HOW BIDEN AND OBAMA BECAME GOOGLE'S BITCHES

White House defends president's support for philanthropy headed by former Google CEO, who has cultivated close ties to the administration.



Eric Schmidt, the former CEO of Google, had been making efforts to cultivate a close relationship with the Biden administration. | Paul Sakuma/AP Photo

By Alex Thompson

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This past spring, Eric Schmidt, the former CEO of Google, received the ultimate gift: a straight-tocamera endorsement from the president of the United States.

In the video, the most powerful man in the world touted Schmidt's "Quad Fellowship"— a new scholarship for American, Indian, Japanese and Australian graduate school students that is operated and administered by Schmidt Futures, the charity arm that Schmidt uses for a variety of initiatives in science and technology.

"If you want to take the biggest challenges facing our world and help make sure democracies deliver for the people everywhere, I encourage you to apply and join the Quad fellowship class of 2023," Biden said in the video touting the philanthropic initiative which administration officials have compared to the Rhodes scholarship and which plans to fund 100 students every year from India, Australia, Japan and the United States, also known as "The Quad."



Australian Prime Minister Anthony Albanese, U.S. President Joe Biden, Japanese Prime Minister Fumio Kishida, Indian Prime Minister Narendra Modi and Schmidt Futures CEO Eric Braverman gather for the Quad fellowship announcement at Tokyo on May 24, 2022. | Evan Vucci/AP Photo

Schmidt promptly shared <u>the video on the Schmidt Futures YouTube page</u> with the title "The Quad Fellowship: A Message from President Joe Biden."

Behind the scenes, however, there were concerns within Biden's administration about the president endorsing an initiative of an outside entity founded by Schmidt, one of the richest men in the world, according to two people familiar with the matter who were granted anonymity because they weren't authorized to speak about the internal dynamics.

The red flags prompted the State Department to draft talking points in case questions of impropriety came up, according to a copy of the drafted talking points obtained by POLITICO.

"If the [U.S. Government] is not involved in Schmidt Futures Quad Fellowship, why was it announced in a Government organized forum?" read an example of a potential question about the arrangement.

In response, the State Department's talking points recommend responding that the "United States– through Department of Homeland Security and Department of State helps facilitate international STEM education and student mobility" and that international "student mobility is central to diplomacy, innovation, economic prosperity, and national security. As Secretary [Antony] Blinken has said, it is a 'foreign policy imperative.'"

It is one of many instances of Schmidt's efforts to cultivate a close relationship with the Biden administration. In March, POLITICO reported that Schmidt had developed close personal and financial ties with the White House's science office. During the presidential transition, Schmidt also recommended appointments to the Pentagon, <u>Reuters reported at the time</u>.

The White House declined to comment. A State Department spokesperson told POLITICO: "It's not uncommon for us to highlight a private sector initiative that advances U.S. national interests. It is, likewise, not uncommon for us to draft contingency talking points on a range of issues. We're proud of private sector partnerships, which advance our interests around the world."

Meghan Miele, a spokesperson for Schmidt, said in a statement that Schmidt Futures had been invited by the Biden administration and the other Quad countries to operate and administrate the fellowship.

"Leaders of all of the Quad countries have demonstrated enthusiastic support for the program by recording videos, calling for applications on social media, and attending a global launch event in Tokyo which has resulted in thousands of applications," she said. Asked for further documentation of the timeline of the invitation, Miele declined to comment further.

Blinken and Schmidt have collaborated in the past. Schmidt Futures was a client of WestExec Advisors, a consulting firm co-founded by Blinken. Last July, <u>Blinken referred to Schmidt as "my friend"</u> at the "Global Emerging Technology Summit" hosted by the National Security Council on Artificial Intelligence, which Schmidt chaired.

When Biden visited Asia in May, the CEO of Schmidt Futures, Eric Braverman, met with the leaders of all four Quad countries, who had recorded their own endorsement videos as well. At a launch event with the four leaders, they watched a video featuring Schmidt as they all stood in front of a blue-and-white checkered backdrop reading: "Quad Fellowship by Schmidt Futures."

The fellowship will fund students from Quad countries to attend graduate school in the U.S. in science, technology, engineering, and mathematics (STEM). The scholarship is part of the Biden team's larger goal of reinvigorating the Quad partnership as part of their attempts to counter China.

Schmidt also often echoes the administration's view on China as a key competitor and has taken a particular interest in the overlap in science and defense policy. He has advocated for the U.S. investing in and protecting the technology sector to ensure China does not take the lead on artificial intelligence, internet platforms, and hardware, which he sees as essential to maintaining American economic and military strength.



Schmidt also often echoes the administration's view on China as a key competitor and has taken a particular interest in the overlap in science and defense policy. | Susan Walsh/AP Photo

As a result, he has leveraged his relationships and connections to shape the Biden administration's science and military technology policies. In addition to his connections with the science office, the Pentagon, and the Quad Fellowship, Schmidt has also become a key public advocate for the Biden-supported U.S. Innovation and Competition Act (USICA), a sprawling \$250 billion-plus package with massive investments in American technology including \$50 billion to semiconductor funding.

The Senate and the House have passed different versions of the bill and are trying to reconcile the package now. <u>Some progressive House Democrats and the AFL-CIO have argued</u> that certain trade provisions in the bill would help large American tech companies like Google and Facebook.

The trade provisions would "overwhelmingly benefit large digital corporations (Google, Facebook/Meta, Uber) at the expense of countries' right to reasonably regulate global digital platforms," William Samuel, the AFL-CIO's director of government affairs, wrote in <u>a May letter</u>.

In op-eds and <u>TV appearances</u>, Schmidt has been a high-profile advocate for the bill, in particular the government subsidization of semiconductors.

"America is on the verge of losing the chip competition," <u>Schmidt wrote in a Wall Street Journal op-ed</u> <u>this month co-written with Harvard professor Graham Allison</u>. "Unless the U.S. government mobilizes a national effort similar to the one that created the technologies that won World War II, China could soon dominate semiconductors and the frontier technologies they will power."