

YOUR QUARTERLY TRANSATLANTIC LEGISLATIVE NEWS August 2021

THE BIG ISSUE

WORKING WITH CHINA: A TRANSATLANTIC RIVALRY, PARTNERSHIP OR COMPETITION?

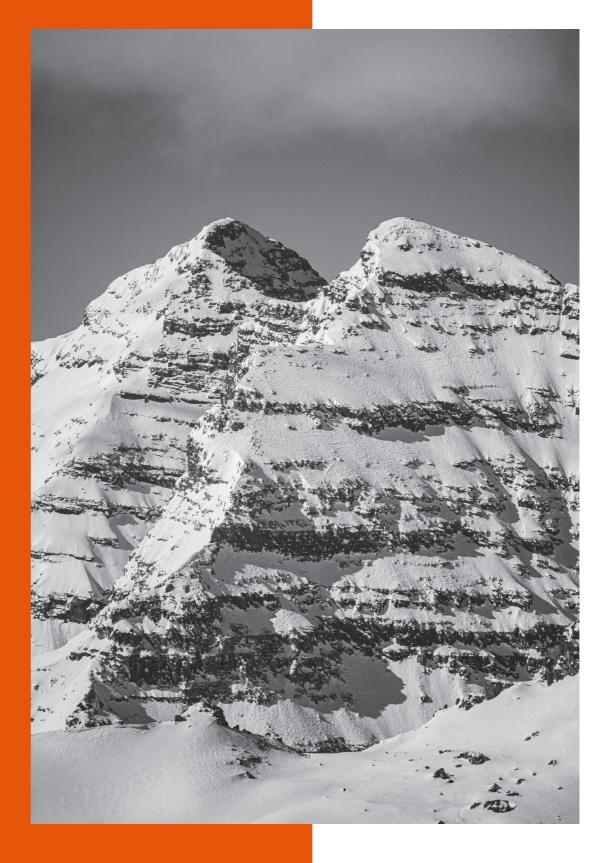
In December, the transatlantic relationship suffered a serious setback when Chancellor Angela Merkel and French President Emmanuel Macron were found "Zooming" alongside President Xi Jinping of China and the European Union's two top executives, Ursula von der Leyen and Charles Michel — all negotiating the **EU-China Comprehensive Agreement on Investment**. First proposed in 2012, the CAI aims to loosen constraints on EU businesses operating in China. Many on the U.S. side wondered why the deal was discussed without consulting the recently elected President Joe Biden. Although Jake Sullivan, Biden's national security adviser, tweeted that the new administration "would welcome early consultations" with their European partners, the CAI talks moved forward without Washington.

A major concern about the deal, on both sides of the Atlantic, is China's abysmal human rights record, especially in its treatment of the Uyghur minority. On this score, defenders of the agreement note that it commits China to working toward a ratification of the International Labor Organization's fundamental conventions on forced labor.

But CAI is hardly a done deal. In March, the European Parliament froze negotiations on the pact after China sanctioned 10 European politicians, various think tanks, and organizations that spoke out about the Uyghurs' plight. Then in June China passed a law to counter a growing list of foreign sanctions against it. Among other things, the new rules allow expulsions or entry bans for individuals placed on an anti-sanctions list. It is unclear how China will use this new legislation, creating a worrying predicament for American or European companies doing business there.

The United States has been attempting to counter other avenues of Chinese influence. For example, the COVID-19 Origin Act of 2021, introduced in Congress in May, would require the director of national intelligence to declassify information on the origins of COVID-19, with a suspicious eye cast toward China. It has passed the Senate and is now under consideration by the House. Likewise, the Confucius Act, which would limit the influence of Confucius Institutes in U.S. universities. has passed the Senate and awaits action in the House. These institutes, which dot the globe, are partnerships between Chinese and foreign higher education institutions and are funded directly or indirectly by the Chinese government. With a stated aim to promote Chinese culture, they are a soft-power tool for Beijing. And, finally, in June, Biden congratulated the Senate for passing the U.S. Innovation and Competition Act, informally known as the "China Competition Bill," which allocates billions of dollars for technical research and development in the United States that would directly compete with China. The bill's rare bipartisan support in a deeply polarized Congress suggests a strong consensus for finding ways to outcompete China.

For further reading: The Transition: Transatlantic China Policy



HAPPENING ON THE HILL



TACKLING INFRASTRUCTURE

In June 2021, Biden unveiled a \$1.2 trillion package of infrastructure spending. After an initial procedural vote to advance the framework failed, with just 49 senators approving to move the deal forward, many were skeptical about the possibility of this proposal becoming a reality. Despite these initially gridlocked conditions the Senate passed the bipartisan package 69 to 30, allowing the **Infrastructure Investment and Jobs Act** to move to the House where the bill will be further deliberated over in the fall.

Ranging from applying billions towards repairing roads to modernizing the electric grid to serious investment in resilience efforts, the bill is more than 2,702 pages long. It features more than \$550 billion in new federal spending stretched over five years. Republicans continue to advocate a narrow view of infrastructure, focusing on more traditional uses such as roads and bridges. Democrats are pushing for a broader definition that would include climate-related and social justice initiatives. Biden has stated that while he supports this bipartisan initiative, he will push for a partisan reconciliation bill that will reflect more closely what his Build Back Better initiative is attempting to achieve. Senate Democrats have proposed a \$3.5 trillion budget resolution where the main target will be individuals and families with a focus on issues ranging from climate change to bettering education. The resolution is expected to move forward through the reconciliation process, bypassing the normal 60-vote threshold that is required and only asking for a simple-majority in the Senate.

What has the EU been doing? One of the largest initiatives surrounding infrastructure in the EU has been directly correlated to the EU Green Deal. A core part of the deal has been implementing a **Biodiversity Strategy for 2030**— bringing the debate surrounding green infrastructure to the forefront of the discussion. Developing green infrastructure has been an ongoing initiative, starting in May of 2013 with the commission adopting an EU-wide strategy to promote investments in infrastructure. Efforts have been moving rapidly as the European Green Deal has been gaining more and more traction.

For further viewing: The Transition: Green Shipping

THE WORLD OF AI

In June 2018, the European Commission developed an Al Alliance within the framework of the EU Strategy on Artificial Intelligence. This spring, the commission developed its first legal framework on AI and a new coordinated plan with Member States. The framework would ban any AI deemed a threat to the well-being of citizens grouping them into low-, medium-, and high-risk categories. Highrisk applications would be subject to extensive testing. The creation of an EU Artificial Intelligence Board has been proposed as a way to oversee these policies are properly implemented. While the coordinated member plan was originally drafted in 2018, the 2021 revision provides concrete examples of coordinated joint ventures aligned with not only the EU Strategy on AI, but goals set out in the European Green Deal as well. The European Parliament and EU countries must adopt these proposals in order for Al to move forward in Europe. The European Parliament has yet to approve or reject the updated framework. If approved by the Parliament and Member States, this will provide a foundation for a global standard surrounding AI.

What has the US been doing? In February 2019, the Trump administration launched the American Al Initiative, which committed more federal funds for AI research, crafted guidance on regulating the technology, and established new Al research institutes, among other things. Then this year, the Biden administration started the process to develop a resource hub for professional and student researchers in AI. The task force working on it will also consider how to protect the security, rights, and privacy of citizens as AI progresses. In Congress, Senators Rob Portman, a Republican, and

Martin Heinrich, a Democrat, started the Senate's artificial intelligence caucus in 2019 and continue to spearhead legislative efforts to shape AI policies. They have introduced the Artificial Intelligence Capabilities and Transparency Act, which would give additional authority and resources to the Defense and Energy departments, intelligence agencies, and the FBI to exploit AI technology while establishing ways to safeguard against the applications' threats to people's security and privacy.

For further reading: The Human Program







HISTORY IN THE PRESENT



FDR & BIDEN

President Biden's legislative initiatives have been likened to those of FDR's- but are the comparisons between these two Presidents legitimate? Using the 100 days benchmark, President Biden signed a total of 11 bills into law. While the number of bills may not be as impressive as FDR's (signing 76 in his first 100 days)- many claim that it is important instead to focus on the scope of the initiatives themselves and the effect they would have on the American people.

When Roosevelt was elected president in November 1932, he set to guiding the country through the Great Depression and a moment of rising authoritarianism. When Biden took office, half a million Americans had died in the pandemic, and that number now tops 600,000. Democracy is again fragile at home and abroad. "There is no such thing as guaranteed democracy," Biden told an interviewer last year. Likewise, FDR was once warned that if he failed to deliver on his promises to the American people, he would be considered the worst president in U.S. history, to which he responded, "I will be the last one."

FDR's legislative initiatives built the foundation for a new era of government-to-citizen exchange. His New Deal employed millions of Americans, reviving the economy while fostering a renewed confidence in American democracy. Biden has attempted to follow suit with his three-pronged Build Back Better plan. The first part of the program, the American Rescue Plan, was signed into law March 11 and provides direct relief in a post-COVID-19 recovery world. The two other parts of his plan, the American Jobs Plan and the American Families Plan, still have a long way to go. His Build Back Better plan incorporates legislation addressing racial justice and climate change- two concepts that will have lasting societal changes if executed correctly.

FDR used his fireside chats to help a traumatized country regain its confidence and to create an open channel of communication with the American people. Biden cultivates his image as a regular Joe, but trust in politicians and media has dried up, making connection with the American people increasingly difficult. Biden also faces a tougher legislative environment than his Depression-era counterpart did. Democrats have 50 votes in the Senate and a margin of three votes in the House. FDR, by contrast, had a sweeping majority in both the House and the Senate. In 1933, Democrats controlled 64% and 73% of the Senate and House seats, respectively. Biden also deals with polarization within his own party, struggling to get moderate Democrats to agree to his spending proposals.

HISTORY IN THE PRESENT

LA LINGUA FRANCA

Will 2022 be the year the French language makes a comeback within the EU? With France taking the EU's rotating council presidency in January, French has become a top priority within the cultural agenda in Europe. Initiatives such as a budget dedicated to French language classes for civil servants and plans to hold all meetings of the European Council in French have set the expectations going forward.

This offensive française likely has its roots in France's domestic politics and recent seismic events in the EU. Macron may be trying to stand out against potential Presidential candidate Marine Le Pen in preparation for next year's general election in France. Le Pen is often portrayed as defending the "French way of life" and French values across the globe. If Macron is able to accomplish such a win for the French language- he may have an argument against her. In addition, the UK's departure from the EU leaves only Ireland and Malta as English-speaking countries, and even they — as the French have pointed out — consider English a second language, behind Irish and Maltese.

Historically, French has been the language of diplomacy. As one of the commission's three working languages and the European Council's two spoken languages, French still holds the traction to become the centrally spoken language in the EU. Yet, a switch to French could isolate Eastern European countries, where emphasis has been on learning English. What's more, in our recent Transatlantic Trends Report, only 7 percent of countries polled found France to be the most influential actor in Europe. It ranks third, far behind Germany and the UK. The road to making this a reality will be a complicated one. Mais, c'est la vie !

For further reading: Transatlantic Trends 2021

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