

# **Atlantic Council**

## **Trusted Connectivity: Securing Digital Infrastructure in an Era of Strategic Competition with China**

**A Keynote Discussion Featuring:  
Prime Minister H.E. Kaja Kallas  
Prime Minister  
The Republic of Estonia**

**Representative Ro Khanna (D-CA)  
Representative, California's 17th Congressional District  
US House of Representatives**

**Peter Harrell  
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FREDERICK KEMPE: Hello and welcome. I'm Fred Kempe, president and CEO of the Atlantic Council, and I'd like to welcome you to the latest event in the Council's Trusted Connectivity Forum.

Just a couple of weeks ago, we had the privilege of hosting the President of Estonia, Her Excellency Kersti Kaljulaid, and Deputy National Security Adviser for Cyber and Emerging Technology Anne Neuberger for a discussion on the need for the United States and its democratic allies and partners to work toward trusted connectivity. Trusted connectivity provides a basis for working across borders to build and secure the digital and physical infrastructure that is increasingly binding our world together.

Today, we have the distinct honor of hosting Prime Minister of the Republic of Estonia Her Excellency Kaja Kallas to advance our discussion on securing infrastructure in an era of strategic competition with China. Nothing could be more timely. Prime Minister Kallas, thank you so much for joining us this afternoon.

Co-hosted by the Council's Scowcroft Center and its *Forward* Defense practice, the Digital Forensic Research Lab, the Europe Center, the GeoEconomics Center, and the GeoTech Center—so, so many parts of the Atlantic Council are involved today—today's conversation will cover how secure digital infrastructure can and must be built through close cooperation between US and allied governments and across industry. In an era defined by both revolutionary technological advancements and accelerating geopolitical competition, modernizing global infrastructure is not only a profound economic opportunity; it's also a security imperative.

Global leaders recognize this and are working to effectively leverage emerging technological advancements. Internationally, the G-7 leaders recently reached consensus on countering Chinese predatory infrastructure partnerships, establishing the Build Back Better World initiative, and likewise the Three Seas Initiative where Estonia has been a leader, where the Atlantic Council has worked very, very hard to advance it. The Three Seas Initiative remains a strong model for global cooperation on digital and data-driven issues.

Domestically, policy initiatives such as the US Innovation and Competition Act of 2021 are designed to strengthen US leadership in critical technologies. And discussions like the Tallinn Digital Summit, which Estonia is preparing to host this September, similarly advance our global thinking on digitalization.

As President Kaljulaid and Ms. Neuberger addressed at our last event, trusted connectivity may offer a viable strategic framework for democratic nations to incentivize ambitious and interconnected infrastructure projects among the private sector to secure that infrastructure against incursions by malign actors and to counter Chinese technological investments by providing a viable infrastructure alternative to the Belt and Road Initiative. However, there remain significant obstacles to implementing this framework.

Most critically, technological and legal standards, industries and the products they develop, and visions for the future of economic vitality, societal resilience, and national security are not aligned among many democratic nations. This dissonance challenges the creation of a

unified approach, and that increases vulnerabilities that malign actors can and will exploit, and do exploit.

If trusted connectivity is to serve as a key pillar of a multilateral and multistakeholder approach to addressing twenty-first-century technological challenges alongside existing initiatives like Build Back Better World, the Blue Dot Network, and the US Innovation and Competition Act, then the United States, Estonia, and likeminded democratic nations and their industrial partners must collaborate to overcome these obstacles.

We are so fortunate to be joined by Prime Minister Kallas, an esteemed political leader but also digital leader who deeply knows and understands these issues. Elected in January 2021, Prime Minister Kallas is the first woman to hold the position of prime minister in the history of the Republic of Estonia. Throughout her career she has been a staunch defender of digital privacy and personal information, a proponent of innovation and emerging technology, and a believer in the importance of the revolutionary technological change as demonstrated by her pivotal role on the European Parliament's Committee on Industry, Research, and Technology, which is, I believe, when we first hosted her here at the Atlantic Council. In 2017, Politico acknowledged Prime Minister Kallas as a tech titan for her distinguished work on digital issues in the European Parliament and listed her as one of that year's women who shape Brussels. Madam Prime Minister, thank you very much for being with us today.

Joining the prime minister is Congressman Ro Khanna—and we're so delighted to have him here—representing the 17<sup>th</sup> District of California and a champion himself of twenty-first-century digital world and particularly infrastructure security. He serves as a member of the Armed Services Committee, the Agriculture Committee, and the Oversight Committee, and as chair of the Oversight environmental subcommittee in the US House of Representatives. Most notable for today's discussion, Representative Khanna introduced the Endless Frontiers Act, now the US Innovation and Competition Act, which makes bold investments in research, development, and manufacturing of critical technologies to preserve American innovation and leadership worldwide. Congressman, thank you for joining us and sharing your insights with us in a few minutes.

Our third speaker today—and this is quite a trifecta—is Peter Harrell, senior director for international economics and competitiveness on the US National Security Council. He previously served as deputy assistant secretary for state for Counter Threat Finance and Sanctions within the Bureau of Economic and Business Affairs under the Obama administration.

And moderating this discussion will be Dr. Kaush Arha, the nonresident senior fellow with the Atlantic Council's Scowcroft Center. He was senior advisor on strategic engagement at the US Agency for International Development, or USAID, and in 2020 he served as the G-7 sherpa for the Blue Dot Network.

Before I turn it over to Kaush for this timely discussion, let me remind you all that this event is public and on the record. We encourage our audience on Zoom to direct any questions to Prime Minister Kallas using the Q&A tab, which you can find at the bottom of your screen—and I would say directing your questions to any of the speakers. Be sure to identify yourself and your

affiliation in your questions. We will be collecting them throughout the event and Kaush will pose some to our guests at the end. We also encourage our online audience to join the conversation on Twitter by following @AtlanticCouncil and using the hashtag #ForwardDefense.

Thank you all for joining the Atlantic Council for what I know will be a captivating conversation. And, Kaush, without further ado, over to you.

KAUSH ARHA: Thank you very much, Fred. And so, Fred and Prime Minister, welcome. We were delighted to have the president here and we're honored to have you here.

Now, as you became—and Estonia is the proud country today to have two elected women as the leaders, both the president and the prime minister, so I think it's a distinct honor. And as you became the prime minister, you had to deal with the COVID issue. And dealing with the COVID issue in a country like Estonia, with the strong record of e-governance that you have and the trust that you've built in the digital sphere, it would be great to hear your perspective on how dealing with COVID and talking about trusted connectivity, how does Estonia see this and where does Estonia go from here. Over to you.

PRIME MINISTER KAJA KALLAS: Yes, thank you. I think, first of all, this was a situation where we suddenly found ourselves, and some kind of—this crisis gave us opportunity to look at things in a different way. It is true that in Estonia we have considered ourselves to be the e-country. So, we had e-government. We also had e-health, e-education. So, I think we were most prepared for going online. But still, I mean, such issues that we see in other countries as, you know, fighting with fake news, what kind of information you can really trust and where do you get the information, these are the issues that are common everywhere.

And when it comes to trusted connectivity, then this COVID crisis has shown us that, you know, we need this kind of global trust network because right now we have vaccines, we have vaccinations, but how can you really trust that, you know, the certificates that the countries issue are proving that these people are vaccinated? How can you really trust each other? And this just brings this example how important it is that we discuss these issues on a global scale.

And of course, the other part of this is also the trusted connectivity when it comes to infrastructure investments that we do. What we see in all the different spheres, there's not a single thing that doesn't need a digital component to it. And when there is a digital component, how can we, you know, really, secure this when we have the fight between the democratic regimes and authoritarian regimes?

So, I welcome these discussions. I think there are different platforms addressing these issues, and the question to us is how to bring it all together.

MR. ARHA: Thank you very much, Prime Minister.

Representative Khanna, sir, you hail from the great state of California, which is, what, the seventh-largest economy, perhaps fifth-largest in the Indo-Pacific. Not only that; you are also

hailing from Silicon Valley and the South Bay area. And you have been a leader in the Congress on issues related to technology and in particular making sure that the United States does not lose the competitive edge on technology, and also that our research and development funds for the emerging technologies don't get lagging behind from our adversaries.

And so, thank you for all your good work on the Endless Frontiers and the US Innovation and Competition Act. It would be great to hear your perspective in what were the thinking behind this Act and where do we go with it and important issues that therein lie on the democratic response to connectivity globally.

REPRESENTATIVE RO KHANNA (D-CA): Well, thank you. Thank you to the Atlantic Council for having me. An honor to be here with the prime minister and Director Harrell.

It's important to begin with what the United States federal government partnership with academia and the private sector has given the world. I mean, literally, our investment led to the creation of the internet. If you look at Vint Cerf, who was the creator of the IP protocol and the TCP protocol which allows for data to transmit from one place to the other, which allows for Estonia to have the e-government, us to have the internet, that was funded at DARPA. Vint Cerf was there for ten years, and that entire project was created with DARPA, with our research universities. That's not just about American leadership in the world; that's about the advancement of human civilization.

And so, what Endless Frontiers—which is a bipartisan effort with Senator Schumer, Senator Young, Representative Gallagher, which President Biden championed when he was on the campaign trail—is about is about in a Kennedyesque way exploring the next places of scientific research to improve humanity. And one—and the view is that if America does that, that's what will allow us—which will earn us the leadership of the world.

And so, you look at a few places. Artificial intelligence. You know, we're leading at MIT in thinking about how we do AI without massive amounts of data. Josh Tenenbaum at MIT is leading that. How do we fund those kind of initiatives? How do we fund quantum computing and understand how quantum computing may break encryption, and still understand what the challenges of encryption may be? How do we lead in clean technology and synthetic biology, and how do we do that in a way that's collaborative with research universities and the private sector?

Last point I'll say on this. I still believe that our research universities are unparalleled. We're the only immigrant nation—truly immigrant nation in the world. When people start saying I want to go to China I'll start worrying more, but right now they all want to come to the United States. And so, if we have this fundamental investment, I believe we will lead the twenty-first century in innovation. And who knows what we may find? We may discover something new, like we did the internet.

MR. ARHA: Thank you very much, Congressman.

And a pleasure to have you, Director Harrell. Now, Director Harrell, and talking about international economics and competitiveness, is dual-hatted—both in the National Economic Council and in the National Security Council. And thanks for you and the president’s leadership at the G-7, talking about meeting the global demand through democratic values, I think mobilizing the US-Europe technology-trade sort of council. It would be great to hear from you what the administration is thinking about these issues, where the next steps are, and how can we push the democratic response to meeting global connectivity demands.

PETER HARRELL: Thank you very much. It’s a pleasure to be here on this distinguished, distinguished panel.

I actually want to bring these two themes together because I think for the Biden administration and for President Biden part of having a trusted connected ecosystem is maintaining our competitive edge. You know, we are in an era of geopolitical strategic competition today, and as we look out around the world we think it is very important for projects around the world, development projects—whether they’re digital infrastructure or physical infrastructure—to be built by trusted providers.

You know, I think, obviously, over the last couple of years there’s been a lot of focus—I think very justified focus—on making sure that as we build 5G networks, you know, we as democratic countries are not using Huawei and other untrusted vendors in those networks. But there’s really a lot more to trusted connectivity than just 5G telecommunications. It’s about subsea cables. It’s about cloud data servers. It’s about who controls the data from apps, who controls the data that comes up through connected smart city sensors, through the devices all of us have at home. And so we, from a US government perspective, really think we need to be doing two things in order to have a trusted connected global ecosystem.

The first is really what can we do to help finance and support the development of trusted providers. So the president, for example, along with his G-7 partners, announced the Build Back Better World initiative at the G-7 summit, which is going to mobilize hundreds of billions of dollars of both government and private-sector capital to help provide an alternative for countries around the world to Chinese investment, making sure that if you’re in Southeast Asia or in Africa or Latin America you have an alternative where financing is available for trusted providers to come in and build your network infrastructure.

But over the long term, if we want to have trusted—a trusted ecosystem we need to maintain our competitive edge over China. We need to be making foundational investments to make sure that we continue to lead in next-generation technologies. Because we can provide financing for the technologies today—that’s important—but if we don’t maintain our edge five, eight years from now, the rest of the world is going to be turning to other technologies to build out their digital and physical infrastructure.

So for us, it’s both about financing and about making sure we have that competitive edge over the long term.

MR. ARHA: Really appreciate that. I think one of the important issues which was a long time coming was the G-7 announcement—one, the recognition that there is a global demand for infrastructure, maybe in \$4 trillion – (inaudible) – once you go, or 1 trillion (dollars) it becomes a lot; and then that there will be a democratic response to meeting this demand. So, I think we talk a lot about countering authoritarian, but recognizing that there is a demand and that there needs to be a democratic response to meet it.

And when you talk about democracies inherently, the essence of democracies is public trust—you are eminent lawyers sitting around here—that we hold our government and we act as elected leaders in and on public trust from the governed, and once we lose the trust we get voted out. And so, the element of trusted connectivity, which you rightly point out goes beyond 5G, goes to all elements of connectivity—digital and physical infrastructure—is not just the technical trust part, but also the legal-political trust part of it, that it is a[n] organizing framework that recognizes individual rights and public trust and does not take them.

So, as we go forward in that exercise, it'll be very useful for, I think, audience in here to understand the Estonian experience of it and how you set up addressing all the digital framework that Estonia did with full trust of the Estonian citizenry. So, it would be great to hear from you and what can we sort of learn from you as—from your experience. Over to you, Prime Minister.

PRIME MIN. KALLAS: Yeah. First of all, I wanted to comment on Peter's remarks. We have very many initiatives. I mean, we have the Blue Dot Network. We have the Three Seas Initiative, the Build Back Better World initiative. So, what we aim at Tallinn Digital Summit is to bring back those initiatives, bring—to gather them, to find the synergies between those so that we have this global picture and the countries that share the same values, the Western values, you know, stick together and develop this together.

But when it comes to Estonia, then, yes, trust is a big issue. And I think, you know, when we started with building the e-governance and all our digital services around this, the world was a bit different. And, you know, trust in the government was higher everywhere because you didn't have social media. You didn't have, you know, the tools that are around today. So, it was maybe easier for us during that time because we were building our country from basically, you know, scratch. And people trusted the political leaders to do the right thing.

And so, of course, if we would have asked the people then, you know, do you need digital identities? They would have gone, you know, big question marks in their eyes. Why? What's that? But it demanded political leadership because this is where the world is going, and we have to be there as well. So, what we did for the people is, of course, that we provide the digital identities. We create the trust in digital, you know, transactions. But we also provide the services that they take up these digital identities.

And of course, you know, the big issue is taxes. How do you—how do you make people take up something is that, you know, the first services we had were, you know, filing your taxes online. But also, the question is, so what do I get from this? You get your money back really fast. So, when you file your taxes online and then you get the tax returns really in a short time frame.

And now over 90 percent of our people file their taxes online. They trust the system because it works for them.

And I think what is important to understand is that, you know, people are living their lives online. More and more they're doing everything there. If the government is not there, then, you know, it just builds the divide between the government and how people really live. So, we had a good start in that respect. But now we have to, you know, build the trust more and more, as we have a different infrastructure, we have digital elements on everything, and how we make this work well for everybody, so that the trust doesn't decline, really.

MR. ARHA: Thank you very much. And please feel free to react to each other. I'm just going to pose the question in any way. Congressman Khanna, you—I mean, you've given a lot of thought to dignity in the digital age. And I'm told you even have a book coming out next year talking about this particular issue. And in many ways, when we are, as President Biden has talked about, the bigger issue, the debate of our time is between democracy and autocracy, showing the best way forward. So, within that context, and with your focus on digital and digital age, and individual rights be empowered rather than being detracted through digital connectivity and others, how do you see the idea of trusted connectivity related to individual rights as we go forward?

REP. KHANNA: That's a deep question. First, let me compliment the prime minister and Estonia on one thing that I think has really set them apart. And that is that they have focused on design. It's not just about the technology. It's about what are the consumers' needs, what the citizens' needs? And how do we design technology in ways that facilitate that? When we had COVID—this is not a problem with the previous administration; it's been a problem with government—and you sent to our websites, there were fifty-some links on those websites. You couldn't navigate it. And if you look at the genius in Silicon Valley, and you talk to a lot of those technology companies, they'll tell you it's not the engineers. Yes, that matters. It's the creativity. It's the design. It's the focus on putting the citizen and consumer first.

I like President Biden's framing, because I think it's very careful—and Director Harrell will probably have more to say—that it is about the promotion of liberal democracy. And here I think it's important not to think of it in terms of the West versus the rest, because as Amartya Sen has shown the values of liberal democracy aren't just Western values. They're universal values. They're found in many different civilizations. And so, I think one of the things President Biden is trying to say is these are universal values. They can be found in countries and cultures across the world. America was conceived and founded on them, and how do we build architecture to have these values? How do we embed these values in our architecture?

And a final point is, I think it's deeper than just the technology and making sure the technology isn't hacked. These are big questions of how do we have equality of participation in a democracy? How do we balance the rights of free expression with the rights of not having subjugated or bullying speech? How do we balance the right to say what you want with not having misinformation? And we probably need as many philosophers as we need technologists, to think about how liberal pluralistic democracy emerges.



MR. ARHA: No, it's great. I think one of the fellows talked about it as Xi Jinping talks about that we are in the era of sort of socialism with Chinese characteristics is going to be the ascendancy. The right antidote, picking up your point, is probably democracy with Asian characteristics to sort of counter this sort of notion talking about universal values. President Biden has taken the lead on rallying the democracies, for all the reasons you and Congressman Khanna said. So, when talking about it and then executing that, particularly in the connectivity world, where are we, what is the administration thinking, what can we expect?

MR. HARRELL: I mean, this is—as you suggest and as the congressman has said, it's a really passionate issue for President Biden. I mean, this idea that we are in an age where there is ideological competition between autocratic governments that are, you know, no longer simply saying, well, we like being autocratic at home. They are actually, with Xi Jinping and others, promoting this as an alternative ideological worldview that they want to export. Versus democratic countries, universal value democratic countries, that have faced stress in recent years.

And, you know, Biden has been talking about this as the challenge of showing that democracies can deliver both at home individually and for each other. And he's very passionate about it, and he brings it up all the time. I've been with him at meetings—you know, CEOs on, like, semiconductor issues. And he'll get into the fact we are in this era of competition between autocracy and democracy, and the need to mobilize all of our society—whether it's corporate sector, the nonprofit sector, government, to show we can deliver and to help our allies and partners around the world deliver.

You know, I think for us it is, in the first instance, in many ways, about showing what works here at home, about investing here at home, about showing we can maintain our competitive edge and then sharing the benefits of that from new technologies, from developments around the world, as we did with the internet and other technologies. But it is also—and this is really why the Build Back Better World Initiative, building on earlier initiatives, so important to him. Because we need to be showing in real and tangible ways that we are prepared to provide alternatives to what autocracies are doing to help countries around the world grow economically. And so that's something over the next couple of months we're going to going to Congress and asking for money, we're looking at our tools to really build this out into a real initiative.

MR. ARHA: Prime Minister.

PRIME MIN. KALLAS: Yeah, but I think this is—this is very good, that US is taking this up, because what we see also during these COVID times that, you know, people are really asking in many countries, you know, strong hand. And, you know, saying that, you know, in autocracies, they just close everything down and, you know, numbers are low when it comes to COVID and everything. So, you know, people see that there are also benefits because in democracies it takes time, you discuss issues, and then, you know, there are—you can also go to court to say that, you know, you don't like these kind of decisions that were made. And so, I think it's even more difficult now when, you know, during these COVID times people have seen—and some people who are really afraid of the disease really want this strong hand and really, you know, what the autocracies provide. So, I think it's a bigger challenge than ever.

MR. ARHA: Just to follow up on that, Prime Minister, I think one of the important things we need to talk about with your presence here is how can we strengthen US-Europe—the transatlantic relationship in this era of providing a democratic response to global connectivity? I'd like to sort of ask you a little bit about the experience with the Three Seas Initiative. So, these are twelve countries along the three ocean, sea bodies—the Baltic, the Black, and the Adriatic. They've come together. They've addressed that they have connectivity issues, that they have come a public-private investment fund, over a billion dollars, to which the US government was honored to be able to contribute and pledge support for.

So, as we go forward on Three Seas, I think, how does that provide a platform for US-Europe to collaborate, not only in sharpening and shaping this concept of trusted connectivity but, as Director Harrell mentioned, putting into practice with your priority projects and others? I think it would be great to hear from you as to what your thoughts on how we go forward on it.

PRIME MIN. KALLAS: Yeah, thank you. Three Seas Initiative, this is deriving from the fact that there are countries that were behind the Iron Curtain for fifty years. So, we have a big investment gap. And what we see in the world, not only this region but other regions, you know, this investment gaps that we have in our infrastructure, you know, if we are not making the investments then some powers—other powers in the world are making the investments to those infrastructure projects.

So, this is clearly a way to grow economical power, which, you know, leads to this global competition between, again, Western values versus other parts of the world. So, the Three Seas Initiative is the same idea like it is behind Blue Dot Network. How can we put together the funds to make the investments ourselves? Of course, coming from the Soviet times we have this gap, which means that we can't make the investments alone. So how can we cooperate there and make the investments together so that we can still trust the infrastructure and have these, you know, digital element to it that we can also trust and build upon?

MR. ARHA: I just want to point out, I think it's a tremendously good example, but not only countries coming together, putting in a public-private investment fund, collectively coming up with priority projects, so that they can be funded for and they are bankable. And so, I think it's an example that other regions can follow.

Congressman, as you sort of work on the Endless Frontiers Act and now the US Innovation and Competition Act in the House, the important title within that act is for strengthening our alliances with like-minded folks. As Dr. Harrell mentioned, not only in today's technology and dealing with it, with 5G, but the frontier technologies that are going to come out of this, and then the supply chains that are going to support present and frontier technologies. So how do you—from the sort of Congress perspective, what's the vision of how do you expect or would like to see the executives working on giving sort of shape to your intention of stronger collaboration with our likeminded allies?

REP. KHANNA: I think President Biden wants that himself. I don't think he needs the Congress to tell him to do that. But I would say that the relationship and strengthening the

relationship is absolutely critical. And let me be a little bit provocative. Europe often says, well, we are going to lead in regulatory innovation. You can lead in innovation. Let me tell you, it's not going to work. The tech companies run circles around the European regulators. I ask people to read papers on dark patterns. They have—GDPR says, OK, you need the consent. So, what do the tech companies do? They know how to design the boxes, they know how to put the colors, they know how—they have the psychology that 95 percent of people just consent—click in consent.

So, if you really want to have effective regulation, you have to have people who understand the technology. You know, Larry Lessig made this point that code is law. The architecture actually matters. And that's why the US leadership matters. We need to – I've been really pleased with some of the president's appointments at the FTC and other agencies. They need to bring in technologists there. They need to work with our European partners, who have thought incredibly well about a lot of these issues, and then figure out how do you enforce them with technological innovation?

And then we have to have honest questions about what does a transnational public sphere look like? Because you could have—you know, Steve Bannon talks about exporting Trumpism online, right, with Bolsonaro and the Right. And you have the Internet facilitate that, or you can have the Internet facilitate more conversation about liberal democracy. And how do you balance those public forums with our values of a strong First Amendment, with a lot of understandable European concerns on hate speech, and come up with common frameworks? So I think it's absolutely critical and commend the president for making it a high priority.

MR. ARHA: Director Harrell, I mean, one of the issues that has come out with all the studies—including Eric Schmidt's National Security Commission on AI that you—and you mentioned AI earlier. And what is the need for on the—I think on our sort of diplomatic and government service, so that can we have enough people, personnel—I know this is near and dear to your heart, so I'm getting back to you as well—for building the human capital of talking about technology and diplomacy, technology and development, technology and sort of democracy?

So, I think almost a new cadre of our diplomatic corps development efforts, our Department of Commerce folks. So, any thought on that to, as we get into executing—because technology, as was rightly mentioned, is not something out there. It sort of lives through our entire life. And so, what are the real thoughts on that? And that may be a good way to sort of also learn from Estonia, because you guys have sort of incorporated it a little bit further down the road than we have across the populace a bit.

MR. HARRELL: I think this is a hugely important question. And I know it's one that is, as you say, near and dear to the congressman's heart. And I think it's important to Congress as well as the executive branch, work on this. Clearly, if we as governments want to get technology regulation and technology innovation right, we have to make sure we have the human capital to do it. And historically, it's been a problem, to hire sort of top technologists into government. Obviously, over the last sort of decade there have been some efforts with the US digital service and other initiatives to try to bring technologists in. We, across this administration, have a couple of different processes underway to look at ways to strengthen the human capital we need.

Just to give a couple of examples, the White House and the National Security Council, under this administration for the first time we've set up a Technology and National Security Directorate, bringing in—NSC is not huge this year—but bringing in a couple of full-time people out of the private sector, out of academia, who really are leading-edge technologists. State Department, as they look at how to carry forward the idea of a cyberspace and emerging technology new bureau over there is looking at the human capital element to that. How do we bring technologists into the State Department? And I'm sure there is more that can be done, in Commerce Department, for example.

If Congress is generous enough to appropriate \$52 billion for semiconductor manufacturing and R&D in the US, that's going to be a huge impact on the Commerce Department. They are actively working on figuring out, if Congress does that, how can they have the human capital who really knows the industry, who knows what is going to be needed to get that money, use that money right. And so we have a couple of these workstreams on way—underway because we do understand just how essential this issue is.

MR. ARHA: Please.

PRIME MIN. KALLAS: Yeah, just wanted to comment on what congressman said. I think Europe and US have to keep in mind that we are the likeminded partners in the global sphere. So, we have different worries, of course. I think when I was in the European Parliament and we had the interactions with the US Congress, it was clear that, you know, we have a different approach to privacy. For Europeans, privacy is a—*is a*, you know, human right, is a basic right. But in US, it's seen differently.

And so, you know, I think we can really put together the strengths that US has—you know, your technological advantages that, you know, Silicon Valley very well represents. And also the part that we—Europe is strong at. But I agree with you that it's—you can't over-regulate or regulate this out. You have to keep in mind where the technology is going. Technology is not good or bad in itself, but it's the way you use it and how you make it work for your people. So this is definitely something that we have to think about.

And keeping in mind all the time that we are not on different sides. We just see it differently, but we are the likeminded partners in the world. And we have to keep together in this—in all these initiatives.

REP. KHANNA: I agree with a lot of what the prime minister said. I would say privacy is a very strong value in the United States as well. And we're seeing calls that I had authored with colleagues at Internet Bill of Rights, and what we need to uphold privacy. Director Harrell and I were at dinner, and I was surprised that someone at the EU ambassador said that in Europe people don't like cameras that look out the front porch or something, and that probably wouldn't fly in the United States. We want to make sure that our—no one's hitting your mailbox or something. So, there are differences. But there is a shared commitment to privacy.

I think where there is probably a deeper difference is on the First Amendment and free expression. I think the United States has a very robust tradition of diversity of thought. In fact, there's a Supreme Court case that says even if you're false, the government can't regulate it. The European—Europe obviously has a different history, and different traditions, different concerns on speech. And so how we find consensus and maybe slightly different on speech questions is always going to be a challenge.

MR. ARHA: And feel free to share your thoughts on developing our human capital. I know it's close to your heart.

REP. KHANNA: Well, it's incredibly important. I think Estonia's done a tremendous job of—I don't know what your secret is—in getting technology competent leaders in the country and technology-competent people designing. And we have—we have not. I mean, it's—I've said this publicly. If you watch the hearings, and the questions that members of Congress ask of those technology leaders, it's embarrassing. It's embarrassing. You know, I say people—the only people who can make Mark Zuckerberg a sympathetic figure is the United States Congress. People were cheering, saying go get him. And then people were asking: How do you pay for ads? I mean, the level of illiteracy is astounding. And so we have to have—and it's at the staff level too. It's at a staff level too.

So, we need to have a technology bureau in the Congress that—instead of having all these freshman orientations in Harvard, which I'm fine—I mean, we should have probably some public universities too. But what about having them come out to Silicon Valley and learn something about immersing them in technology, and have much more technology-savvy, technology-competent individuals. Because the price of it is that—the people who gain are the technology leaders, because the price of it is insufficient regulation. And so what we—what we want is the competence, the confidence.

Let me just make one final point. Put aside Elizabeth Warren's politics, whether you agree with it or disagree with it, when you hear her question the Wall Street CEOs, no one thinks that she doesn't know what she's talking about. Everyone thinks that she knows more than the Wall Street CEOs. You may disagree with her conclusions, but there's no question about her competence. You don't get that same feeling when people are talking about technology.

PRIME MIN. KALLAS: But it's quite normal because I don't think that any politician really knows everything about technology. And just listening to you, it reminds me of this great book, *Hitchhiker's Guide to the Galaxy*. (Laughs.) And there he has a joke that, you know, people's attitude towards technology is dependent on your age. Everything that was created before you were born is natural. I mean, technology, it should be there. Everything that was invented before you became thirty-five is revolutionary, modern, should be taken into account or into use. And everything that was invented after you were thirty-five is—you know, goes against nature, should be abolished, should not be allowed. And so this is always – (laughs) – always the joke that comes to my mind when I listen to this.

But it's not the—I mean, what we tried to do in Estonia is that people are afraid of technology because they don't know it. So, it is true what you say that, you know, educating

people, training people, giving them knowledge, also brings down the fears that you are not afraid anymore. And it's not that people should be smarter than the technology, but it's that you feel comfortable with the technology, because the technology is everywhere and you can't really escape it.

MR. ARHA: Well, thank you.

In the last ten minutes, I'm going to ask you a concluding set of questions and offer it to all three of you.

So, we talked a little bit about—and I'm incorporating in my questions those that have come up online. We talked a little bit about trusted connectivity as perhaps a useful framework to talk about democratic response and values in meeting global connectivity demand.

As we go forward, and I think very good for both of you to talk about where we need to work more between US and Europe going forward. What would be helpful, perhaps, is to have a shared vocabulary, at least, among like-minded nations to talk about these things. Perhaps trusted connectivity can be useful to that end, providing it.

It is also helpful that as we go forward, we need to be able to fund these trusted-connectivity projects. And we need to have coordinated financing and complementary financing. And I want to mention, I think, the good work that US Development Finance Corporation that allows now for investing in projects where there is no US nexus as a requirement. It's preferred. And a good example would be the project in Ethiopia with Vodafone and Sumitomo. So how can we do this from the European side, from Japanese and other folks, as we go forward?

And then talk about demonstrable, illustrative projects, may it be submarine cables, may it be the rail network. So how do we talk about them? What are the appropriate platform? And Prime Minister, I'll start with you, with your experience, not only as sort of—you'll be the main—the head of the Tallinn Digital Summit. How can that platform work in terms of bringing these discussions together? Your experience in Brussels with—as we have gone into this thing with this US-EU Technology Trade Council, how can we use that to work on it?

So I'll ask you the same here, and from you in particular, seeing how when we do this, but also especially the Quad issue and especially this Quad working group in technology, how can we leverage that as well, and whether there are other platforms we need to look at in shaping this concept, building it, and then executing it? Prime Minister.

PRIME MIN. KALLAS: Yes. Thank you.

This is correct that we have to agree on the vocabulary how we see these things and we talk about the same thing. And what we aim at in the Tallinn Digital Summit is to, you know, bring this different initiative together and find the synergies that are there, because it is true what you say.

It's not only, you know, the public part of it, but it's also the private part of, you know, funding infrastructure and also agreeing on standards, how we see—what we see the problems are really with the connectivity and trust. So if we agree on the problems, then we can also provide different solutions. And do we need different solutions for different parts of the world in order to have this global picture all together?

So I think this is what we are trying to do in order to tackle these issues that are in front of all of us.

MR. ARHA: Thank you. And obviously these two esteemed gentlemen are invited with their colleagues and their leaders to Tallinn in September.

PRIME MIN. KALLAS: Absolutely. We don't have the representative of the US yet named. (Laughs.)

REP. KHANNA: We'll work on that. (Laughs.)

MR. ARHA: Congressman, your thoughts.

REP. KHANNA: Well, first, let me pick up on a strand of the prime minister. I completely agree with her about the digital empowerment of people, just like we have to take in school classes on vocational education or math or science. It doesn't mean that we all become mathematicians, scientists or going to physical education, if you have that. You need some basic digital proficiency, because any job you have, whether it's becoming prime minister, whether it's in construction, whether it's in manufacturing, whether it's in writing, is going to require a facility and an ease with machines, with technology. And that has to be a priority for our country and the world.

The second thing, though, is that I do think there is a necessity for technological expertise, beyond proficiency, for policymakers. We're going to be in 2025—Microsoft has a study that there are going to be twenty-five million digital jobs. That's more than the construction and manufacturing jobs combined in this country. And I don't think it's sustainable to have \$11 trillion of market cap in my district and around there and have rural towns under fifty thousand people, declining wealth and declining opportunity, and not have access to those jobs.

So we need policymakers who really understand how much software is transforming every industry and think through what that means for the future of work in communities left behind; think through what it means for the right type of information and conversation for democracy.

And then a final point I'd say is that the United States has to lead. We've been behind Europe in terms of coming up with a regulatory framework. We can't say we disagree with the European framework and then say we have none; I mean, Congress has none. At least they have something.

So, we've got to first put forward our vision. And then we can talk about, well, how does it – where do we disagree? What is our difference? But right now we have not led in Internet bill of rights. It's been stalled. We have not led on issues of antitrust. It's been stalled. We have not led on issues of how do we democratize the digital economy. And I'm hoping we will with the president's leadership.

MR. ARHA: For our current director, I'd also ask you, where does the House response to USICA stand, and where –

REP. KHANNA: We'll pass something. You know, when you have the speaker, the Senate majority leader, and the president on board, usually your odds are pretty good, although you never know in Washington. But we're going to pass something and it's going to be transformative.

Here's why it's transformative. Three small points: \$100 billion, at least, of research investment; will be the largest increase since early 1980s with the Reagan buildup, and that was mostly defense; if you don't count that, since the 1960s in science and technology. It's going to have a practical impact. So it's not just theoretical science. It's also practical science.

And it's the first time ever that we're going to disperse the technology investments. So, it's not just going to go to Stanford and MIT. It's going to go to Ohio State and Michigan and HBCUs and be dispersed and create tech hubs around the country. It's transformative legislation and I'm confident we'll pass it.

MR. ARHA: Director Harrell, I think you, sir—I think—how do we work with Europe better? How do we mobilize these platforms? How do we shape a shared vocabulary, financing, and projects?

MR. HARRELL: No, thank you very much for the question.

I want to make two points, the first of which picks up on a point that the congressman made around the fact that I do actually think there's some potential for greater convergence on data governance and data privacy with our European allies—and maybe there was a few years ago—because I do think you're seeing, as the congressman said, on a bipartisan basis in Congress a recognition that perhaps we need new approaches to data privacy and data governance here. The administration has expressed publicly and is thinking through concerns we have, for example, about bulk-data collection and the sale of bulk data. So I think there's some opportunity to work together.

I think with Europe, from our perspective, we see the Trade and Technology Council as a very valuable avenue for doing that. We have working groups we're kicking off this month. One of those working groups focuses on data governance and tech-platform regulation. We can really work through some of those issues.

The second point I want to make is one you picked up on, Kaush, which is how do we—you know, as we agree on standards and vocabulary, how do we actually come up with practical



projects that we can do together? And that is hard, because a lot of our, you know, operational agencies, like the Development Finance Corporation, like the Ex-Im Bank, you know, they're just—frankly, even like USAID in many cases—they're not schooled in the mentality of we need to figure out how to coinvest.

There are legal things that need to be worked through. People need to actually realize it's going to take time to get an ally to make a similar investment. So, we are talking through another workstream in the Trade and Technology Council where we're going to convene DFC and Europe DFIs and, you know, start talking through specific projects; the Quad, kicking off later this month, similar thing. We're convening some of our operational agencies.

It's not going to be an overnight process, because it is about changing some internal rules. It is about really forcing people to delve into the details of specific projects that are out there. But that's what it's going to take, a lot of kind of hands-on, a lot of time together over Zoom, a lot of time in person. But I think there's a lot of will on all sides to do that.

MR. ARHA: Well, thanks again.

I think Monday of this week the European Council adopted the new set of proposals for the Europe—globally connected Europe as a geostrategical way to look at. That happened on Monday. Tomorrow and day after there'll be a meeting in Tashkent for South and Central Asian regional summit on connectivity with the prime ministers of both—five Central Asian and also the India and Pakistan.

So, it couldn't be a more opportune time to have this discussion here today on trusted connectivity, the second of the Atlantic Council's Trusted Connectivity forum. I hope we do that more, as long as we have outstanding guests and speakers, as the prime minister of Estonia is a key partner on going forward.

So, thank you very much to all three of you. And the discussion has to be continued. Thank you very much.

(END)