

wealth go down by \$6.5 trillion. In the midst of everything else that we are experiencing, we are currently witnessing what is likely the greatest transfer of wealth from the middle class and the poor to the very rich in the modern history of our country.

In the midst of these unprecedented crises, it is time for the Senate to act in an unprecedented way. In every State in this country, our constituents are hurting, and they are calling out for help. Let us hear their cries. Let us hear their pain. Let us act and act now.

I yield the floor.

THE PRESIDING OFFICER. The Senator from Ohio.

CHINA

MR. PORTMAN. Mr. President, I am here on the floor this evening to talk about China and to talk about how we can have a better relationship with China, one that is fair and equitable.

I am going to talk specifically about some of the investigations and reports that we have worked on here in the U.S. Congress over the past couple of years. I am going to be talking about four specific reports that came out of what is called the Permanent Subcommittee on Investigations. I chair that subcommittee. It is under the Committee on Homeland Security and Governmental Affairs, and it is a committee that takes these investigations seriously. We do a fair, objective, thorough job. All of our investigations are bipartisan. I am going to talk a little about why these investigations that we have done have led me to the conclusion that we need to do much more here in this country to be able to respond to China and to be able to have the kind of fair and equitable relationship that we should all desire.

A lot of China's critics talk about the fact that China needs to do things differently, and I don't disagree with most of that, but the reality is there is much we can do right here in this country to create a situation in which we do not have the issues that I will talk about tonight—some of the unfair activities that have occurred here in this country. Frankly, I think we have been naive and not properly prepared. I will also talk about some legislation that we are proposing tomorrow morning, which will focus on how to make America more effective at pushing back against a specific threat to our research and our intellectual property.

Our goal is not to have China as an enemy. Our goal is to actually have China as a strategic partner, wherein there is a fair and equitable and sustainable relationship, but it is going to require some changes. Again, I am going to focus tonight on some changes we need to make right here, changes that are within our control.

Our investigations have been thorough—in fact, driven—and our reports have been objective, bipartisan, and eye-opening, and I encourage you to go on the PSI website—psi.gov—and check it out.

Our first report was in February of 2019. It detailed a lack of transparency

and reciprocity, among other concerns, with the Confucius Institutes that China operates here in this country. These Confucius Institutes are at our colleges and universities. Some people are aware of that, but some may not be aware that they are also at our elementary schools, middle schools, and high schools. Our reports show how these Confucius Institutes have been a tool to stifle academic freedom where they are located, toeing the Chinese Communist Party line on sensitive issues like Tibet or Taiwan or the Uighurs or Tiananmen Square.

By the way, when I talk about China tonight, I hope people realize I am not talking about the Chinese people. I am talking about the Chinese Government; therefore, I am talking about the Chinese Communist Party. With regard to the Confucius Institutes, for example, which are spread around this country, ultimately, they report to a branch of the Chinese Government that is involved with spreading positive propaganda about China. Ultimately, it is controlled by whom? The Chinese Communist Party.

So I hope the comments I make tonight will not be viewed as comments that are regarding the Chinese people as much as a small group in China, the Chinese Communist Party, that, with regard to the Confucius Institutes and other approaches it has taken to the United States, have led to these issues.

By the way, it is thanks to our report and to the broader scrutiny that followed that we learned about the lack of academic freedom and about the fact that history is being taught a certain way at the Confucius Institutes. By the way, it also pointed out that the Chinese language is taught. It is a good thing to have this intercultural dialogue and the opportunity to learn more about China, but there needs to be, again, an understanding and a history of China that is fair and honest, which does include discussions of what happened in Tiananmen Square or what is happening today with regard to the Uighurs—a minority group in China that is being oppressed.

In the year that followed our scrutiny—so, really, in the last year and a few months—23 of the, roughly, 100 Confucius Institutes on college campuses in America have closed, and others have made some positive changes as to how they operate. So I believe our report made a significant difference in terms of how we relate to the Confucius Institutes.

I said earlier that one of my concerns about the Confucius Institutes was the lack of reciprocity. When our State Department has attempted to set up something comparable on Chinese university campuses, it has been unable to do so. In fact, whereas the Confucius Institute employees and members of the Chinese Government are able to come on our college campuses, we are told that U.S. Government officials and, for that matter, private citizens cannot go on Chinese campuses with-

out having a minder, somebody to be there to monitor what they are doing. Sometimes they are not permitted to go at all, which goes to the lack of reciprocity.

Yet my goal, really, is to, again, talk about what we can do here. I would urge those tonight who are watching and who are connected with a college or a university that still has a Confucius Institute—or a high school or a middle school or an elementary school—to check it out. Check out our report in which we have many instances when the American students who are learning there are not getting the full story. That may not be true in the case of all Confucius Institutes, but I would recommend that you do the research yourself.

Then, in March of 2019, after the Confucius Institute report, our report into the Equifax data breach here in America showed how China had targeted private U.S. companies and stolen the information of millions of Americans. In the Equifax data breach of 2017, which we studied and which is one of the largest in history, the personal information of 147 million Americans was stolen by IP addresses that originated in China. So we should just be aware of that, and we should take precautions and protections and encryptions and security measures here to avoid it. Again, this is about our doing more here in this country to be prepared for the reality of the 21st century.

Then, in November of last year, we released another eye-opening report, this one detailing the rampant theft of U.S. taxpayer-funded research and intellectual property by China by way of its so-called talent recruitment programs—meaning, China systematically finds promising researchers who are doing work on research that China is interested in, and China recruits them. These programs have not been subtle. The Thousand Talents Plan is the most understood of these programs, although there are a couple hundred others. Yet we showed, in studying the Thousand Talents Plan, how this problem has been ongoing for two decades in this country. Through this program, much of what China has taken from our labs and then taken to China has gone directly toward fueling the rise of the Chinese economy and the Chinese military.

Again, this is about China, but it is really about us. How have we let this happen?

Specifically, we found that the Chinese Government has targeted this promising, U.S.-based research and its researchers. Often, this research is funded by U.S. taxpayers. As taxpayers, we spend \$115 million a year on research to places like the National Institutes of Health or to the National Science Foundation or to the Department of Energy for basic science research. It has been a good investment because, through some of these investments, we have discovered cures to particular kinds of cancer and technologies that have helped our military,

but it is not good if the U.S. taxpayer is paying for this research and then China is taking it.

China has not just taken some of this research funded by U.S. taxpayers but has paid these grant recipients to take their research over to the Chinese universities in China—again, universities that are affiliated with the Chinese Communist Party. This is not about the people of China. This is about the Chinese Communist Party, and it has been very clever. It wants to make sure that China is a stronger competitor against us, so it literally takes the research from the United States to a lab in China where it tries to replicate the research and provide the money to these researchers.

Just last week, we released a fourth PSI report that showed that this problem of China's not playing by the rules extends to the telecommunications space as well. Let me explain that situation. Then I will go back to the Thousand Talents Program.

You may remember that, in May of last year, the FCC prohibited a company called China Mobile and its U.S. subsidiary from providing telecom services from the United States on the grounds that doing so would jeopardize our national security—the first time such a ruling had been issued. The fact that this was only the first time that a foreign telecommunications company had been denied approval to operate in the U.S. on national security grounds prompted us to investigate other Chinese state-owned carriers that were already authorized to operate in the United States. We asked an important question: Why was China Mobile USA any different than these other three Chinese companies?

We discovered in our report, which again we issued just a month ago, that it wasn't different. We conducted a yearlong investigation into the government processes for reviewing, approving, and monitoring Chinese state-owned telecommunications firms operating here in the United States, and we found, once again, over the years, the Federal Government had been lax when it comes to securing our telecommunications networks against risks posed by Chinese state-owned carriers. Again, it is what we can do here in this country that we haven't done.

In fact, three Chinese state-owned carriers have been operating in the U.S. for nearly 20 years, but it has only been in recent years that the FCC, the Department of Justice, and the Department of Homeland Security have focused on the potential risks these firms bring when they operate in the United States. What we didn't know 20 years ago, we do know today, and we should use that information to protect ourselves.

We now know that the Chinese Government views telecommunications as a strategic industry and has expended significant resources to create and promote new business opportunities for its state-owned carriers. We also learned

in our investigation and said in our report that Chinese state-owned telecommunications carriers are “subject to exploitation, influence, and control by the Chinese government” and can be used in the Chinese government's cyber and economic espionage efforts aimed at the United States.

This isn't a surprise. We have seen this time and time again that the Chinese Government targets the United States through cyber and economic espionage activities and enlists its state-owned entities in these efforts. The Chinese telecommunications firms have been part of our U.S. telecommunications industry as a result, and, of course, that is critical to our everyday life. Its services from cellular networks to broadband internet connections help break down barriers between people, nations, and continents. That is good. It has helped our economy and the economies of many other countries grow immensely. We all benefit when telecommunications are global.

It makes sense then that the Federal Government has tasked the FCC with ensuring that foreign telecommunications can establish a foothold in the United States, but only if it is done in a fair and safe manner. Again, what we have learned is that the FCC and other Federal agencies have been slow to respond to the national security threats these telecom companies can pose in terms of cyber security and economic espionage.

As we detail in our report, the FCC, which lacks the national security and law enforcement expertise required to assess these risks, has turned to other executive branch agencies to assess them, specifically the Department of Justice, the Department of Homeland Security, and the Department of Defense, a group commonly known as the Team Telecom.

Team Telecom was an informal arrangement and has lacked formal authority to operate, making it overall an ineffective solution to assessing these risks. The informality has resulted in protracted review periods and a process FCC Commissioners have described as broken and an inextricable black hole that provided “no clarity for the future.”

For example, Team Telecom's review of China Mobile USA's application lasted for 7 years. This points to a troubling trend we have found in all of these reports—how, frankly, our government and our institutions over a space of time, the last couple of decades, have permitted China to take advantage of lax U.S. oversight, be it on our college campuses, our research labs, or in cyberspace.

At our PSI hearing on the Thousand Talents report, the FBI witness before us acknowledged as much saying:

With our present day knowledge of the threat from Chinese talent plans, we wish we had taken more rapid and comprehensive action in the past. And the time to make up for that is now.

That is our own Federal Bureau of Investigation. Again: “We wish we had taken more rapid and comprehensive action in the past.” They don't say that often, but it is true, and I commend them for saying it at the hearing and for starting to make up for it now because they have made a number of arrests just in the past few months with regard to the Talents program.

It is my hope that PSI's work has opened the eyes of our government to these systemic problems, and I think that is the case, as what we have seen in the Trump administration is they have taken a firmer stance towards the Chinese Government in every one of the four areas I talked about.

As PSI was nearing the end of its telecom investigation, for example, the responsible Federal agencies announced that they would review whether these Chinese state-owned carriers that we were studying should continue to operate in the U.S., given the national security threats. The Trump administration also recently issued an Executive order to establish Team Telecom as a formal committee, which is a good idea, as well as addressing many of the issues the subcommittee report identified in Team Telecom's processes.

Again, these are good steps, and I am pleased to say that they were prompted by the thorough and, again, objective, nonpartisan inquiry that we made through PSI. These four investigations combined show us that China, frankly—and, again, the Chinese Government and the Chinese Communist Party, not the people of China—is not going to play by the rules unless we require it. Until we start to clean up our own house and take a firmer stance on foreign influence here in this country, we are not going to see much improvement. Rather than pointing the finger at China, we ought to be looking at our own government and our own institutions and doing a better job here.

Along those lines, I found it interesting that, just last week, 54 NIH-funded researchers nationwide have resigned or have been fired because they had been found to be hiding their ties to foreign research institutions as part of an NIH investigation into this problem. Again, after our PSI investigation talking about how the Thousand Talents program and other programs work, there are now 54 people just last week who have been fired or have resigned.

Of the cases NIH has studied, 70 percent of the researchers failed to disclose foreign grant funding, while more than half failed to disclose participation in a foreign talent program like Thousand Talents. By the way, the FBI just recently warned universities across the country that China may be attempting to steal our research on the coronavirus—therapies, antiviral therapies, vaccines, other research. This problem is ongoing.

I think, in a fair and straightforward manner, we have got to insist that

there be a level playing field. We have got to insist that there be fairness and accountability, again, in an objective manner and a straightforward manner.

At the same time, our law enforcement officials and other Federal entities that are working to hold China accountable are limited in the actions they can take. That is part of cleaning up our own house. We need to make some changes around here, including in our laws, which has to come through this body.

In the case of the Thousand Talents plan, we have seen first-ever arrests related to Thousand Talents recently. They followed our investigation, our report, and our hearings. We even saw it in my home State of Ohio. All of the arrests in connection with the Thousand Talents plan, by the way, had been related to peripheral financial crimes, like wire fraud and tax evasion—not the core issue of a conflict of commitment, the taking of American taxpayer-paid research.

Why? Because amazingly, it is not currently a crime to fail to disclose foreign funding of the same research on Federal grant applications. In other words, if you are doing research and paid by the taxpayer of the United States in your research and also being paid by China to do the same research and to have the research go to China, you don't have to disclose that under law.

These arrests that have been made haven't been about that core issue. They have been about other things like tax evasion or wire fraud, kind of like they went after the gangsters in the old days on tax evasion because they couldn't get them on a RICO statute.

We need to change the laws so that we can give our law enforcement community the tools they need to be able to do the job that all of us expect is being done. It is incumbent upon Congress to work in a bipartisan manner to pass those laws and to put a stop to this behavior.

This shouldn't be a partisan issue, and it isn't. It is about defending the interests of the United States, and that is something we should all agree on. The good news is we are starting to do just that. Tomorrow, we plan to introduce bipartisan legislation called the Safeguarding American Innovation Act based on recommendations from our Thousand Talents report from late last year to protect U.S. taxpayer-funded research.

First and foremost, our bill is going to help the Department of Justice go after Thousand Talents participants by holding them accountable for failing to disclose their foreign ties on Federal grant applications. Again, it is a tool that they desperately need. Our bill goes directly to the root of the problem. It makes it punishable by law to knowingly fail to disclose foreign funding on Federal grant applications.

This isn't about more arrests. We should all agree that transparency and honesty on grant applications are crit-

ical to the integrity of U.S. research and the U.S. research enterprise. These provisions will help promote those principles as well.

Our bill also makes other important changes from our report. It requires the Office of Management and Budget, OMB, to streamline and coordinate grant making between the Federal agencies so there is more continuity and accountability in coordination when it comes to tracking the billions of dollars of taxpayer-funded grant money that is being distributed. This kind of transparency is long overdue.

We have worked closely with the National Science Foundation, with the National Institutes of Health, with the Department of Energy, and others on this legislation, and they agree this is very important. Our legislation also allows the State Department to deny visas to foreign researchers who they know are seeking to steal research and intellectual property by exploiting exemptions in our current export control laws.

This may surprise you, but the State Department can't do that now. Career Foreign Service Officers and employees at the State Department have asked us to please provide them this authority. They testified before our hearing, asking us to help them to be able to do what they know needs to be done.

Our bill also requires research institutions and universities to provide the State Department basic information about sensitive technologies that a foreign researcher would have access to. Providing this information as part of the visa process should help streamline the process for the State Department and for the research institutions.

This allows for college campuses to rely on the State Department to do some of the vetting for these applicants and to help keep bad actors off the campus. This is why many research institutions and universities will be endorsing our legislation tomorrow because we have worked with them on this issue and others, including new transparency standards for universities.

They are now going to be required to report any foreign gift of \$50,000 or more, which is a lower level from the current threshold of \$250,000, but it is also going to empower the Department of Education to work with these universities and research institutions to ensure that this can be complied with in a way that doesn't create undue red-tape and expenditures. It also allows DOE to fine universities that repeatedly fail to disclose these gifts.

I believe this legislation can be a model going forward as to how we use the lessons we have learned from these, again, objective and straightforward PSI reports to get to the root causes of these cases. We have gotten widespread support across my home State of Ohio, from research leaders, hospitals, colleges and universities, and other stakeholders who want to see us continue to have an open and transparent research

system and have the United States be the center in the globe for innovation and research, but to ensure that can continue to happen, they want to be sure we are holding China accountable.

We are now at work on this legislation to codify into law some of the steps taken by the Trump administration in response to our new telecommunications PSI report as well. This legislation we will introduce tomorrow will be led by myself and Senator TOM CARPER, my colleague from the other side of the aisle from Delaware, who was also my partner on this report with regard to the Thousand Talents program and the hearing.

We also have five other Democrats who will be joining us tomorrow, all of whom have an interest and understanding of this complicated issue. We will also have about an equal number of Republicans joining us, probably six to eight Republicans. So, again, this is going to be a bipartisan effort—I would say even a nonpartisan effort—to ensure that, in a smart, sensible, practical way, we can respond to the threat that we are facing, in this case, from China taking our intellectual property, our innovations, our ideas, and taking them to China and using them in China, sometimes against the United States.

In addition to the four examples we discussed tonight, the subcommittee will continue its work to shine a light on other examples where China and other countries aren't living by the rules, so we can ensure that, with regard to China and in regard to other foreign governments, we can create a more durable and a more equitable and a more sustainable relationship between our countries.

Again, we don't want to be enemies with China, but what we do want is to have a relationship with mutual respect. When we have the right to ask them that they treat us with the same respect that we treat them, at the end of the day, that is what is going to be best for the Chinese people, best for the American people, and best for all of us moving forward.

I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio.

LEGISLATIVE SESSION

MORNING BUSINESS

Mr. PORTMAN. Mr. President, I ask unanimous consent that the Senate proceed to legislative session for a period of morning business with Senators permitted to speak therein for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE DECLINE OF U.S. LEADERSHIP

Mr. LEAHY. Mr. President, I would like to call the Senate's attention to a letter published by my friend Sir Peter