us it is a threat multiplier.

I urge support for my amendment.

**The Chairman:** Thank you very much.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

Let me just say that I appreciate your leadership in this regard. You and Senator Rubio on the subcommittee have done some excellent work together. Much of it, as you have noted, is in the underlying legislation already.

Markey 3 simply adds additional findings on the very real and present vulnerabilities that Indo-Pacific nations face from changes in the global climate.

It bolsters the sense of Congress that is already in the bill on U.S. commitments to our partners and allies, and I urge my colleagues to vote yes on the Markey amendment.

Senator Risch?

**Senator Risch:** Well, I am going to be opposing this.

Again, the climate provisions are, certainly, covered in the bill, and they were negotiated back and forth. I think we got the right balance already in the bill. But in any event, I am going to vote no on it. Thank you.

**The Chairman:** Any other members seeking recognition?

[No response.]

**The Chairman:** If not, the vote is on Markey Amendment 3.

All those in favor will say aye.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

[A chorus of ayes.]

**The Chairman:** All those opposed will say no.

[A chorus of noes.]

**The Chairman:** The ayes have it and the amendment is agreed to.

With that, I recognize Senator Cruz.

**Senator Cruz:** Thank you, Mr. Chairman.

And I want to thank both the chairman and ranking member for your hard work pulling this bill together and for the cooperative manner in which it has gone forward.

There are a number of very good provisions that are included in this bill, a number of different pieces of legislation I have introduced that had been incorporated.

The underlying bill includes language from the SHAME Act, which I had introduced, which imposes sanctions on Chinese officials for rape, for forced abortions, for forced sterilization.

In addition to that, there were four of my amendments in the manager's package that this committee just adopted. The Taiwan SOS bill, letting Taiwan

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*



display their symbols of sovereignty -- that is an important reaffirmation of our strong support for Taiwan.

In addition to that, the Secure IP Act, which provides for a list of the corporate officers of companies stealing U.S. intellectual properties. In addition to that, an explicit finding -- a genocide finding that explicitly acknowledges the genocide targeted at the Uyghurs.

And, finally, an amendment that requires a report on the effect that potentially reentering the JCPOA would have on Iran-China cooperation.

I think all of those were significant positive improvements, and I want to thank the chairman and ranking member for working with me and my staff to include them.

I do not have an additional amendment at this point to call up.

**The Chairman:** I thank the senator for his work and the -- which has been incorporated and thank him for allowing us to proceed.

Senator Merkley?

**Senator Merkley:** Thank you very much, Mr. Chairman, and thank you to you and to Senator Risch for working to incorporate so many amendments that I

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

and colleagues have produced, including nine of my amendments, three of which address Taiwan, which I think is very important in our efforts to support democracy around the world.

I do want to call up today Merkley No. 3, which addresses the China Censorship Monitor and Action Group, and if this gets into the main bill, Mr. Chairman, it would be my inclination to drop the markup on the standalone bill.

But I think this is the right content to be included in the broader bill since that is the place where it will likely go to the floor.

And I want to thank Cory Gardner, who worked on this with me last time, and for Marco Rubio for his partnership this time around.

We have all seen the stories of China exercising influence on U.S. companies in all kinds of ways, from basketball to film to hotels, in regard to their expression of opinion about China's activities in the world.

What this amendment does and what the broader bill does is it sets up an action group that will take and have an interagency process to monitor all of this Chinese influence on U.S. freedom of speech, particularly in the corporate sector,

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

and then it requires an extensive report to be delivered back to us within a year to detail the activities and a strategy for how we should be responding.

And it sets up this working group and sunsets it after five years. We can decide then if it needs to be taken forward. That is the amendment and it incorporates, essentially, the content of S. 413.

**The Chairman:** Thank you, Senator Merkley.

I support -- this actually was -- in essence, is the subject of the freestanding bill that we had prepared for today's markup, and I understand your desire to, in essence, take that and include it in this legislation.

**Senator Merkley:** Yes.

**The Chairman:** Okay.

Senator Rubio, who has worked on this with Senator Markey.

**Senator Rubio:** Yeah, and I appreciate it coming forward and being moved on in this way, and I look forward -- I think we are going to learn even more about the outrageous -- we are already being censored.

You cannot produce a film in Hollywood today, no major motion picture in Hollywood today can have an angle to it that the Chinese Communist Party

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

does not like because it will not be distributed in China, and they want to make the money over there.

And we have got plenty of corporations who have made millions, if not billions, of dollars with access to the Chinese market. The price of that access and making that billions of dollars is to say nothing about the horrifying abuses.

We have major corporations that are coming into this very building and lobbying against everything from bills dealing with the forced labor of Uyghur Muslims to, you know, anything that could undermine their ability to make money in China.

So but I think Americans are going to be startled to learn about how much of the content that they have access to in this country is tailored to meet the censorship standards of the Chinese Communist Party, who have leveraged the commercial value of that marketplace to inflict those conditions on Americans.

And so I look forward to the results of the study, because I think it will be enlightening.

**The Chairman:** Any other comments on this amendment?

**Senator Cruz:** Mr. Chairman?

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

**The Chairman:** I think the senator wants to offer an amendment, if I am not mistaken. So before we get to that, is there any other comments.

If not, I recognize Senator Cruz.

**Senator Cruz:** Thank you, Mr. Chairman.

As the chairman is aware, this particular amendment has been a subject of considerable discussion and negotiation. I had hoped that Senator Merkley and I could reach common ground on this amendment.

This amendment has similarities to an amendment and a bill that I have introduced and advocated for repeatedly called the SCRIPT Act that is focused on the persistent pattern of censorship coming out of Hollywood, that as America produces movies, American movie producers have demonstrated a repeated willingness to censor our movies to please the Communist Party in China and the censors coming out of China.

And working with Senator Merkley, I agreed in my amendment to add his language focusing on social media, education, travel, financial services, manufacturing, technology, telecommunication, internet infrastructure,

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

expanding the scope beyond just Hollywood, and so I added the language that Senator Merkley proposed.

But, nonetheless, we did not reach common ground, and so the difference between what I have introduced and what Senator Merkley has introduced is twofold.

Number one, my amendment explicitly addresses the political censorship, and the political censorship from the Chinese Communist Party is particularly sensitive. It is their focus.

My amendment defines political content and the political censorship as content that is considered sensitive by the Chinese Communist Party or the government of the People's Republic of China for political reasons, including issues related to human rights, freedom of expression, Taiwan, Tibet, Hong Kong, and the Tiananmen Square Massacre, also concerning the repression of the Uyghurs, the Falun Gong, and other religious and spiritual minorities, and the ongoing genocide of the Uyghurs including through, of course, their birth prevention policies in Uyghur-concentrated areas such as forced abortions, involuntary sterilizations, and the involuntary implantation of contraceptives.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

Senator Merkley's language deletes all of that. I think it is a mistake to delete all of that. That is, clearly, a central concern for the Chinese Communist Party and I think it is important that we focus the study in particular on their political censorship.

The other thing that Senator Merkley's version deletes is the explicit focus on Hollywood, on films and television, and producing a list in particular of any United States company that has altered the content of a film in response to or in anticipation of a request from the Chinese Communist Party.

And I think it is important in particular to provide the transparency what movies are being censored, what American movies are being censored, and Senator Merkley's amendment deletes that provision and, instead, lumps film in with everything else.

I think we have a unique and serious problem with Hollywood being all too willing and even eager to play the role of censor for the Chinese Communist Party.

And so, accordingly, I call up my second degree amendment, Cruz 1, which is a second degree amendment to Merkley 3, and what the second degree

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

amendment does is simply goes back to the original language that includes focus on political issues, includes Tibet, includes the Falun Gong, includes the Uyghurs, includes the horrific human rights focus, and it also specifically calls for developing a public list and public reporting of what U.S. film companies are editing what movies at the request of the Chinese Communist Party.

And so I would ask for a vote on the Cruz second amendment.

**Senator Merkley:** Mr. Chairman?

**The Chairman:** Senator Merkley?

**Senator Merkley:** Thank you. Let me point out several things.

The list that my colleague refers to on political content is under a definition of political content, which was required, because he uses the term political content later in his amendment. So it is a definitional presentation, not instruction for the report.

Then that is -- does not appear in our basic amendment because we do not use the term political comment.

And then the second is, what we have done in this is said we want to focus the attention on what the Chinese government is doing so we want it to be

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*



comprehensive, and we list out all of the areas where freedom of expression is being impacted: media, social media, film, education, travel, financial services, sports, entertainment, technology, telecommunications, internet infrastructure.

Now, we ask for the report to include illustrative examples. Explain to us exactly what is being done by the Chinese as to get to the sort of point that I, certainly, share is we need to understand exactly what they are doing.

Now, I think all of you have seen from various press reports that some of our hotels have changed their activities, and I would be happy to give some examples of that.

A group of our airlines have changed their activities, and we can give examples. Some of our famous retailers have changed the expressions they have on their products. Be happy to give examples. The NBA has changed its conduct, and I would be happy to share.

The point here is, this is about analyzing what China is doing across all of these categories, not to pick a particular category, film, and make it essentially what appears to be a direct effort to criticize the American film industry.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

We want the focus to be on what China is doing. If we were to have the same detail, we should have it -- or if we were approaching it to say let us single out just film and give these examples, well, why not how our universities have responded?

Why not how our airlines have responded? Why not have our hotels? It is just -- rather than being an attack on Hollywood, this is an analysis of what China is doing in all these sectors with an instruction for them to provide the examples of what is going on.

So there will be the examples happening in all of these sectors. But I do not want to convert this bill as simply an attack on Hollywood.

I invite Senator Cruz to introduce his own amendment separate to be considered if he wants to focus in that detail in that fashion.

**Senator Cruz:** Mr. Chairman?

**The Chairman:** Senator Cruz?

**Senator Cruz:** If I could respond to that.

As I mentioned, I agreed with Senator Merkley to expand the scope of it. I agree that China is imposing restrictions on a host of areas, whether the NBA or

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

otherwise, and so I think that was a positive suggestion for Senator Merkley that I agreed to.

I do think we have a unique problem with Hollywood and Hollywood playing the role of censors. Senator Merkley asked, well, how are airlines or hotels different.

Well, they are different because they are not content providers. Censorship is not the same sort of threat with an airline or hotel. There are, certainly, airlines and hotels that accede to pressure from Communist China.

But when it comes to censorship of creative output, that is something Hollywood is directly responsible for, and the principle difference between Senator Merkley's version and my version is whether or not we would produce a list of what movies are being censored as a result of pressure from Communist China.

It does not impose any penalties. It simply has transparency. Do the American people have a right to know what movies are being censored?

We know, for example, that "Top Gun 2" that they removed the patches from the back of Maverick's jacket because you had Taiwan and Japan there. The

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

Communist Party of China did not like Taiwan and Japan on the back of Maverick's jacket.

And so Hollywood telling America now Maverick, probably the greatest Navy recruiting film ever produced, is scared of the Chinese Communists and changed his jacket not to offend them.

We know that "Bohemian Rhapsody," a fabulous biopic of Freddie Mercury, they edited out scenes of homosexual sex because the Chinese, apparently, were offended by them. I do not know how anyone tells the story of Freddie Mercury without acknowledging that he was gay.

And, yet, Hollywood, those great social justice warriors, happily edited those scenes out to appease the Chinese Communist censors.

And so the question on this vote is, do we want a list so the American people can see what films are being censored at the request of the Chinese? Or do we want to, effectively, help cover up for Hollywood and hide that list so the American people do not know?

I think the answer should be in favor of transparency.

**Senator Merkley:** Mr. Chairman --

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

**The Chairman:** Let me, if I can, Senator Merkley. There may be other members who want to be recognized.

Senator Cardin, I will come back to you as well.

Senator Cardin?

**Senator Cardin:** Oh. Thank you, Mr. Chairman.

I am trying to put the amendment with Senator Merkley's proposal. If I understand Senator Cruz's explanation, the point that Senator Merkley raised is handled in the Cruz amendment. You use the expanded list?

**Senator Cruz:** Yes.

**Senator Cardin:** So the only difference is whether we are going to name and shame whoever is altering the content. Is that the substance of the difference?

**Senator Cruz:** The difference is my amendment requires a list of what movies have been censored. Senator Merkley's --

**Senator Cardin:** Movies are the entire list of Senator Merkley.

**Senator Cruz:** It specifies movies -- TV shows and movies because that has been a persistent problem. Senator Merkley's does not require a list. It says

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

you can give some examples, but it does not produce a comprehensive list of where the censorship is occurring.

**Senator Cardin:** So the transparency is only on the movies?

**Senator Cruz:** I am more than happy to have a list on anything else as well. But the movies have been the persistent problem.

**The Chairman:** Senator Merkley. And then I would like to --

**Senator Merkley:** Thank you.

**The Chairman:** -- I think we have had a robust debate. I would like to put it to a vote now.

**Senator Merkley:** Yeah. I really disagree with the characterization of my colleague. The whole point of this is to get transparency on what China is doing in all sectors and to treat them all, effectively, comprehensively, extensive working group, produce the examples of exactly what is happening.

My colleague has said, well, let us take one particular area that he wants to amplify. I think that what that does is create a sense that this is being converted from an examination of the offenses of China to an attack on a particular industry in Oregon and in the United States.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

All of these sectors are going to have transparency in terms of the hotel sector, the airline sector, the retail sector, because we are covering them all, and we are asking the commission to treat them all in exactly the same fashion with the same aggressiveness, the same thoroughness rather than call out one for this particular list.

That is why I disagree with this. We need the comprehensive equal treatment of all sectors.

**Senator Cruz:** Mr. Chairman, I ask for a recorded vote on my amendment.

**The Chairman:** The gentleman will get his recorded vote.

I recognize the desire for transparency. I think the underlying amendment of Senator Merkley does that as the whole bill is -- as the entirety of his bill.

I just simply believe it is not fair or right to target the film industry, the only real industry singled out in this amendment, in terms of the type of reporting that is sought.

I hope it is part of the greater reporting, and if there is no further debate, I will call up a vote on the Cruz --

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

**Senator Risch:** Second.

**The Chairman:** Yeah. Okay. The Cruz amendment to the Merkley amendment. I do not know if it is a first or second degree, according to this.

Does the senator accept a recorded -- I mean, a voice vote or --

**Senator Cruz:** I would like a recorded vote.

**The Chairman:** The senator asks for a recorded vote. The clerk will call the roll.

**The Clerk:** Mr. Cardin?

**Senator Cardin:** No.

**The Clerk:** Ms. Shaheen?

**Senator Shaheen:** No.

**The Clerk:** Mr. Coons?

**The Chairman:** No by proxy.

**The Clerk:** Mr. Murphy?

**The Chairman:** No by proxy.

**The Clerk:** Mr. Kaine?

**The Chairman:** No by proxy.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*



**The Clerk:** Mr. Markey?

**The Chairman:** No by proxy.

**The Clerk:** Mr. Merkley?

**Senator Merkley:** No.

**The Clerk:** Mr. Booker?

**Senator Booker:** No.

**The Clerk:** Mr. Schatz?

**Senator Schatz:** No.

**The Clerk:** Mr. Van Hollen?

**Senator Van Hollen:** No.

**The Clerk:** Mr. Risch?

**Senator Risch:** Aye.

**The Clerk:** Mr. Rubio?

**Senator Rubio:** Aye.

**The Clerk:** Mr. Johnson?

**Senator Johnson:** Aye.

**The Clerk:** Mr. Romney?

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

**Senator Romney:** Aye.

**The Clerk:** Mr. Portman?

**Senator Portman:** Aye.

**The Clerk:** Mr. Paul?

**Senator Paul:** Aye.

**The Clerk:** Mr. Young?

**Senator Risch:** Aye by proxy.

**The Clerk:** Mr. Barrasso?

**Senator Barrasso:** Aye.

**The Clerk:** Mr. Cruz?

**Senator Cruz:** Aye.

**The Clerk:** Mr. Rounds?

**Senator Rounds:** Aye.

**The Clerk:** Mr. Hagerty?

**Senator Hagerty:** Aye.

**The Clerk:** Mr. Chairman?

**The Chairman:** No.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

[Pause.]

**The Chairman:** The clerk will report.

**The Clerk:** Mr. Chairman, the yeas are 11, the noes are 11.

**The Chairman:** In a tie vote, the amendment does not succeed. The vote is now on the Merkley amendment.

All those in favor will say aye.

[A chorus of ayes.]

**The Chairman:** All those opposed will say no.

[A chorus of noes.]

**The Chairman:** The ayes have it and the amendment is agreed to.

Now, for the information of all members, of course, we have a vote going on on the floor. Because we got a lot of work still to do, we are almost down both sides of the aisle for the first round of amendments.

I am going to continue the process. I would urge members that have already offered their amendments to cast their vote on the floor and then come back, you know, as quickly as possible so that we can finish this important bill.

With that, let me turn to Senator Rounds.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

**Senator Rounds:** Thank you, Mr. Chairman.

My amendments have been included in the manager's package. I would like to thank you and the ranking member and your staffs for the work. I yield back.

**The Chairman:** Senator Rounds, with that expediency, we are going to include more of your amendments in the package in the future. So thank you very much. We appreciate your contribution to the effort.

Let me turn to Senator Schatz. I am sorry. Wow, how could I do that to my --

**Senator Booker:** My senior senator, my fellow New Jerseyan.

**The Chairman:** -- distinguished colleague and friend from New Jersey, Senator Booker. Sorry.

**Senator Booker:** Thank you much.

**The Chairman:** You are always so quiet that I just, you know --

[Laughter.]

**Senator Booker:** Thank you. I just want to -- again, I want to praise the chairman and the ranking member and everyone who has been involved and the

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

staffs for this extraordinary work. It is really lifting me to be a part of this larger process and the urgency of our global competitiveness.

I am going to not bring up Booker Amendment 3 for a vote, but I just want to spend a second or two, knowing that we are tight for time, to speak on it.

I want to thank Senator Young for joining our effort and signing on as a co-sponsor. This amendment was previously introduced in the last Congress -- in this Congress by Senator Cornyn, myself, Senator Tillis, Senator Carper. It is a bipartisan effort that we have right now.

And I just want to say that this is about preventing future pandemics. It is critical that if we are going to reduce the risk of other global pandemics like the one we are suffering now that we have to act to deal with what is a long line of zoonotic epidemics -- SARS, MERS, Ebola, HIV and AIDS, and other pathogens, which have, tragically, been making millions and millions of people sick and causing untold death and destruction.

And so this should be the lesson from COVID-19 is for us to act, and that means stopping deforestation, other habitat destruction, and it means a shutdown of global wildlife markets.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

Scientists are telling us that this COVID pandemic, just like SARS, originated in a live wildlife market. Scientists are also telling us that for decades these markets create a Petri dish for viruses that spill over into humans.

If wildlife markets are not shut down globally and if the international trade in wildlife for human consumption is not ended, then the emergence of the next deadly pandemic is not a question of if. It is a question of when.

And so this bipartisan amendment will take bold steps to address this problem. And, again, fortunately, this amendment is something that is supported now by groups like the Infectious Disease Society of America, the Consortium of Universities for Global Health, the American Society of Tropical Medicine and Hygiene, the Wildlife Conservation Society, along with 80 other groups who all believe that our amendment is critical to saving massive amounts of human life.

So I was assured that we have a pathway to work on this together. I am really hoping we can have some constructive conversation and get this over the finish line -- it has bipartisan support -- and I am hoping that eventually on the floor it can be added.

So thank you.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

**The Chairman:** Let me thank my colleague very much. I appreciate his leadership on this. I know Senator Cornyn has also spoken to me about it, and I look forward to working with you to try to get this in order as we move to the floor, and I appreciate your leadership on it very strongly.

I just want to note that we have lost a quorum. So what my intention was to plow forward I cannot do because any amendment that would be taken up would not necessarily be considered being ruled appropriately.

So for comments, I am happy to recognize Senator Portman before I recess briefly.

**Senator Portman:** Well, thank you, Mr. Chairman.

Thank you for your willingness and the ranking member's willingness to look at this wildlife markets issue and, Senator Booker, appreciate your willingness today to pull back on the amendment and work with us on a path forward, because I believe you are right and there is one and, you know, conservation groups are on both sides of this.

I think there is a way to do this. I have worked with Senator Coons on this, who co-chairs the International Conservation Caucus with me.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

We think there is a balanced approach to deal with this zoonotic issue you mentioned, which is the transmission from animals to humans.

I know you and Senator Cornyn, who worked on this, as well as Senator Graham, I just think there is a way to do it in a much more targeted way, because some of these wildlife markets, clearly, are unsanitary, and causing the problem. Others are not.

Also, there is different kinds of wildlife that present a challenge and others that do not. Other markets that do not have the unsanitary conditions and so on do not have those risks, but also they do provide traditional protein to some of the poorest people in the world. And we have to be careful, I think, how we approach it.

So I look forward to working with you, with the chair and ranking member and others, and the stakeholders on the outside who are very interested in this issue, to build on the progress we have made over the last few days and try to develop a targeted approach to combat this risk of wildlife markets contributing to zoonotic spillover, and I look forward to working with you.

Thank you, Mr. Chairman.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*



**The Chairman:** Thank you, Senator.

Now, because we have lost a quorum, what I will do is I will recess subject to the call of the chair. It is the chair's intention to go straight to vote, come immediately back, and restart the process where the next person to be recognized is Senator Hagerty.

With that, the committee stands in recess subject to the call of the chair.

[Recess.]

**The Chairman:** The Senate Foreign Relations business meeting will come to order.

I know that the ranking member has just told me he will be in in just a moment. I think our next colleague who is up is Senator Hagerty, and I do not see him presently here. So we will turn to Senator Schatz.

**Senator Schatz:** Thank you, Mr. Chairman. Thank you, Ranking Member.

And I appreciate your willingness to accommodate several of my amendments relating to Oceania, USAID, the Peace Corps, and establishing an Oceania security dialogue and dealing with IUU fishing. All of those are in the base text, and I appreciate it. I have no amendments to offer.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

Thank you.

**The Chairman:** Thank you, Senator. Thank you for your contributions, and you have definitely, for purposes of this committee and this bill, put Oceania on the map. So we appreciate your engagement.

So, at this point, I will start a new round, since I do not -- I will recognize members who may not have had their opportunity to offer an amendment previously. And, but at this point, I will start over again.

So, turning on the Republican side, Senator Risch? Senator Rubio?

**Senator Rubio:** I would like to call up my amendment number 16. Is that right?

And what this amendment would basically do is it would not fundamentally alter U.S. policy towards Taiwan. What it would basically do is follow the lead of allies such as the British and the Japanese and change the title of our highest official in Taiwan to the title of "representative" from "director," from "director" of the American Institute in Taiwan to the title "representative." And it would also give the Senate advice and consent counsel -- advice and consent role with regards to who that individual is.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

The lack of Senate confirmation on this position I think is out of step with the general trend of affording greater respect to Taiwan's democracy and placing a higher priority on strengthening our relationship with Taiwan. And I also do not think that we should be kept from doing this by an authoritarian regime and its bullying tactics. So following the lead of our British and Japanese allies, that is what this amendment would do.

**The Chairman:** I thank the Senator.

Is anyone else seeking recognition?

[No response.]

**The Chairman:** Let me commend my colleague for offering this amendment. I agree with him about the importance of elevating the director of the Taipei office of the American Institute in Taiwan. However, the way the law is currently written, the director is not technically a United States Government employee, and while the American Institute in Taiwan is our de facto embassy in Taiwan, it is officially a nonprofit, and the director is a private citizen.

So while I agree with the sentiments expressed by the amendment, it is on that basis that I will oppose it and urge my colleagues to do likewise.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

**Senator Rubio:** Mr. Chairman, if I could, just a point of clarity. My understanding is that the director is a U.S. Government employee. I do not know if we can get some clarity on that. Certainly, the U.S. taxpayer is funding that director role.

**The Chairman:** To the extent that it is a nonprofit and the director is the head of the nonprofit, it is not an official Government position, as I understand it, an official Government employee.

Anyone else wishing to speak to the amendment?

[No response.]

**The Chairman:** With that, is the Senator willing to take a voice vote, or he wants a recorded vote?

**Senator Rubio:** Well, I would like a recorded vote on this one.

**The Chairman:** Okay. The Senator has asked for a recorded vote. The clerk will call the roll.

**The Clerk:** Mr. Cardin?

**Senator Cardin:** No.

**The Clerk:** Mrs. Shaheen?

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

**Senator Shaheen:** No.

**The Clerk:** Mr. Coons?

**Senator Coons:** No.

**The Clerk:** Mr. Murphy?

**The Chairman:** No, by proxy.

**The Clerk:** Mr. Kaine?

**Senator Kaine:** No.

**The Clerk:** Mr. Markey?

**The Chairman:** No, by proxy.

**The Clerk:** Mr. Merkley?

**Senator Merkley:** Aye.

**The Clerk:** Mr. Booker?

**The Chairman:** No, by proxy.

**The Clerk:** Mr. Schatz?

**Senator Schatz:** No.

**The Clerk:** Mr. Van Hollen?

**Senator Van Hollen:** No.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

**The Clerk:** Mr. Risch?

**Senator Risch:** Aye.

**The Clerk:** Mr. Rubio?

**Senator Rubio:** Aye.

**The Clerk:** Mr. Johnson?

**Senator Johnson:** Aye.

**The Clerk:** Mr. Romney?

**Senator Romney:** Aye.

**The Clerk:** Mr. Portman?

**Senator Risch:** Aye, by proxy.

**The Clerk:** Mr. Paul?

**Senator Paul:** No.

**The Clerk:** Mr. Young?

**Senator Risch:** Aye, by proxy.

**The Clerk:** Mr. Barrasso?

**Senator Barrasso:** Aye.

**The Clerk:** Mr. Cruz?

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

**Senator Risch:** Aye, by proxy.

**The Clerk:** Mr. Rounds?

**Senator Rounds:** Aye.

**The Clerk:** Mr. Hagerty?

**Senator Risch:** Aye, by proxy.

**The Clerk:** Mr. Chairman?

**The Chairman:** No.

**The Clerk:** Mr. Chairman, the yeas are 11; the nays are 11.

**The Chairman:** And the amendment fails.

Let me recognize Senator Van Hollen, who has returned with us, and this will be his first chance.

**Senator Van Hollen:** Thank you, Mr. Chairman.

Let me start by thanking you and the ranking member for bringing us together. I think this is a very important bipartisan effort to tackle our largest strategic challenge in the world, which is China, which, as I see, is taking a two-pronged approach. They have been very clear in their 2025 plan that they want to be dominant in cutting-edge technologies around the world, and I think it is

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

important that we step up our game, which is why I support the bipartisan Endless Frontier part of this proposal put forward by Senator Young and others.

And then, of course, they want to use that economic muscle to enter into what, as Senator Rubio described, a mercantilist strategy overseas, combined with Belt and Roads, not just to strengthen themselves economically, but to export their model of authoritarian rule. So I think this is a really important effort, and I think we need to also expand our toolbox here in terms of response, which is why I supported Senator Shaheen's amendment and others and believe we need to substantially boost our efforts in this overall area.

I want to thank you and the ranking member for including two amendments I proposed as part of the manager's package. One does involve the Development Finance Corporation, which I think is a very important innovation, supported the amendment to increase the authorization to \$100 billion. But it needs direction in a number of areas, and one is in the digital space.

We have seen what has happened not just with our European allies who have been tempted to take on 5G, but in Africa and other places around the world, Huawei is dominant. They have 70 percent of the 4G market in Africa

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*



right now. And so one of the amendments adopted would call for a better digital strategy with respect to the Development Finance Corporation.

The other is based on a bill I introduced with Senator Sullivan to identify all of the areas -- and there are many, as we know -- of lack of reciprocity in how China deals with everything from U.S. diplomats and travel, to how they deal with press and media, to how they deal with American businesses -- identifying those areas and recommending a strategy for how we deal with that.

There are two amendments I proposed that I will not offer because they also fall, as I understand it, within the Banking and Housing Committee jurisdiction. But I will be pursuing them. One has to do with the BRINK Act bill. I teamed up with Senator Toomey a number of years ago to pass secondary sanctions on North Korea.

We know from U.N. reports that there is some leakage in that sanctions regime, especially from banks based in China, and we really want to press this administration, as we did the last administration, on that.

The other relates to reports of China working in Saudi Arabia on uranium ore development, just wanting to make sure that we do not see China supporting

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

uranium enrichment activities in Saudi Arabia going forward, given all the nonproliferation issues.

So those are amendments I will pursue separately. I do just want to say a word about this blue slip issue because I think many of us encountered it over the years, and I would say, Mr. Chairman and Ranking Member, beyond this particular bill, it is my view that the House has taken an incredibly expansive interpretation of the blue slip power. And this is true of both Democrats and Republicans in the House.

So I think beyond this bill, we should have a larger discussion. Many of us have had bills that have been tripped up on that issue. I understand the blue slip power, and I respect it. But the House is trying to drive through a big hole there, and they use it to enhance their leverage on both sides of the aisle.

So I hope we will have that broader conversation with them beyond this particular bill. We have encountered it in many places.

And finally, Mr. Chairman and Ranking Member, I would like to be added as a cosponsor of the bill.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

**The Chairman:** Without objection, the Senator will be added. Appreciate your contributions to the bill. Look forward to supporting you at the Banking Committee as a fellow member on the amendments that you offered.

And I agree, and I look forward to engaging the ranking member with our respective leadership about what is the scope of the blue slip. As former House members, some of us, I understand the nature of the blue slip, and I, too, respect it. But we just do not want it to be an over-wieldy process. So we will try to see if there are ways to narrow that.

Thank you.

So, in order to save time, I could just go down the aisle. But if I know that there is a member on either side that is looking for an amendment, I could call. So, Senator Johnson, do you have one? Senator Markey? Senator Paul? And then I will turn to Senator Cardin.

Senator Paul?

**Senator Paul:** This would be amendment number 3 about basic research.

As I mentioned in my opening with the first amendment about the National Science Foundation, it is a perpetual source of waste in Government.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

The waste in research is not limited to the National Science Foundation. NIH, DOE, DOD, all have funded wasteful projects.

What is more troubling is that we do not have uniform standards about how research grants are approved. At NSF, an applicant can actually request which peers will review their application.

So, basically, one guy could say, hey, I would like one of my peers to be that guy who studied Japanese quail on cocaine. That is the guy I want on my review committee. And he could say, well, maybe I would like the woman who studied the mating call of the Panamanian frog. I think she would be a good vote on my committee.

The people asking for the money are choosing their peers. This is why it does not get better decade after decade. Nobody does anything. We would not even authorize -- we have not authorized this in a decade. So we really should reform how grants are given out so we have some ability to try to get something better done here.

Even more troubling than creating your own reviewers is the idea that after a grant is issued, they can be subgranted to others without any

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

transparency. This is how we found the Neil Armstrong. Seven hundred grand was going to autism. Most of us, even me, might acknowledge the Government could have a role in studying autism. But the money went to study Neil Armstrong's statement on the Moon, "One small step for man," or "one small step for mankind."

That was subgranted. It was not even what the original thing was. It was supposed to go for autism. So this needs to be reformed. It is never reformed, decade after decade after decade. We did not even bother to authorize the National Science Foundation.

My amendment seeks to make a uniform process across Government, one that includes objective reviewers assessing a grant's merit coming from competing scientific disciplines. So if you want to study Japanese quail on cocaine, maybe there ought to be a diabetic researcher on the committee or a breast cancer researcher or one of the bigger diseases where people would probably more acknowledge money should go, instead of having four people who are doing bizarre behavioral research like yours approving your research.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

We also should have a taxpayer watchdog on each of these committees. I think we also need more downstream reporting on what is going on and more control of subcontracting. This is a bill that I think would be a great reform not only for what is going on with doubling the size of the National Science Foundation, but I think if you are going to do it without reform, it is a real disservice to the money we are spending, and I would urge a "yes" vote.

**The Chairman:** I understand the Senator has concerns about the efficient use of taxpayer dollars, and I commend him for his work to make spending more responsible. However, I am compelled to rule this amendment out of order for jurisdictional reasons.

The amendment is clearly in the jurisdiction of the Homeland Security and Governmental Affairs Committee. It raises significant concerns about the impact on federally supported research and should be considered by the committee of jurisdiction. Therefore, I rule the amendment out of order.

**Senator Paul:** Mr. Chairman? I guess earlier in the proceedings, we had a question of jurisdiction -- who was in charge, which committee should be in

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

charge of the jurisdiction of Mr. Rubio's, and we went ahead and voted on it anyway, right?

**The Chairman:** For me, that was the blue slip issue I mentioned, the other. But the blue slip issue was the compelling reason why I objected to it and led a vote because it was on blue slip, not out of jurisdiction.

**Senator Paul:** The blue slip has nothing to do with jurisdiction?

**The Chairman:** No, blue slip has everything to do with the provision that suggests that it is the Congress and the House of Representatives for anything that has to deal with originating or affecting revenue starts there.

**Senator Paul:** All right.

**The Chairman:** And so that is why.

**Senator Paul:** All right.

**The Chairman:** Okay, I thank the Senator. Senator Cardin?

**Senator Cardin:** Thank you, Mr. Chairman.

First, I am going to call up an amendment that we have been able to clear through the Ways and Means Committee on Global Magnitsky.

But I just really want to reinforce Senator Van Hollen's point and Senator Rubio's point and Senator Risch's point and the chairman's point in regards to blue slip issues.

There has to be a way that we can express ourselves as a committee and not just accept carte blanche the interpretation by the Ways and Means Committee in the House of Representatives. In the meantime, we were able to clear the Global Magnitsky amendment, as modified, which will just remove the sunset, but not the other provisions that we wanted to include in the Global Magnitsky.

So I will ask consent to call up my amendment number 2 and modify it by eliminating everything from page 1, line 12, through page 3, line 33, which will leave in the amendment only the removal of the sunset provisions, which has been cleared as not violating the blue slip issues.

**[A copy of this amendment is included at the end of this transcript on page 151]**

And if I get that consent, I would just -- before we vote, I would like to make one additional comment.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*



**The Chairman:** Is there objection?

[No response.]

**The Chairman:** Without objection, the amendment is in order.

**Senator Cardin:** I would then like to point out that --

**The Chairman:** The amendment -- excuse me, I am sorry, Senator. The amendment, as revised, is in order.

**Senator Cardin:** I just really want to underscore I am not going to give up on the other provisions because I do believe we should have the ability to modify the Global Magnitsky within our jurisdiction. It does not fall within the blue slip issues.

And by the way, it basically conforms to what is in the executive order. So it puts the executive and legislative branches together on the Global Magnitsky. But at this point at least we have the provisions in our bill. It gives us the opportunity to negotiate that, and I would like to thank the chairman and particularly your staff because they have spent -- both staffs have been spent an inordinate amount of time with back and forth with the House on this issue.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

And lastly, before we vote, I would ask consent that I be added as a cosponsor.

**The Chairman:** Without objection, the Senator will be added as a cosponsor.

The question is on the Cardin amendment, as revised. Is there any other member seeking to be recognized?

[No response.]

**The Chairman:** If not, all those in favor will say aye.

[A chorus of ayes.]

**The Chairman:** All those opposed will say no.

[No response.]

**The Chairman:** The ayes have it, and the amendment is agreed to.

Let me turn, continuing to go down the aisle. Senator Barrasso? Senator Rounds? Senator Rounds gets five stars.

So let me turn over here. Senator Shaheen? Senator Coons? Senator Kaine?

**Senator Kaine:** I would like to be added as a cosponsor.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

**The Chairman:** Senator Kaine will be added as a cosponsor, without objection.

Senator Markey?

**Senator Markey:** Thank you, Mr. Chairman, very much.

**The Chairman:** You are sure you do not want to be five stars? No, go ahead. I am just kidding.

**Senator Markey:** Excuse me?

[Laughter.]

**The Chairman:** I was just kidding. I said, "Are you sure you do not want to be five stars?" I am giving out five stars for people who are not asking for any more amendments.

[Laughter.]

**Senator Markey:** When Sister Carita gave me that in the first grade, it really made my mother happy. And the same thing would be true I think for any member here getting it from you, Mr. Chairman.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

Yes, so my amendment here that I am making right now, I am going to withdraw this. But I just want to lay it out because I think it is an important thing for us to begin to consider.

And it is Markey number 6, which because I support the ultimate goal of complete verifiable and irreversible denuclearization of North Korea, as is called for in the Strategic Competition Act. However, I fear that a policy of maximum economic pressure greatly limits the negotiation space for the President and our allies to negotiate a possible agreement that offers some form of tailored sanctions relief in exchange for actions taken by North Korea that advance our security.

A step-by-step process that verifiably freezes North Korea's nuclear weapons and ballistic missile programs would advance our security without surrendering global leverage if the Kim regime were to cheat on its commitments. But I also think we should send a clear message that a policy of maximum pressure must not impact the very people of North Korea we aim to help battle disease and hunger.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

My amendment expresses support for the ongoing sanctions review undertaken by the Biden administration to ensure that the sanctions imposed by the United States and by the international community on the Kim regime does not inadvertently harm humanitarian access and humanitarian travel to North Korea.

I am going to withdraw this amendment at this time, but I do believe that it is a subject that we all have to address as time moves on.

And I also have an amendment that I would like to call up, Mr. Chairman, and that is that China has provided Saudi Arabia with the building blocks for nuclear weapons.

The State Department annual arms control compliance report already faults the Chinese government for proliferating ballistic missiles to other countries, including to Iran. This amendment requires the State Department to report on whether China transferred missiles capable of carrying nuclear weapons covered under the Missile Technology Control Regime to any other country in the last 3 years and to describe what sanctions the President may impose, pursuant to existing law.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

The amendment also requires a report on the policy steps the State Department would take, both to prevent and respond to the export of enrichment reprocessing facilities by China to any other country.

Press reports from last year indicate that China may have aided Saudi Arabia in constructing a yellow cake extraction facility, the stage in the nuclear fuel cycle that precedes enrichment of uranium. Against the backdrop of Iran's concerning advancements in its nuclear program, Saudi Arabia's own reported illicit cooperation with China requires that we make a diplomatic offensive to prevent a regional arms race.

So I urge an "aye" vote on this amendment.

**The Chairman:** For the clarification of all members, I understand this to be Markey amendment 8.

**Senator Markey:** Number 8, yes.

**The Chairman:** Thank you. I support the Senator's amendment.

Is there anyone wishing to speak to it? Senator Risch?

**Senator Risch:** Yes, Mr. Chairman, I am going to oppose this not because it does not deserve attention. It really does. And unfortunately, the debate on

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

this will take place in a different setting than what we have here. But in any event, I think that this is better handled in a different situation.

I am going to oppose it. I think there are some things in here that deserve our attention. Indeed, there are things in here that are already getting very explicit attention by different agencies of the United States Government.

But in any event, I do not think it is appropriate in this bill. I am going to oppose this.

**The Chairman:** Any other Senator wishing recognition on the amendment?

**Senator Risch:** Mr. Chairman, we also ought to talk about the blue slip problem here when we are placing sanctions. I mean, this is the same old, same old.

**The Chairman:** I am not aware of a blue slip problem here. So I would have raised it with the Senator if I thought there was one.

Well, let me just say I am very concerned about potential Chinese assistance to Saudi Arabia's ballistic missile and nuclear programs. Any such

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

transactions that we have seen publicly reported would be a violation of the Missile Technology Control Regime and Arms Export Control Act.

I believe Congress should receive full information about these potential Chinese activities that could spur proliferation in the Middle East. So I intend to support the Senator's amendment.

With that, seeing no one else seeking recognition, all those in favor will --

**Senator Risch:** Could we have a roll call vote?

**The Chairman:** The Senator, the ranking member asked for a roll call vote. The clerk will call the roll.

**The Clerk:** Mr. Cardin?

**Senator Cardin:** Aye.

**The Clerk:** Mrs. Shaheen?

**Senator Shaheen:** Aye.

**The Clerk:** Mr. Coons?

**Senator Coons:** Aye.

**The Clerk:** Mr. Murphy?

**The Chairman:** Aye, by proxy.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*



**The Clerk:** Mr. Kaine?

**Senator Kaine:** Aye.

**The Clerk:** Mr. Markey?

**Senator Markey:** Aye.

**The Clerk:** Mr. Merkley?

**Senator Merkley:** Aye.

**The Clerk:** Mr. Booker?

**The Chairman:** Aye, by proxy.

**The Clerk:** Mr. Schatz?

**Senator Schatz:** Aye.

**The Clerk:** Mr. Van Hollen?

**Senator Van Hollen:** Aye.

**The Clerk:** Mr. Risch?

**Senator Risch:** No.

**The Clerk:** Mr. Rubio?

**Senator Risch:** Aye, by proxy.

**The Clerk:** Mr. Johnson?

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

**Senator Johnson:** No.

**The Clerk:** Mr. Romney?

**Senator Romney:** No.

**The Clerk:** Mr. Portman?

**Senator Risch:** No, by proxy.

**The Clerk:** Mr. Paul?

**Senator Paul:** Aye.

**The Clerk:** Mr. Young?

**Senator Risch:** No, by proxy.

**The Clerk:** Mr. Barrasso?

**Senator Barrasso:** No.

**The Clerk:** Mr. Cruz?

**Senator Cruz:** Aye.

**The Clerk:** Mr. Rounds?

**Senator Rounds:** No.

**The Clerk:** Mr. Hagerty?

**Senator Risch:** Aye, by proxy.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

**The Clerk:** Mr. Chairman?

**The Chairman:** Aye. The clerk will report.

**The Clerk:** Mr. Chairman, the yeas are 15; the noes are 7.

**The Chairman:** And the amendment is agreed to.

Is there anyone on the Republican side of the aisle who wishes to offer an amendment?

[No response.]

**The Chairman:** Is there anyone on the Democratic -- I am sorry. I am sorry. Senator Paul?

**Senator Paul:** This amendment is pretty simple. It establishes a point of order --

**The Chairman:** I am sorry. Could you tell us which number just so we can follow?

**Senator Paul:** It would be Paul number 4.

**The Chairman:** Thank you.

**Senator Paul:** This amendment establishes a point of order. We have almost \$300 billion in unauthorized spending that occurs each year, including a

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

large segment that are from actually in the purview of our committee. Many of the programs continue to be funded, have not been reviewed by Congress since the 1980s. My amendment, the Legislative Performance Review Act, says, Congress, do your job.

It would create an order, a point of order to require authorizing committees to look back at programs and determine if they are still needed or effective or how they should be changed to make them more effective. The idea actually is based on S. 1244 from the 95th Congress, whose author was none other than the Senator from Delaware Joe Biden.

The real change we made is to give authorizers a transition period of 4 years to get authorizations up to date. Biden's original bill would have forced it immediately. So this is the moderate version of Joe Biden's bill.

I do not agree with the President on too much, but I think he hit the nail on the head when he called for congressional review of programs we create. It is insane and people are upset that we keep spending, particularly when we find the crazy things that people are spending money on, and these programs have not been reviewed. We should review these things every year. We should

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

authorize them, and we should fix stuff that does not work and quit spending stuff on crazy things like the mating call of the male frog in Panama.

So this would be a point of order that we would establish, and I recommend a "yes" vote.

**The Chairman:** While I appreciate my colleague's dedication to the congressional budget process, this amendment is not appropriate for this bill, nor is it under this committee's jurisdiction. If the Senator wishes to reform the budget and appropriations process, I certainly would urge him to take his amendment up on the appropriate bills and the resolutions on the floor. So I have to rule the amendment out of order.

Is there anyone on the Democratic side seeking to offer an amendment?

[No response.]

**The Chairman:** There is none. Is there anyone else on the Republican -- I am sorry. Senator Markey?

**Senator Markey:** Yes, thank you, Mr. Chairman.

**The Chairman:** We are down to three stars.

[Laughter.]

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

**The Chairman:** Just kidding. Go ahead. I am sorry.

**Senator Markey:** My mother would have been happy with that, too, unfortunately. My mother always --

**The Chairman:** Which amendment is this?

**Senator Markey:** My mother always said she was going to donate my brain to Harvard Medical School. It was a completely unused human organ. So three stars would be great.

**The Chairman:** I think it would be well used. What amendment?

**Senator Markey:** Mr. Chairman, I would like to call up Markey number 4.

My amendment, cosponsored by Senator Young, would create a Quad Parliamentary Working Group, modeled on the existing bilateral parliamentary groups that the United States has with the United Kingdom, Canada, Mexico, and others. This would include the United States, Japan, Australia, and India. The Quad Intra-Parliamentary Group would provide a forum for legislators, such as members of this committee and its staff, to meet regularly to guide the implementation of recommendations from Quad working groups on a variety of subjects.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

The amendment will help institutionalize the work of the Quad to sustain cooperation amongst these four democracies, even when a change of government in one or more countries inevitably occurs. The Quad Intra-Parliamentary Group will help poor countries diversify cooperation on issues beyond its traditional defense focus, such as by delivering alternatives to China's Belt and Road Initiative in the Indo-Pacific and delivering on the promise to provide over 1 billion COVID-19 vaccines to the region.

The amendment calls upon the State Department to enter into negotiations with Japan and Australia and India within 30 days on the creation of such a group to give each government maximum flexibility to determine the scope of work and the makeup of its members.

Thank you, Mr. Chairman.

**The Chairman:** Thank you, Senator Markey.

Look, I am pleased to see President Biden raise the importance of the Quad last month with a head of state dialogue meeting, which followed Secretaries Blinken and Austin's trip to the Indo-Pacific in February.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

This amendment establishing a Quad Intra-Parliamentary Working Group would take that relationship to the next level, the level it deserves. So I will seek to support the Senator's amendment.

Is there anyone else wishing to speak to the amendment?

[No response.]

**The Chairman:** If not, all those in favor will say aye.

[A chorus of ayes.]

**The Chairman:** All those opposed will say no.

[No response.]

**The Chairman:** The ayes have it, and the amendment is agreed to.

Is there any member on either side seeking recognition to offer an amendment?

**Senator Barrasso:** I would like to be recorded as "no."

**The Chairman:** Senator Barrasso will be recorded as a "no."

Any member seeking recognition?

[No response.]

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*



**The Chairman:** In the absence of doing so, then we are ready to vote on final passage.

Is there a motion to vote on the Strategic Competition Act, as amended by all of the amendments approved today?

**Senator Risch:** So moved.

**Senator Kaine.** Second.

**The Chairman:** So moved by Senator Risch. Seconded by Senator Kaine.

The clerk will call the roll.

**The Clerk:** Mr. Cardin?

**Senator Cardin:** Aye.

**The Clerk:** Mrs. Shaheen?

**Senator Shaheen:** Aye.

**The Clerk:** Mr. Coons?

**Senator Coons:** Aye.

**The Clerk:** Mr. Murphy?

**The Chairman:** Aye, by proxy.

**The Clerk:** Mr. Kaine?

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

**Senator Kaine:** Aye.

**The Clerk:** Mr. Markey?

**Senator Markey:** Aye.

**The Clerk:** Mr. Merkley?

**Senator Merkley:** Aye.

**The Clerk:** Mr. Booker?

**The Chairman:** Aye, by proxy.

**The Clerk:** Mr. Schatz?

**Senator Schatz:** Aye.

**The Clerk:** Mr. Van Hollen?

**Senator Van Hollen:** Aye.

**The Clerk:** Mr. Risch?

**Senator Risch:** Aye.

**The Clerk:** Mr. Rubio?

**Senator Risch:** Aye, by proxy.

**The Clerk:** Mr. Johnson?

**Senator Johnson:** Aye.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

**The Clerk:** Mr. Romney?

**Senator Romney:** Aye.

**The Clerk:** Mr. Portman?

**Senator Risch:** Aye, by proxy.

**The Clerk:** Mr. Paul?

**Senator Paul:** No.

**The Clerk:** Mr. Young?

**Senator Risch:** Aye, by proxy.

**The Clerk:** Mr. Barrasso?

**Senator Barrasso:** Aye.

**The Clerk:** Mr. Cruz?

**Senator Cruz:** Aye.

**The Clerk:** Mr. Rounds?

**Senator Rounds:** Aye.

**The Clerk:** Mr. Hagerty?

**Senator Hagerty:** Aye.

**The Clerk:** Mr. Chairman?

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

**The Chairman:** Aye. The clerk will report.

**The Clerk:** Mr. Chairman, the yeas are 21; the nays are 1.

**The Chairman:** And the legislation is approved and send with a favorable recommendation to the Senate.

Let me -- at this point, we have one more piece of legislation, but let me thank all of our colleagues. That type of vote sends an incredibly powerful message, I think, to the world. It sends it to our leadership as we pursue the legislation on the floor.

And I thank all of our colleagues. I hope you appreciated that we have had -- this is the essence of what legislating is supposed to be all about. We have not had an opportunity like this in some time. I want to thank the ranking member again and all of you for your engagement, and the ideas you added were incredibly powerful and important, and we appreciate it. And it is really a committee product now that goes to the floor.

So my thanks to all of you. And I certainly want to thank --

**Senator Risch:** Mr. Chairman?

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

**The Chairman:** -- very briefly the staff on both sides. And on my side, I must say that these people spent endless hours. So, Andrew Keller, Ruchi Gill, John Ryan, Michael Schiffer, Damian Murphy, Doug Levinson, Megan Bartley, Elizabeth Schneider. And Senator Risch's staff, among others, Matt Sullivan, Lara Crouch, Andy Olson, Scott Richardson, as well as the staff director, Chris Socha.

So my thanks to all of them. I know we have one more piece of legislation, but --

**Senator Risch:** Well, just I want to associate myself with those remarks. I am not going to go through all the names, but certainly, everybody had an input in this. And the hours were incalculable, and the hurdles that had to be crossed were very significant.

History will only judge whether or not this is as important as we think it is. We think it is important. It is finally a step forward on something we all talk about. I hope we get a vote that is similar on the floor.

Thank you, Mr. Chairman.

**The Chairman:** Thank you.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

Senator Merkley, I assume that we are going to forego calling up the legislation independently. Is that correct?

**Senator Merkley:** That is correct. Thank you.

**The Chairman:** Thank you very much. That is withdrawn.

So, finally, we turn to S. 814, the Ukraine Security Partnership Act.

I am pleased. I want to thank Senator Risch and the staff, as well as all of our cosponsors for their partnership on this important piece of legislation. The bill is especially timely now with Russia amassing troops along Ukraine's border, cutting access to key ports in the Black Sea, and we need to stand with our Ukrainian friends who are literally on the frontlines battling Kremlin aggression.

I urge my colleagues to demonstrate our commitment to the U.S.-Ukraine security partnership by supporting the speedy passage of the bill.

I am happy to recognize Senator Risch, who has been a driving force on this.

**Senator Risch:** I think this is --

**The Chairman:** And I am pleased that we are able to negotiate a manager's amendment, which incorporates the first-degree amendments filed by

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

both Senator Risch, and Murphy, and I will be supporting the manager's amendment.

Is there any member who wishes to comment on the manager's amendment or the bill at this point?

Senator Murphy?

**Senator Murphy:** Thank you, Mr. Chairman.

I know it has been a long meeting. So very quickly, I just want to thank you and the ranking member for including language in the manager's amendment that recognizes that while security assistance right now is of vital importance to Ukraine, Putin's game from the very beginning has not necessarily been to march his army all the way into Kiev. It has been to destabilize the country to the point that, ultimately, through the political process, the Ukrainian people decide to install a government that once again settles under the wing of the Kremlin.

And so it is our military support that is important, but frankly, it is also our economic support and our political support, our anti-corruption programming that helps stabilize the government so that all of these efforts to destabilize, whether they be military efforts, propaganda efforts, from the

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

Russian government are not successful. And so in the manager's package, we just recognize that our commitment to Ukraine needs to be multifaceted, both a security commitment and also a nonmilitary, economic and political commitment as well.

I thank you for including this in the manager's package.

**[A copy of this amendment is included at the end of this transcript beginning on page 152.]**

**The Chairman:** Well, thank you for your contribution.

Is there anyone else who wishes to speak on the manager's amendment?

[No response.]

**The Chairman:** If not, the question -- is there a motion to approve the manager's amendment by voice vote?

**Senator Risch:** So moved.

**Senator Cardin:** Second.

**The Chairman:** So moved. Seconded.

All those in favor, say aye.

[A chorus of ayes.]

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*



**The Chairman:** All those opposed, say no.

[No response.]

**The Chairman:** The ayes have it, and the manager's amendment is agreed to.

Is there any other amendments to be offered? Senator Cruz?

**Senator Cruz:** Thank you, Mr. Chairman, and thank you for the hard work on this Ukraine bill.

The amendment I have -- I call up Cruz 1 -- is not an amendment that is going to surprise any member of this committee.

One of the great victories that this committee has produced over the last 2 years has been standing up to Putin and stopping Nord Stream 2. And we have seen strong bipartisan cooperation to do so. We have seen this committee twice take up and pass bipartisan sanctions focused on stopping Nord Stream 2.

The first sanctions that we passed overwhelmingly ended up halting construction of the pipeline immediately. For a year, the pipeline lay dormant, a hunk of metal at the bottom of the sea because of the sanctions that came out of

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

this committee. We then passed a second set of sanctions that ratcheted up the pressure even more.

As everyone on this committee is aware, however, Russia has returned to building Nord Stream 2, has done so in November of last year. And they are trying to rush through and finish the last mile of the pipeline and get it online before the administration acts to impose sanctions.

I will say Secretary Blinken, in part as a result of bipartisan urging from members of this committee, put out a strong and unequivocal statement that those in violation of Federal law will face sanctions. And that statement should be heard by anyone involved in this project.

This amendment continues to put forward pressure on the administration to follow the law and impose sanctions. And in particular, it names 20 entities and requires an almost immediate determination whether they should be sanctioned. It is a message that will be heard by every company involved in building this pipeline that if you are involved, you will be sanctioned.

And if we are going to stop this pipeline, that needs to be heard with real immediacy. As you know, I have been concerned that the Biden administration

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

has not moved swiftly enough in terms of implementing the law. As the chairman has pointed out, I also had concerns the Trump administration did not move swiftly enough implementing the law.

And so with both administrations, this committee, in a bipartisan manner, has leaned in to use every tool we have to stop the Nord Stream 2 pipeline, which stopping that pipeline is good for Europe, it is good for America, and it is very bad -- it is good for Ukraine, which is obviously the topic of this bill, and it is very bad for Putin. And so I would urge a bipartisan support of this amendment.

**The Chairman:** Anyone else wishing to be recognized? Senator Hagerty?

**Senator Hagerty:** I would just like to say I wholeheartedly support the Senator from Texas's amendment, and I appreciate your leadership in terms of bringing urgency to this critical strategic issue.

Thank you.

**Senator Shaheen:** Mr. Chairman?

**The Chairman:** Senator Shaheen?

**Senator Shaheen:** I will just be quick. I think right now, as we see Putin trying to eliminate his biggest opposition leader, Navalny, in prison, the best shot

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

we can make is to stop the Nord Stream 2 pipeline, if we are going to get his attention. So I hope we will pass this.

**The Chairman:** Anyone else seeking recognition?

Senator Merkley?

**Senator Merkley:** Thank you, Mr. Chairman.

I also support this amendment, but for additional reasons, which is that if we are going to tackle climate chaos, we cannot be supporting expansion, massive expansion of national natural gas infrastructure around the world. And so I may come at this from a different direction, but I like the outcome.

**The Chairman:** I thank the Senator.

I support the Senator's effort and the amendment. And if he will take a voice vote on this?

All those in favor, say aye.

[A chorus of ayes.]

**The Chairman:** All those opposed, say no.

[No response.]

**The Chairman:** The ayes have it, and the amendment is agreed to.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

I just ask members to bear with us 2 more minutes. I understand Senator Murphy may have a clarification for us?

**Senator Murphy:** Yes, Mr. Chairman. I appreciate it.

With respect to the amendment number 5 that I submitted, the revised amendment, I just wanted to make clear that it is my intention that the increase authorized by my amendment shall be used for loan guarantees.

**Senator Barrasso:** And Mr. Chairman, I ask to be added as a cosponsor to Senator Cruz's amendment.

**The Chairman:** Senator Barrasso shall be added as a cosponsor to Senator Cruz's amendment.

Are there any other amendments to be offered?

[No response.]

**The Chairman:** If not, the question is on the motion -- is there a motion to approve S. 814, as amended?

**Senator Risch:** So moved.

**Senator Cardin:** Second.

**The Chairman:** So moved. Seconded. Yes, okay. Moved and seconded.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

The question is on the motion to approve S. 814, as amended.

All those in favor will say aye.

[A chorus of ayes.]

**The Chairman:** All those opposed will say no.

[No response.]

**The Chairman:** The ayes have it, and the legislation is approved and sent to the Senate with a positive recommendation.

With that, I ask -- that completes the committee's business. I ask unanimous consent that staff be authorized to make technical and conforming changes. Without objection, so ordered.

And with the thanks of the chair and the ranking member, this meeting is adjourned.

**[Whereupon, at 1:02 p.m., the business meeting was adjourned.]**

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

## Strategic Competition Act of 2021\_Cardin\_1<sup>st</sup> Degree\_2

Senate Legislative Counsel Draft Copy of HEY21338

1 4/21/2021 12:45 AM

Purpose: To amend the Global Magnitsky Human Rights Accountability Act to remove the sunset for the imposition of sanctions.

S. \_\_

To address issues involving the People's Republic of China.

Referred to the Committee on \_\_\_\_\_ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT INTENDED TO BE PROPOSED BY MR. CARDIN

Viz:

At the appropriate place add the following:

Repeal of Sunset.—Section 1265 of the Global Magnitsky Human Rights Accountability Act (Subtitle F of title XII of Public Law 114–328; 22 U.S.C. 2656 note) is repealed.

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*

MDM21651 ONM

Revised  
Murphy #5

S.L.C.



AMENDMENT NO. \_\_\_\_\_ Calendar No. \_\_\_\_\_

Purpose: To amend the Better Utilization of Investments Leading to Development Act of 2018 to facilitate increased equity investments.

IN THE SENATE OF THE UNITED STATES—117th Cong., 1st Sess.

S. \_\_\_\_\_

To address issues involving the People’s Republic of China.

Referred to the Committee on \_\_\_\_\_ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. MURPHY

Viz:

1 At the appropriate place, insert the following:

2 **SEC. \_\_\_\_ . FACILITATION OF INCREASED EQUITY INVEST-**  
3 **MENTS UNDER THE BETTER UTILIZATION OF**  
4 **INVESTMENTS LEADING TO DEVELOPMENT**  
5 **ACT OF 2018.**

6 (a) SENSE OF CONGRESS.—It is the sense of Con-  
7 gress that support provided under section 1421(c)(1) of  
8 the Better Utilization of Investments Leading to Develop-  
9 ment Act of 2018 (22 U.S.C. 9621(c)(1)) should be con-  
10 sidered to be a Federal credit program that is subject to  
11 the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

**Business Meeting**

*Wednesday, April 21, 2021*



MDM21651 ONM

S.L.C.

2

1 seq.) for purposes of applying the requirements of such  
2 Act to such support.

3 (b) MAXIMUM CONTINGENT LIABILITY.—Section  
4 1433 of the Better Utilization of Investments Leading to  
5 Development Act of 2018 (22 U.S.C. 9633) is amended  
6 by striking “\$60,000,000,000” and inserting  
7 “\$100,000,000,000”.