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SHARED THREATS: INDO–PACIFIC ALLIANCES AND BURDEN SHARING IN TODAY'S GEOPOLITICAL ENVIRONMENT

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C O N T E N T S

SHARED THREATS: INDO–PACIFIC ALLIANCES AND BURDEN SHARING IN TODAY'S GEOPOLITICAL ENVIRONMENT

WEDNESDAY, MARCH 26, 2025

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 10:11 a.m., in room SD–419, Dirksen Senate Office Building, Hon. James E. Risch presiding.

Present: Senators Risch [presiding], Ricketts, McCormick, Scott of Florida, Cornyn, Shaheen, Coons, Kaine, Duckworth, and Rosen.

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

The CHAIRMAN. The committee will come to order. Thank you all for attending today.

We apologize—we are starting a little late. We had an important meeting before us and trying to get a handle on some things that are going on.

I am going to give the usual statement. We welcome all of you here. This is a public hearing. We are doing the business of the United States of America, and this is just as important as a courtroom, and as a result of that there will be no audience participation.

Audience participation includes anything that attempts to communicate with either witnesses or the committee. Whether you are standing up, whether you are talking, whether you are protesting, whether you are holding up signs, none of that is permitted here.

We have zero tolerance for it. If you do that you are going to be arrested immediately, as the people yesterday did that were arrested, and then after you are arrested and go through the process you will be banned from the committee for a year.

With that, we—again, we welcome your participation here as a spectator, but that is the limit of what you can do here.

With that, we have an important hearing this morning on Indo-Pacific alliances and we have some good and important witnesses for that.

I am going to make an opening statement and then I will recognize the ranking member to make an opening statement, and then we will hear from our witnesses and then we will open it up to a round of questions.

With that, as an opening statement I would like to talk about this issue. Over the past several years we have seen China rapidly escalate its aggressive actions against Taiwan, Japan, the Philippines, Australia, and other countries in the Indo-Pacific.

China has positioned itself as America's most significant long-term challenge and that means, in the short-term, China's military aggression in the Indo-Pacific should not go unchecked.

China's actions destabilize global security and disrupt global trade, which could impact Americans' financial aspects.

As demonstrated by China's spy balloon, which invaded our sovereign airspace in 2023, China's ambitions are not confined to Asia.

China's military is rapidly modernizing its shipbuilding capacity, which is formidable, and its development of dual-use artificial intelligence is growing more advanced by the day.

In this dangerous security environment, we and our allies need to help ourselves by increasing defense spending and building joint capabilities.

China's aggression should be confronted, but America should not be the world's only watchdog. To counter Chinese aggression, we need our allies to work with us to ensure each of us is strong and capable of pushing back.

Today's hearing will focus on how we can build alliances that are fit and up to this task.

America is well-positioned because we have a Commander-in-Chief who understands the need for a strong relationship with our Indo-Pacific allies.

President Trump's recent successful summit with the Japanese Prime Minister and his administration's early focus on the Philippines are proof of this.

In his first term, President Trump deepened security cooperation with Taiwan, kept the U.S.-Japan-South Korea intelligence sharing initiative alive, and approved major arms transfers to Southeast Asian partners.

We need to build on this work. Key to this is encouraging responsible and effective burden sharing from our partners. This has been a decades-long bipartisan initiative that has only become more pressing.

South Korea has done great work here. Its defense spending grew consistently during the Cold War and beyond, always remaining well above 2 percent of its GDP.

It now boasts a robust defense industry and is well-positioned to work with the U.S. on boosting our shipbuilding capacity.

Japan's defense spending remains comparably low, but it has taken important steps like acquiring counter-strike capabilities, and in Taiwan, double-digit defense spending increases must continue, given the threat it faces across the Taiwan Strait.

In addition to sharing the burden of defense, our allies need to expand U.S. basing and overflight access around the Indo-Pacific. The best way to show China that we stand together is if we are physically present in the region.

The Philippines has shown itself to be a great partner in this regard since the signing of the Enhanced Defense Cooperation Agreement. We need far more of this around the region.

I look forward to hearing the witnesses' thoughts on how to approach both burden-sharing and access basing and overflight in Asia, and more specifically what role the State Department should play on these issues.

The issue in military aggression—the rise in military aggression from China is a threat to us all. If we do not use our alliances in the Indo-Pacific to a high standard, we do Americans and the people of the region a tremendous disservice.

With that, thank you to the witnesses for being here today. We have a good panel. We are looking forward to hearing from them. With that, I recognize the ranking member.

STATEMENT OF HON. JEANNE SHAHEEN,
U.S. SENATOR FROM NEW HAMPSHIRE

Senator SHAHEEN. Thank you, Chairman Risch. Welcome to our witnesses. We so appreciate your being here this morning.

From the South China Sea where China's Coast Guard harasses Philippine forces to Beijing's military exercises over the Taiwan Strait, there is bipartisan agreement that these aggressive actions threaten national security.

As we know, the impacts of China's rise are not isolated to Asia. Debt trap diplomacy with infrastructure projects in Africa, the flow of fentanyl precursor chemicals into Latin America, economic coercion in Europe over Lithuania's support for Taiwan, China's influence can be felt across the globe.

That is certainly the case in Ukraine where China and North Korea have been actively supporting Putin's war machine. Beijing is watching how we respond to Ukraine as it weighs its options in Taiwan.

The presidents of both parties have recognized the challenge that China poses. President Trump took important steps by implementing export controls during his first term. President Biden not only kept those controls in place, his administration strengthened them.

Our allies in Asia, as the chairman pointed out, also recognize the threat that China poses. In 2022, Japan committed to increasing its defense spending. Australia has made historic investments in AUKUS, our trilateral defense partnership with the U.K., and Taiwan is boosting its defense budget to over 3 percent of its GDP.

I agree that American allies should pay their fair share of defense spending, but we should also acknowledge that our Indo-Pacific partners are stepping up and U.S. support for these alliances is not charity—it is a strategic investment.

America's alliances around the world are one of our greatest security assets. South Korea hosts eight U.S. military bases and 23,000 U.S. service members.

Japan not only allows the U.S. to station 55,000 troops across 15 major bases, it also helps pay for them, contributing $2 billion a year.

These partnerships are mutually beneficial and go beyond our military. Whether in Europe or Latin America, our allies help us to counter China's economic influence and disinformation.

The combined power of American and European markets together expands our ability to set AI standards and our alliances support American companies and workers.

Last week I attended a defense industry round table on AUKUS in New Hampshire. Strengthening our submarine industrial base like the work being done at the Portsmouth Naval Shipyard does more than give us a strategic edge over China. It creates high-quality American jobs and it supports our domestic industry.

So instead of threatening or undermining friendly nations with tariffs, I think we should be strengthening our alliances. NATO has contained the Soviet Union and Russia for decades. I would be interested in hearing from our witnesses on what mutual defense arrangements for the Indo-Pacific might look like.

We need to explore every advantage that we have. INDOPACOM, our military command in the region, has also led the way in implementing the *Women, Peace, and Security Act*. The commander recently told me that INDOPACOM has been more effective than any other U.S. regional command in ensuring women play key roles in decision-making.

That is a strategic strength and we should build on it if we want to combat the growing link between security in Asia and security in Europe.

As we know, the world is more connected than ever. I hope our witnesses this morning will speak not only to the challenges we face, but also to the opportunities that we can seize at this historic time.

So I look forward to hearing your thoughts and I am delighted that you are joining us. Thank you.

The CHAIRMAN. Thank you, Senator Shaheen.

We will now hear from our witnesses. We are going to start with Randall Schriver, Chairman of the Board at the Project 2049 Institute.

He previously served as Assistant Secretary of Defense for Indo-Pacific Security Affairs in the first Trump administration, and Deputy Assistant Secretary of State for East Asian and Pacific Affairs. He is one of our foremost experts on U.S. alliances in Asia.

The floor is yours.

STATEMENT OF HON. RANDALL SCHRIVER, CHAIRMAN OF THE BOARD, PROJECT 2049 INSTITUTE, ARLINGTON, VA

Mr. SCHRIVER. Thank you, Mr. Chairman, Ranking Member Shaheen, and other distinguished members of the committee. I appreciate the opportunity to be here this morning to testify on this topic.

So for the United States to realize our goal of a free and open Indo-Pacific, we are and will continue to be very heavily reliant on alliances and partnerships.

We are a Pacific power, but we are not heavily resident in the Western Pacific. Hawaii is three time zones away from the continental U.S., but still west of the international—east of the international date line, and even our great territories—Guam, our state of Alaska—do not put us resident enough in the Western Pacific to fully affect security the way we would like.

This geographic conundrum advantages our adversaries and competitors. For China, Russia, North Korea, they enjoy geographic proximity to the areas we seek to safeguard.

So this means in a contingency, whether that be Taiwan Strait, West Philippine Sea, East China Sea, the United States will always be the away team, will always be playing on the road.

Strong alliances and partnerships are the best way to combat this tyranny of time and distance. In the military and security domain, we rely on our allies and partnerships for at least three types of contributions.

First, we need them to develop their own capabilities for their sufficient self-defense, but also to be contributors to other regional contingencies if need be.

Second, we rely on them for access basing and overflight, as has been pointed out in the opening statements, as a distant power ourselves.

And third, we rely on our partners and allies to also play a role in the shaping and the support for a free and open Indo-Pacific and all that that entails, as well as day-to-day activities that uphold deterrence.

So these are the things that I think are the basis for evaluating burden-sharing. I think too often burden-sharing is scoped down to a single figure, which is how much is a country spending per GDP—percentage of GDP on defense.

I think that does not always tell the whole story. It is revealing, but does not always tell the whole story. Just a few examples, Philippines spends 1.5 percent of GDP on defense, but yet they are making more and more sites available for U.S. forces through, as the chairman mentioned, the EFTA agreements, nine sites now.

Japan, as was mentioned, has historically spent close to 1 percent of GDP, but in fact we were advocates for actively suppressing that defense spending for many decades to now get to a point where people would like to see them do more.

They are doing more, but they are also the host to the largest number of U.S. military forces forward deployed, and as ranking member Shaheen pointed out, they are contributors through host nation support.

Taiwan is spending 2.5 percent of GDP, but they are also spending a lot that is not accounted for in defense when it comes to national resiliency on energy, on communications, on civil defense.

So perhaps they should be getting more credit. History is very important, too. We have partners and allies that have fought alongside us in every conflict since World War I, and, of course, I am speaking most directly about Australia.

So I believe it is a complicated formula and we should take a comprehensive view on burden-sharing and give credit where credit is due because these alliances are so important to us.

This is further complicated by the changing nature of the threat. Chinese ballistic and cruise missiles put our forward deployed forces at risk so we are now more and more dependent on our allies for basing and access.

So spending figures do not capture the entire picture, in my point of view. Our State Department will be extraordinarily important in addressing this.

Our State Department, they are the lead negotiators for host nation support for access. They run our security assistance, foreign military sales, foreign military financing, international military education and training.

They run programs that are adjacent to military and security like the INL programs that support Coast Guards through the prism of law enforcement, and I would argue even the education and cultural programs—the Fulbright, the International Visitors Program. That is investing in the alliance managers of the future and I think that should be supported.

Let me close with four brief recommendations that address issues under the purview of this committee.

I think, number one, this committee should ask for regular updates regarding our more advanced and mature alliances—Japan and Australia—to make sure initiatives are on track with respect to posture and C2 adjustments and both pillars of AUKUS.

Two, I think the committee should insist State Department demonstrate FMS, FMF, and IMET are in fact in alignment with our strategic goals and should be actively shaping that.

Third, I think the committee should insist on a speedy conclusion of U.S. assistance reviews and direct resumption of aid that aligns with our strategic priorities, things like EDCA and Coast Guard support and dioxin remediation in Vietnam.

Finally, this committee should insist on a speedy conclusion of State Department review of education and cultural programs and direct resumption of programs that align with our strategic priorities.

Thank you. I look forward to your questions.

[The prepared statement of Mr. Schriver follows:]

Prepared Statement of Randall G. Schriver

Chairman Risch, Ranking Member Shaheen, and distinguished members of the Committee. Thank you for inviting me to testify on the important issues related to our alliances in the Indo-Pacific region.

To realize the Unites States' vision of securing a free and open Indo-Pacific region, we are heavily reliant on alliances and partnerships. The United States is a Pacific power, yet we are mostly resident in the Eastern Pacific and lack significant presence in the Western Pacific. Though Hawaii is three time zones west of the continental United States, and Alaska's Aleutian Island chain stretches beyond the international date line, we are still largely removed from many of the key areas of the Western Pacific that significantly impact America's vital interests.

This geographic conundrum carries heavy implications for everything from supply chains to trade, but from a national security perspective our competitors and adversaries—that axis of China, Russia and North Korea—all are advantaged by their physical proximity to the areas we seek to safeguard. And in the event of a contingency, whether in the Taiwan Strait, the Korean Peninsula, the East China Sea, or the West Philippines Sea, the United States will be playing on the road as the "away team." Strong alliances and partnerships are the best way to combat "the tyranny of time and distance."

In the military and security domain, we depend on alliances and partnerships for at least three types of contributions. First, we need our allies to build their own respective militaries for sufficient self-defense, as well as for having capabilities they can bring to bear on other regional contingencies. Second, we need allies and partners to provide access, basing, and overflight (ABO) for forward deployed U.S. military forces. And third we need allies and partners of like mind to help create and uphold the free and open order in the Indo-pacific characterized by protection of sovereignty, respect for international laws and norms, peaceful dispute resolution, and the ability of political leaders in all capitals to make decision free from coercion and undue influence. How well or how poorly an ally contributes across these three areas is the primary basis for evaluating their level of "burden sharing."

Too often burden sharing is scoped down to a simple question of "how much does the country spend on its defense as a percentage of GDP?" And in the cases where we have permanent bases and presence, "how much is the country contributing in host nation support?" While those statics can be revealing, they often do not tell the entire story. How should we evaluate a country like the Philippines which only spends 1.5 percent of GDP on defense, but is offering expanded access for U.S. forces in proximity to a major known contingency through nine Enhanced Defense Cooperation Agreement (EDCA) locations? Taiwan is spending 2.5 percent of GDP on defense (and is committed to increasing that to 3 percent), but is also spending increasing amounts on "national resilience" to include resilient energy stockpiles, hardened and redundant communications, and civilian sheltering and civil defenses—all of which contribute to deterrence, but none of which counts in the defense budget. What do we say of Singapore who is not a treaty ally—but spends 3 percent of GDP on defense and has been extremely generous on access opportunities for U.S. forces (including paying to extend their major navy pier to accommodate aircraft carriers—which we have but they do not). How do we account for historical legacy? We spent decades actively encouraging Japan to suppress defense spending, but now many claim they are falling short. At the same time, we also have more forces stationed in Japan than any other country in Asia and enjoy approximately a billion and a half U.S. dollars a year in host nation support. Australia spends 2 percent of GDP on defense, but is increasing access opportunities for U.S. forces and has fought alongside the U.S. in every conflict since World War I.

This evaluation is further complicated by the evolving nature of the threat, and the changing character of warfare. Given the threat from increasingly lethal and accurate Chinese ballistic and cruise missiles, U.S. war planners have determined we need to fight in a distributed, dispersed manner. This makes access and basing far more important than it was two decades ago. The key to sustained combat generation in a contested environment may very well come down to a handful of dispersal points with sufficient maintenance and logistics support, and forward positioning of critical munitions and fuel.

Spending money on expensive legacy platforms might win favor with those who solely judge an ally based on the total amount of defense spending, but the keys to success in modern warfare may be acquiring cheaper, attritable, autonomous systems, combined with an AI-enabled comprehensive operating picture with optimized decision-making assistance. An ally with a modernized C5ISR system that is also interoperable with the U.S. military with real-time data sharing may prove able to carry much more of the burden in both peacetime and in conflict than a country with the largest quantity of legacy platforms.

Beyond investing in one's own defense and beyond ABO, our allies are increasingly important in shaping the regional security environment and bolstering deterrence. Japan and Korea are more active in regional security assistance, capacity building and training which is additive to U.S. efforts. Australia and New Zealand's development assistance and capacity building in Micronesia, Melanesia and Polynesia help make countries in Oceana more resilient. And more allies and partners are willing to join the U.S. in a variety of presence operations that support freedom of navigation in the key maritime commons.

It is therefore my judgement that we should take a far more comprehensive view of burden sharing rather than looking only at defense spending. In doing so, we will have a more accurate understanding of a particular ally's actual contributions to regional security and support of U.S. interests. A comprehensive account will not relieve pressure on our allies to improve. Quite to the contrary, it will help our diplomats become more focused on what the prioritized "asks" should be from our allies.

The State Department will be absolutely crucial to our efforts moving forward to modernize our alliances and to enhance comprehensive burden sharing in at least four ways. First, the State Department is the lead agency for international negotiations. Our diplomats will thus be out front in negotiating host nation support agreements (e.g. Japan in 2027) and future access agreements. Second, our State Department runs security assistance programs. Critical programs such as Foreign Military Sales (FMS), Foreign Military Financing (FMF) and International Military Education and Training (IMET) are all run out of State. Our "T" Bureau at State will have a lot of influence on how efficiently the FMS and FMF process runs, as well as influence on what allies procure and how partner countries modernize. Third, the State Department runs programs that are military and security "adjacent." For example, the INL bureau of the State Department through the prism of law enforcement assistance has engaged in capacity building of regional Coast Guards. Arguably, in the current environment of grey zone incursions, assistance to the Philippine Coast Guard is as important to deterrence as assistance to the military.

USAID (presumably now fully under State Department) also played a role in supplying the ECDA sites with humanitarian supplies for use in the event of natural disasters. In the case of partner country Vietnam, USAID has helped with Dioxin remediation at former U.S. military sites which has been a key enabler to building U.S.-Vietnam security ties. And fourth, State Department has responsibility over assistance programs that are non-military, but contribute greatly to alliance and partner building. Fulbright programs and education and cultural exchanges cultivate the next generation of talented and faithful alliance managers.

Let me close with four specific recommendations to Congress on issues for which this committee has purview:

(1) This committee should request regular updates regarding the more advanced and mature alliances with Japan and Australia respectively, on alliance modernization initiatives such as posture realignment, C2 adjustments, and both pillars of AUKUS to ensure the initiatives are sustained and on track.

(2) This committee should insist State Department demonstrate FMS, FMF and IMET decisions are aligned with strategic priorities, and take into account lessons learned on the changing nature of warfare. Particular attention should be given to providing capabilities for advanced sensing, battlefield management and promoting a networked region of U.S. allies and partners.

(3) This committee should insist on a speedy conclusion of U.S. assistance reviews and direct resumption of aid that aligns with strategic priorities. Emphasis should be placed on aid programs that support our military posture initiatives (e.g. EDCA), military adjacent capabilities (e.g. Coast Guards), and alliance and partnership enabling programs (e.g. Dioxin remediation).

And

(4) This committee should insist on a speedy conclusion of State Department review of education and cultural exchange programs and direct a resumption of programs that align with strategic priorities. Our future alliance managers should be the first beneficiaries of the reconstituted Fulbright fellowships and International Visitor Leaders Program.

Thank you once again and I look forward to your questions.

The CHAIRMAN. Thank you very much, Mr. Schriver. That is a challenging list that you gave us, but we will talk about that when we get to the questions.

Next we have Dr. Mastro is a Center Fellow at the Freeman Spogli Institute for International Studies at Stanford University. She is also a nonresident scholar at the Carnegie Endowment for International Peace.

In addition, she continues to serve in the U.S. Air Force Reserve where she works as a strategic planner at the Pentagon. Her research focuses on the Chinese military, Asia Pacific security issues, and coercive diplomacy.

Dr. Mastro, the floor is yours.

STATEMENT OF DR. ORIANA SKYLAR MASTRO, CENTER FELLOW, FREEMAN SPOGLI INSTITUTE FOR INTERNATIONAL STUDIES, STANFORD UNIVERSITY, NON–RESIDENT SCHOLAR, CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE, STANFORD, CA

Dr. MASTRO. Thank you.

Chairman Risch, ranking member Shaheen, and esteemed members of the Senate Foreign Relations Committee, thank you for the opportunity to present my views today on how to best approach alliance burden sharing in the Indo-Pacific.

I will present what types of allied support I believe will be the most strategically consequential for the U.S. ability to deter Chinese aggression and how the United States can better encourage such support.

Burden sharing is often framed in financial terms, but if we take a broader perspective, the contributions that our allies can make goes much beyond defense spending.

Instead, I would argue that we need to prioritize three other forms of contributions from our allies.

First, the United States needs to focus on getting more expansive, flexible, and permanent access, basing, and overflight in allied countries in the Indo-Pacific.

Second, the United States needs greater influence in what allies invest in to include greater support for U.S. military construction and the development of certain military capabilities that complement rather than duplicate our forces.

As the previous witness already mentioned, our allies and partners are doing a lot to support U.S. defense and deterrence in the Indo-Pacific.

If we do require greater access basing and overflight, in my written testimony I lay out some specifics on what I think that could look like for our allies and partners.

As I have listed elsewhere, to deter China from using force, especially over Taiwan, the United States needs to implement a denial strategy—the ability to deny China from achieving its goals through force.

Some examples of things that we could do with our allies and partners in terms of ABO that could achieve this goal are things such as getting submarine tenders in Japan, more permanent basing in the Philippines, and prioritizing anti-ship capabilities in the southwest islands of Japan.

I would also note that the United States should consider renegotiating the relocation of our Marines from Okinawa to Guam as that agreement was signed almost 20 years ago and does not take into account the rise of China and the consequential changing security environment.

In addition to greater access, basing, and overflight, it is important that the United States works with allies and partners so that they spend on the right things, not just spend more.

The United States could encourage two types of spending in particular—first, greater contributions to the cost of U.S. military construction.

It is important to note that a lot of our allies and partners already contribute significantly to this, in particular Japan, but South Korea could contribute more to these costs.

Philippine Government, however, is a bit more cash-strapped, and given that the United States is trying to gain access to basing there, this is one of the areas where the United States should be able to make greater financial contributions.

Allied defense investment decisions could also be geared to better support U.S. defense industry. The chairman already mentioned the improvements and the contributions of South Korean shipbuilding, and in recent years there have been great developments in research, development, licensing production between the United States and Japan and, of course, a prime example being the expanded defense cooperation found in AUKUS.

The United States could also encourage allies and partners to invest in capability that complement instead of duplicate U.S. capabilities.

The third potential impactful area of burden sharing is mission burden sharing. The allies and partners are investing more in the capabilities to deter China and also take on a greater responsibility during crises.

For example, the United States might need South Korea to be better positioned to take on responsibilities to counter North Korean hostility during potential conflicts. In this vein, South Korea should also agree to strategic flexibility for the United States, meaning that the U.S. can use our forces on the Peninsula for off-Peninsula contingencies, i.e., those that involve China.

Japan needs to be better prepared to deter conflict in the East China Sea and Australia, through our cooperation, could have a greater burden of exercising military dominance over key Southeast Asian choke points.

Recognizing the United States cannot do it all, we should also welcome coordination and cooperation among our allies and partners.

Let me conclude by saying that the best way to encourage any sort of burden sharing is not to publicly criticize allies and demand it, but instead the United States needs to offer more than security protections.

Development assistance, political support, technological cooperation, economic benefits, humanitarian aid and disaster relief—these are some of the most impactful.

The public nature of U.S. demands makes it hard for U.S. allies, who are all democracies, to cooperate with the United States and to consider some of the requests that we might make.

Some for alliance burden sharing it is very important for the United States to have access to all tools of national power in order to convince countries to be better aligned with our defense priorities.

It goes without saying that that means the United States needs the full use of all aspects of national power. The recent dissolution of key agencies such as USAID or the U.S. Agency for Global Media, which oversees Voice of America, these were relatively important and inexpensive tools of U.S. power and influence, and it makes the job of projecting U.S. power overseas even much harder, and I hope, pending appropriate reviews, that the funding and support for these tools resume in the future.

Thank you.

[The prepared statement of Dr. Mastro follows:]

Prepared Statement of Dr. Oriana Skylar Mastro

Chairman Risch, Ranking Member Shaheen, and esteemed members of the Senate Foreign Relations Committee:

Thank you for the opportunity to present my views on how to best approach alliance burden sharing in the Indo-Pacific to ensure the United States is best position to protect its interests there. In this testimony, I will present what types of allied support would be the most strategically consequential for U.S. ability to deter Chinese aggression and how the United States can best encourage greater support from its allies and partners in the Indo-Pacific.

Introduction

The Trump administration has recently called for a reassessment of alliance burden sharing, ostensibly to reduce the price tag of U.S. defense commitments.[1] Currently, the United States spends around 3.4 percent of its GDP on defense, which is around $916 billion (around $850 billion was requested for FY2025), with about $9.1 billion allocated to the Indo-Pacific through the Pacific Deterrence Initiative (around $9.9 billion requested for FY2025 PDI).[2] U.S. allies and partners spend less: below is a chart on spending as a percent of GDP from 2018-2024.

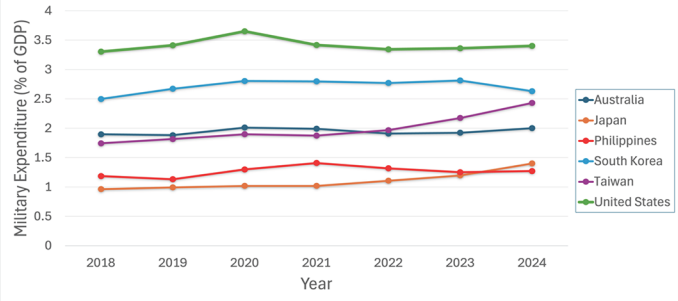

Fig 1: Military spending as a share of GDP, 2018 to 2024, Author's creation[3]

In this testimony, I will argue that the changing strategic environment does require U.S. allies and partners to take on a greater portion of the burden of defense and deterrence, but that increasing their domestic expenditure is not the most impactful way. Moreover, there needs to be a recognition that the U.S. military presence in Asia is not for the defense of allies alone, or even mainly, but for the protection of U.S. interests and security. Given that the United States needs to convince allies to expand access, basing and overflight (ABO) for U.S. military forces in their countries, Washington needs to provide positive inducements, not threats, to convince countries to play a greater role in maintaining stability in the Indo-Pacific.

Benefits of the alliances

The U.S. alliance network is considered by most to be "one of the most enduring and successful elements of U.S. foreign policy since World War II."[4] The benefits of alliances are not limited to military affairs; allies vote with the United States in international institutions, coordinate development assistance, and help each other become more prosperous through trade and

investment.[5] The alliance relationships create significant economic benefits for the United States. A 2016 RAND report estimates that an 80 percent reduction in U.S. security commitments could save the U.S. defense budget $126 billion per year but it would reduce U.S. trade in goods and services by $577 billion per year.[6] Security commitments also provide the U.S. with leverage in trade negotiations, as it has in the past with Korea and Australia.[7]

This system has allowed the U.S. military to maintain a global presence at a far cheaper cost than past great powers' strategies, such as the British colonial empire or the Soviet Union's repeatedly contested occupation of neighboring countries.[8] These alliances are necessary for the global projection of military power, which is key to protection of U.S. interests abroad. Global power projection is arguably the central mission of the U.S. armed forces (after homeland defense). The National Defense Strategy and its precursor, the Quadrennial Defense Review, have addressed global power projection and protection in every published volume since the first in 1997.[9] Operationally, this global focus is integrated into the distinctive missions of the different service branches.[10] For example, of the five core missions of the U.S. Air Force—air superiority; global strike; rapid global mobility; intelligence, surveillance, and reconnaissance (ISR); and command and control—two are explicitly global while the remaining three are global in practice.[11]

Let me be clear. No entity will protect U.S. interests better than the United States itself. U.S. interests and security are not something to outsource to another nation, let alone an adversarial one like China. I want to start this testimony therefore with an important premise: if our goal is peace through strength, we must recognize that allied support for U.S. military operations, activities and investments (OAI) are a critical source of that strength.

U.S. forces are in Asia to operate and respond to contingencies and crises important to the United States. The proximity of U.S. forces in Japan and South Korea shortens logistical supply lines, enabling quicker reactions to evolving security threats. Longer military response times would catastrophically increase strategic risks. The U.S. military presence also prevents nuclear proliferation by providing security assurances to Japan, Australia, and South Korea. Without U.S. forces deployed in Asia, these other countries will have incentives to develop independent nuclear programs, raising the risk of destabilizing arms races, conflict, and entrapment.

There is no doubt that if the United States alienates allies, the real winner will be Beijing.[12] The fact that Chinese discourse, behavior and capabilities are designed to undermine the U.S. alliance system in Asia alone tells us a lot about its benefits for the United States. Beijing has framed U.S. security ties with Japan, the Philippines, and other ASEAN countries as direct provocations or efforts to "contain" China, and seeks to dissuade these nations from aligning too closely with Washington.[13] Xi Jinping has called for the end of the system multiple times as Beijing actively criticizes the U.S.-led alliance system as an outdated, "zero-sum," "exclusive" security model.[14] The Chinese are leveraging the current Trump administration approach of "no money, no protection," to argue that U.S. commitments have gradually become little more than hollow political rhetoric.[15] In parallel, Beijing advocates for an alternative vision for Asian security with its Belt and Road Initiative, which it argues is a "Key Pillar of the Global Community of Shared Future."[16]

In sum, alliances with Indo-Pacific countries benefit the United States. In the next section, I discuss the ways allies can contribute more that would be most beneficial for the United States. Please note that Taiwan is a unique case and will be discussed in a separate follow-on section.

Alliance Burden-Sharing

Burden-sharing in alliances is often framed in financial terms, but a broader perspective reveals that contributions can take many forms beyond defense spending. I argue instead that the United States should focus on getting 1) more expansive, flexible and permanent access, basing and overflight (ABO) in allied and partnered countries in the Indo-Pacific; and 2) greater influence in what allies invest in, to include greater support for U.S. military construction (milcon) and the development of certain niche military capabilities that complement, rather than duplicate, U.S. forces.

More flexible, extensive ABO. First, as I have written extensively elsewhere, to deter China from using force, especially over Taiwan, the United States needs to implement a denial strategy – that is, as Elbridge Colby has argued, the ability to deny China from achieving its goals through force. This means the United States must be able to bring mass into the theater of conflict quickly, without any advanced warning. The United States needs more forces forward, but also certain types of capabilities that are politically sensitive like strategic bombers, submarines, and anti-ship missiles. The United States also needs more flexibility in what it can do with those forces once there. For example, the U.S. policy should prioritize getting submarine tenders in Japan and the Philippines, permanent bomber bases in Australia and the Philippines, and anti-ship missile capabilities in the southwestern (SW) islands of Japan in addition to in the Philippines.

With respect to Japan, the United States also needs greater access to its southwestern island chain, and a political guarantee or clearer assurances on U.S. base access in a Taiwan contingency. Joint U.S.-Japan planning reportedly envisions deploying U.S. missile units and Marine littoral forces along the Nansei (southwest) Islands in the event of a Taiwan Strait crisis.[17] However, under current alliance arrangements, the use of U.S. bases in Japan for operations not directly tied to Japan's defense is subject to Tokyo's consent as a 1960 exchange of notes requires "prior consultation" before U.S. forces in Japan conduct combat operations abroad, which means access during a Taiwan emergency is not automatically guaranteed.[18] The United States also needs to renegotiate the relocation of Marines from Okinawa to Futenma, an agreement signed 30 years ago which did not take into account the rise of China and the consequent changed security environment.[19] A significant reconsideration of this agreement is necessary, as Okinawa hosts over half of the approximately 50,000 U.S. troops in Japan and its bases are viewed as a key forward 'bulwark' against China's expanding military presence in the region.[20]

With respect to South Korea, Seoul needs to finally agree to strategic flexibility - the notion that the United States would be allowed to use its forces on the peninsula for off-peninsula contingencies (i.e. against China). South Korea is geographically closer to mainland China and almost as close to Taiwan as Japan and hosts fifteen U.S. military bases and about 28,500 U.S. personnel. Using U.S. bases and South Korean military infrastructure, such as Camp Humphreys (the largest overseas American military base), the U.S. can improve the operational flexibility of its forces during a Taiwan crisis.

Lastly, the United States needs permanent basing in the Philippines, especially for naval and air forces. The current system of rotational forces is more expensive than basing troops permanently.[21] Moreover, the United States is reluctant to invest in the military construction of bases without some political reliability of its ability to use them in the time of conflict, thereby

rendering the current arraignments far less strategically useful. By mid-2024, total U.S. commitments reached around $210 million for EDCA (including a fresh $128 million package covering projects at 7 of the 9 sites).[22] However, it remains a challenge to translate paper funding into concrete facilities on the ground. Both sides acknowledge that progress was "minimal" for six years and only recently accelerated.[23]

Smart defense investments. It is more important for the United States to convince allies and partners to spend on the right things than to just spend more. U.S. could encourage two types of spending in particular. First, to contribute more to costs of U.S. military construction. From 2016 through 2019, the Department of Defense spent roughly $20.9 billion in Japan and $13.4 billion in South Korea to pay military salaries, construct facilities, and perform maintenance. The governments of Japan and South Korea also provided $12.6 billion and $5.8 billion, respectively, to support the U.S. presence during the same period.[24] South Korea should contribute more to these costs. The Philippine government is more cash-strapped compared to the U.S. or other allies, and given U.S. need for a more permanent presence, requesting greater financial contributions toward the U.S. presence is not advisable. Under EDCA, the Philippines already does not charge the U.S. rent for use of its bases, and in fact it shoulders some operating costs. Australia already shares the costs of the U.S. military rotation based in Australia's Northern Territory (exact cost split is not publicly disclosed) but Australia could allow greater U.S. access to existing Australian bases and contribute to upgrades needed to accommodate greater U.S. presence.[25]

Allied defense investment decisions could also be geared to better support U.S. defense industry. There has been progress in this area. In early 2023, the U.S. and Japan signed a Memorandum of Understanding (MOU) for Research, Development, Test, and Evaluation Projects (RDT&E) and a Security of Supply Arrangement (SOSA).[26] This collaboration was further solidified by an announcement of a cooperative development program for the Glide-Phase Interceptor (GPI) in August 2023, building on past cooperative successes in missile defense, including the joint development of a hypersonic missile defense system, that emphasizes balanced workshare and industry collaboration.[27] Additionally, in December 2023, Japan strengthened these efforts by relaxing its defense export regulations to allow the export of Patriot missiles to the U.S., which are manufactured under a U.S. license in Japan. In June 2024, the U.S.-Japan Defense Industrial Cooperation, Acquisition, and Sustainment (DICAS) Forum was organized to leverage their respective industrial bases to address the demand for critical capabilities and maintaining long-term readiness and initial activities have focused on forming working groups to address procurement and support issues critical to regional security operations such as ship and aircraft repair, supply chain support, and the coproduction of advanced missiles.[28] Moreover, the Collaborative Combat Aircraft (CCA) program discussed with Japan aims to develop uncrewed air systems, incorporate AI technology, and engage in international symposiums.[29]

A prime example of expanded defense cooperation can be found in AUKUS, in which Australia will purchase up to 3 U.S. Virginia-class attack submarines in the 2030s and later build a new "SSN-AUKUS" submarine with British design and American technology.[30] In addition, AUKUS Pillar II centers on collaborative development of advanced technologies among the three countries and has the potential to significantly accelerate innovation. As part of it, Australia is making a significant investment in the U.S. submarine industrial base, with a $500 million installment made in the first week of February 2025, toward its pledged $3 billion contribution, ahead of Deputy Prime Minister Marles' meeting with Secretary Hegseth.[31] It is also fostering collaboration on AI, hypersonic missiles, quantum tech, and undersea drones.

Japan and Australia have also signed a Reciprocal Access Agreement (RAA) (entered into force in 2023) to facilitate greater military deployments and exercises between those two nations.[32] Similar agreements must be explored between other regional U.S. allies, such as the Philippines for more effective cooperation.

The Guided Weapons and Explosive Ordnance (GWEO) enterprise is another opportunity for Australia and the United States to deepen their defense industrial partnership and reinforce deterrence in the Indo-Pacific. As both countries face an urgent need to expand their stocks of maritime strike and air defense missiles, collaborating through GWEO can boost joint operational effectiveness, foster long-term sustainment partnerships, and improve overall interoperability. Instead of duplicating complex weapons development efforts, Australia would benefit more by co-investing in and acquiring proven long-range munitions from the United States and Australian firms can also play a valuable role in relieving pressure on U.S. supply chains by producing key components that are currently in short supply, such as solid rocket motors.[33]

Moreover, allies could prioritize the research, development and production of critical capabilities like anti-ship intermediate-range ballistic missiles (IRBMs). There might be no more important capability for the United States to develop and deploy into the theater than intermediate range anti-ship ballistic missiles. This should be the #1 priority of the U.S. defense industry, and finding locations in the AOR to deploy them a close second. This is key to deny China's taking of Taiwan by force; a fact recognized in Beijing. Indeed, Wang Yi in March 2025 noted that China would "firmly oppose" any such plans, but also that countries in the region would not welcome it.[34]

The United States should also try to encourage allies to invest in capabilities that complement instead of duplicate U.S. capabilities. The Japanese government has approved three new security documents which increase the development of standoff capabilities, integrated missile and air defenses, and unmanned vehicles to assist in intelligence gathering and combat support roles.[35] AUKUS Pillar II is another instance that seeks to leverage the distinct innovation strengths of the AUKUS nations to expand market opportunities for U.S. and allied defense industries while minimizing redundancy in research and development.[36] Similarly, South Korea can be a valuable critical technology partner to the United States, offering significant contributions in advanced tech development that would bring mutual benefits to both countries.[37] As a global leader in fields such as semiconductors, shipbuilding, and consumer electronics, South Korea is well-positioned to complement U.S. strengths and help strengthen shared supply chain resilience, innovation capacity, and strategic competitiveness. South Korea's advanced defense and shipbuilding industries offer the U.S. a strategic opportunity to strengthen its industrial base and reduce reliance on Chinese commercial ships and components, with expanded cooperation—from sourcing parts to full coproduction—helping address both economic and security needs amid ongoing delays in U.S. shipbuilding.[38]

Our allies will make sovereign decisions for their sovereign defense. In some case that might duplicate U.S. military capabilities inefficiently, leading to fragmented and misaligned defense strategies. But we should make every effort – through strategic consultations, sharing intelligence assessments, and coordinated contingency planning – to work towards a rational collective effort to build complementary capabilities wherever possible.

Mission burden sharing. Lastly, the allies and partners need to invest in the appropriate capabilities to take over certain deterrence and defense requirements during times of crisis or

conflict to free U.S. resources to fight and win a war with China if that proves necessary. Specifically, South Korea needs to be better positioned to take on greater responsibilities and resources to counter North Korea's hostility during potential conflicts involving Taiwan.[39] Additionally, by enhancing its self-defense capabilities particularly through expediting the transfer of wartime operational control (OPCON) from the U.S. to South Korea, the ROK military can gain greater independence and responsibility for national defense, which would further free up U.S. resources for potential redeployment to Taiwan. Japan needs to be prepared to deter conflict in the East China Sea. Both countries, though especially Japan, need to be appropriately integrated with U.S. forces so as to offer logistical support to U.S. forces engaged in any Taiwan-related operations. Australia would need to take on a greater burden of exercising military dominance over key Southeast Asian chokepoints. Effective burden-sharing should also involve cooperation, joint threat assessments, intelligence-sharing, and industrial collaboration—all elements that strengthen deterrence and defense without imposing rigid financial ceilings.

Recognizing that the United States cannot do it all, we should also welcome efforts by our allies to cooperate among themselves, without U.S. involvement. For instance, Japan and Australia could increase their defense engagement with Southeast Asia through joint military training, capacity-building exercises, and defense equipment cooperation with regional allies. Allies also need to be open to greater alliance integration, as it strengthens coordination among partners. By establishing joint military bases and promoting peacetime military coordination and troop interoperability programs, allies can make way for more seamless joint operations in potential future conflicts. Such integration not only boosts the likelihood of alliance members fulfilling their commitments during conflicts but they could also signal their shared interests to potential adversaries.[40] They could also benefit from joint trainings during peacetime, improved interoperability, and sometimes the adoption of standardized equipment, which streamlines logistics.[41] For instance, the U.S. handles its alliances with Tokyo and Seoul separately, and the three have only recently signed the "Memorandum of Cooperation on the Trilateral Security Cooperation Framework," which while a good initiative, is not legally binding.[42] While ad-hoc negotiations remain an option, they could be costly, making coalition-building in a crisis more challenging and time-consuming for the United States.[43]

Best Way to Encourage "Burden Sharing"

So far, I have suggested in this testimony that there are more strategically impactful ways to burden share beyond increases in GDP. The second main point I would like to highlight is that there are better ways to achieve those goals than to publicly criticize allies and demand it.

Making U.S. commitments to allies conditional on paying more for defense both reduces the benefits that other states expect to glean from the relationship and raises their fears of abandonment by the United States. Moreover, to achieve the types of burden sharing I lay out in the beginning of my testimony, the United States needs to offer more than security protections – development assistance, political support, technological cooperation, economic benefits, humanitarian aid and disaster relief – are often more impactful. While threatening abandonment of NATO allies might be effective in encouraging greater burden sharing there, it will not be the case with most partners in the Indo-Pacific. This is because the threat from China or North Korea is not so direct for many, and the benefits of a positive relationship with Beijing are large. Specifically, the expected cost in terms of defense is not as large as it was to ally with Europe during the Cold War, as China has no intention of occupying any of these countries (Except for Taiwan). The U.S. has explicit treaty commitments to South Korea,

Japan, the Philippines, Australia, and Thailand and an implicit one to Taiwan. China threatens all these actors, but for most, the threat is indirect – that China will either strike them if they support US military operations, or that China will seize small uninhabited islands like the Senkakus, that China will exert influence from afar, by threatening their maritime approaches or exclusive economic zones. Only Taiwan faces the threat of territorial conquest. This means that the benefits for many allies of U.S. security guarantees are limited–and the costs potentially high enough to outweigh the risks. That is especially the case for countries in Southeast Asia like Singapore, Indonesia, Malaysia or in the second island chain like Palau or the Federated States of Micronesia. Moreover, these countries benefit significantly from their economic relationships with Beijing.

Since 2013, China has consistently been Singapore's largest trading partner for 11 years, and among the ASEAN countries, Singapore ranks as China's fifth-largest trading partner. In 2023, bilateral trade between China and Singapore reached a value of US$108.39 billion, whereas, total trade value between the United States and Singapore in 2023 was $76.1 billion.[44] Similarly, the total trade between China and Malaysia in 2023 was approximately $145.3 billion more than double the US$63.8 billion in Malaysia-U.S. trade.[45] With Indonesia, the pattern was the same, China's trade volume reached US$133.4 billion in 2023, while trade with the United States totaled just US$38.9 billion.[46] More globally, approximately 70 percent of global economies engage in more trade with China than with the United States, with over half of these economies trading twice as much with China as they do with the U.S.[47]

Between 2015 and 2021, China's development aid to Southeast Asian countries averaged about $5.5 billion annually.[48] In a broader context, from 2013 to 2018, China provided a total foreign aid of 270.2 billion RMB, equivalent to around $42 billion based on average exchange rates during that period. Due to the lack of transparency in China's reporting of its foreign aid and its historical preference for providing development finance primarily as loans rather than grants, it will be unclear exactly how much China will leverage its aid and grants following a reduction in U.S. contributions. However, China most definitely will intensify its existing engagement strategies such as enhancing the public-private "Health Silk Road" initiative, expanding aid-like training for civilian government and security officials, and taking a more prominent role in South-South cooperation, especially in areas involving emergencies and conflicts.[49]

If the United States is too forceful with the allies and partners, it could backfire. For some countries, like Singapore or the Philippines, if you force them to pick a side, you might not like which side they pick. A professor at the PLA Rocket Force Command College points out tensions between the U.S. and its allies, highlighting that the U.S. is not in an easy position: "Decades of history have shown that when faced with disagreements with its allies, the U.S., aside from issuing criticism and pushing forward its own policies, often has few effective solutions. Although the U.S. possesses overwhelming power compared to its allies, this power does not always translate into influence."[50] Again, the United States needs ABO in the region to protect U.S. security and interests – if we lose that, our security, political and economic interests will be at the whim of Beijing. The United States would lose all means of deterring Chinese aggression in the region as well as against the U.S. homeland, and we would have to follow rules of economic engagement that are favorable to Chinese companies over others.

Second, a strategy of forced burden sharing could cause allies to seek greater strategic autonomy (a trend already visible in Europe), reducing U.S. influence over the strategic decisions there. The fact that allies are reliant on the United States also enhances U.S. power

and influence in the region. Experts agree that this presence not only deters adversaries but also prevents allies from taking rash actions. For example, it influenced South Korea's measured response to North Korea's 2010 attack on a South Korean naval vessel.[51]

Third, the public nature of U.S. demands makes it harder for U.S. allies —all democracies—to concede to the United States. These countries need public support for any defense policies, from increased spending to closer defense coordination with U.S. forces. For instance, American statements usually refer to "EDCA sites," but Manila calls them "Agreed Locations" on Philippine bases, to try and assure the public and the option that no bases are being given over to the U.S.[52] This semantic distinction is important domestically for Marcos to argue he is not violating the constitution or sovereignty. For permanent basing in the Philippines, like the United States enjoyed in the 1990s at Naval Base Subic Bay and Clark Air Base, there needs to be an agreement approved by the Philippine parliament. Allowing some ambiguity about which country provides the support could be helpful. This might be when the Philippines military spokesperson said that the U.S. spent almost $82 million on 21 projects on those five bases, while the U.S. INDOPACOM spokesperson, stated that the U.S. spent only $56.8 million on 14 projects in five EDCA sites in the Philippines from 2014 to 2023.[53] To date there has been domestic pushback in the Philippines: former President Duterte and others opposed to U.S. military presence have criticized EDCA's expansion.[54] So far, Marcos Jr. has overcome these voices, with strong public support for the U.S. alliance. But to smooth things, Washington should increase economic investments around EDCA locations and emphasize humanitarian and disaster relief uses of the sites.

Similarly, the Australian government avoids the term "base" and instead refers to U.S. military presence as "rotational forces," which reflects a bipartisan policy of no foreign bases on Australian soil. Allowing this largely semantic difference likely creates the situation in which the majority of Australians (57 percent) appear comfortable with U.S. basing. Moreover, in Japan's case, the Okinawa prefectural government led by current Governor Denny Tamaki staunchly opposes constructing the new Henoko base and demand a reduction of U.S. troop presence. In 2019, a local referendum saw over 70 percent of Okinawan voters reject the Henoko relocation plan.[55] Governor Tamaki, elected and re-elected on anti-base platforms, has used every administrative tool to impede construction at Henoko, including refusing permits for landfill work, rescinding previous approvals, and filing numerous lawsuits against Tokyo's decisions but the Japanese central government, supported by court rulings, has overridden Okinawa's objections.[56]

In sum, to achieve greater alliance burden sharing, the U.S. should focus on offering incentives coupled with privately communicating that greater support of the United States is also needed for domestic and strategic reasons.

Taiwan

So far, I have argued that the United States should encourage greater alliance burden sharing, but in a way and of a type different than publicly demanding greater defense spending. The situation with Taiwan, however, is strategically different from the other allies and partners and therefore burden sharing should take on a different form.

While the United States should still try to make any discussions of burden sharing with Taiwan private, it is the case that the United States must demand more from Taiwan. This is an entity

that faces the real and acute threat of invasion by the PRC. If Taiwan expects the U.S. to help in a conflict, thereby risking major war with China, Taiwan does need to contribute more to deterring the war, and prevailing if that proves necessary.

First, on defense spending. While U.S. military power has deterred China to date from using force, the U.S. conventional deterrent has eroded. Specifically, the fait accompli scenario in which China takes Taiwan in 3-4 weeks before U.S. forces can come to Taiwan's aid is becoming increasingly tempting for Beijing. China has spent decades modernizing its military, with the final steps of honing command and control and logistics currently underway. Once those issues are finalized, likely in the next 3-4 years, the PLA will communicate to Xi Jinping that it's ready to take Taiwan by force.

While I have argued for significant U.S. force posture changes to convince Beijing such a quick move is unlikely to succeed, the truth is most of those efforts, especially in force development, take years if not decades. The best near-term solution is that Taiwan develops the capability to hold off a Chinese landing for 30 days. Note, given the serious imbalance of power between Taiwan and mainland China, Taipei will never be able to defend itself completely without U.S. assistance. There is no scenario in which Taiwan wins a war against China without direct U.S. military intervention. However, Taipei's ability to hold off long enough for U.S. forces to arrive in mass in theater is the heart of deterrence against China.

In other words, Taiwan must not only procure the right weapons, but enough of them, to forestall a Chinese landing. This takes more than the approximately 2.45 percent of its GDP to defense in 2025. The Taiwan economy might not be able to sustain 10 percent (and given that Taiwan's total government spending accounts for only 13.70 percent of GDP that is even harder) but Taiwan needs to do more.[57] And more to increase its overall government spending. Israel is often cited as a model for Taiwan, but its government spending consistently ranged from 36 percent to 44 percent of GDP between 2018 and 2024, significantly higher than Taiwan's 13.70 percent. This disparity underscores Taiwan's fiscal limitations in adopting a similar defense strategy.

But at the very least, as a symbolic gesture, Taiwan should spend at least the same amount as the United States on defense—currently 3.4 percent of GDP. The U.S. is reported to provide $571.3 million in direct defense support to Taiwan and that the potential sale to the island would be of worth $265 million in military equipment, which is only a fraction of America's total military budget.[58] Moreover, the National Defense Authorization Act for Fiscal Year 2023 (NDAA) stipulates that grant assistance to Taiwan can be up to $2 billion, and military finance loans cannot exceed $2 billion from 2023 to 2027.[59] If we take 2023 as an example and assume the maximum yearly allotment is spent in 2023, then $2 billion in grants to Taiwan would constitute 0.007 percent of the total U.S. GDP or seven one-thousandths.[60]

Apart from increasing their defense spending, Taiwan also needs to buy the right weapons from the United States. Taiwan has recognized the necessity of acquiring appropriate defense systems to deter potential threats from China, and in recent years, it has shifted its focus towards asymmetric warfare capabilities, such as coastal defense cruise missiles and HIMARS rockets, moving away from more traditional, high-cost platforms like submarines.[61] Taiwan is also planning to propose a special defense budget that prioritizes precision ammunition, air-defense upgrades, command and control systems, equipment for the reserve forces, and anti-drone technology.[62] However, there have been delays in the delivery of previously ordered weapons packages from 2019, which included 250 Stinger missiles and are not expected to be

fully delivered until at least 2026.[63] Moreover, while splurging on high-profile items like the F-35 may offer a visually impressive spectacle, these jets could become costly losses in a real conflict.[64] Instead, Taiwan should persist in acquiring large quantities of anti-air, anti-armor, and anti-ship missiles, weapons that provide more value in Taiwan's defense scenario, and the U.S. should prioritize the speedy and reliable delivery of these crucial weapon systems.

Therefore, increases in Taiwan defense spending are less about fiscal burden sharing, and more about the unique role of Taiwan in creating a deterrent against Chinese use of force and the political need for Taipei to show seriousness about its defense if American lives are going to be sacrificed for its defense.

Conclusion

In conclusion, in this testimony, I have argued that while greater alliance burden sharing is necessary given the strategic threat environment in the Indo-Pacific, increasing allied defense spending alone is neither the most impactful nor the most strategic path forward. Instead, Washington should prioritize obtaining broader, more flexible access, basing, and overflight rights across the region, and encourage targeted investments in capabilities that directly support U.S. operational goals, such as missile infrastructure, submarine capabilities and components, and complementary defense production. It is also equally important to pursue strategies that can deeper mission integration and political alignment among allies, especially in preparing for contingencies like a conflict over Taiwan. In such a scenario, joint planning, logistical support, and shared responsibilities with allies and partners could prove decisive.

The United States should offer positive incentives in the economic, strategic, and diplomatic areas rather than threats or public demands, which risk alienating partners and reducing cooperation. I have also highlighted the unique role of Taiwan. Unlike other allies, it faces a real and imminent threat of invasion, and thus has a responsibility to invest more in its own defense. This investment is necessary not only to enhance deterrence but also to politically justify the immense risks the United States would undertake on its behalf should it be invaded by force.

The U.S. military also needs consistency in budgeting and planning to execute its Indo-Pacific military strategy. The frequent use of Continuing Resolutions (CRs) and last-minute funding deals in Congress has direct, negative impacts on Indo-Pacific posture planning and military construction, as senior defense leaders have repeatedly warned. A CR essentially hits "pause" on new defense initiatives and for the Indo-Pacific, that means new construction of bases, airfields, radars, and other infrastructure cannot begin under it.[65]

Also to create the more effective U.S. force posture in the Indo-Pacific, INDOPACOM cannot rely on the services to invest in the more useful capabilities. INDOPACOM needs leverage and authorities and appropriations to force the issue—something Congress has provided but needs to provide that continued support. Congress has enacted measures such as the Indo-Pacific Security Supplemental Appropriations Act, 2024, which allocates $8.12 billion to enhance deterrence against regional threats, including a specific provision of $3.3 billion dedicated to developing submarine infrastructure. Sustained legislative support is more than important now to empower INDOPACOM with the leverage required to effectively implement these initiatives.[66] One model to consider is giving the INDOPACOM Commander more direct control over a pool of resources dedicated to regional needs. For example, expanding the PDI into a truly flexible fund (similar to how the European Deterrence Initiative allowed EUCOM

to rapidly enhance posture after 2014).[67]

Lastly, it goes without saying that convincing countries to support the United States requires the full use of all aspects of national power. The recent dissolution of key agencies such as the United States Agency for International Development (USAID) and the U.S. Agency for Global Media (USAGM), which oversees Voice of America (VOA)—important and relatively inexpensive tools of U.S. power and influence—make the job of projecting the United States' power much harder. This move not only reduces U.S. influence but also provides strategic opportunities for competitors like China to expand their presence and influence unopposed. China, for instance, has been actively expanding its global media footprint, intensifying its influence efforts in various countries through state-sponsored outlets like CGTN and Xinhua, content-sharing agreements, and strategic media partnerships.[68] The absence of robust U.S. counterparts risks ceding influence to authoritarian narratives and undermining American credibility abroad. I hope, pending appropriate reviews into governmental waste, fraud, and abuse, that support and funding for these tools resume in the future.

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The CHAIRMAN. Thank you very much, Doctor.

Now we will hear from Dr. Victor Cha. He is a distinguished university professor at Georgetown University, the president of the Geopolitics and Foreign Policy department at the Center for Strategic and International Studies, and a senior fellow at the George W. Bush Institute.

He served on the NSC and as an advisor to the Secretary of Defense on the Defense Policy Board across different administrations. Dr. Cha is a leading expert on U.S. alliances and particularly the U.S.-Korea alliance.

Dr. Cha, we would like to hear from you.

STATEMENT OF DR. VICTOR CHA, DISTINGUISHED UNIVERSITY PROFESSOR, GEORGETOWN UNIVERSITY PRESIDENT, GEOPOLITICS AND FOREIGN POLICY DEPARTMENT, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES, WASHINGTON, DC

Dr. CHA. Thank you, Chairman Risch, ranking member Shaheen, and members of the committee, for the opportunity to speak to you today about U.S. alliances in the Indo-Pacific.

I am going to make five points that summarize the full statement and data that I have presented and would like to submit for the record.

The CHAIRMAN. It will be submitted.

Dr. CHA. Thank you, sir.

My first point is historical, and that is that our alliance system in Asia, which was created over 70 years ago, has served us very well.

It won the Cold War, stopped communist dominoes from falling, reduced poverty, created wealth and fostered democracy. Nobody could have imagined this outcome 70 years ago, and these alliances are a unique aspect of U.S. power.

The second point is with regard to shared threats. As we all know, we face these shared threats—China, the nuclear buildup, missile buildup, assertive behavior in the Taiwan Strait, South China Sea, East China Sea.

This is now complicated by this axis of Russia, Iran, North Korea and their conduits—Cuba, Iraq, Syria, Venezuela—all actively working in concert to undermine U.S. interests.

As we all know, for example, in the Ukraine war, almost 100 percent of the micro electronics behind Russian weaponry came from China—glide bombs, attack drones from Iran—and 50 percent of the munitions today that Russia uses are sourced from North Korea.

So the U.S. has to prevail against these threats, but we cannot do it alone. We need our alliances.

In the Indo-Pacific, the U.S. has 24 persistent bases and access to 20 other sites. By contrast, China has one overseas base.

These bases allow for rapid response and successful defense and deterrence, but at the same time these alliances are in need of reform and modernization.

My third point is with regard to burden sharing, and the main point here is that allies are much more capable of bearing host nation costs than they were 50 years ago. Many of the algorithms we use are legacies of the past.

At the same time, any changes should avoid surprises to give our allies in the region the domestic political space to sell new agreements to their publics, as these sorts of agreements need to be ratified by their legislatures, unlike the case in the United States.

Burden sharing algorithms that exponentially increase allied payments will not be feasible unless they take into account allied contributions outside of the alliance on behalf of the alliance, such as the $18 billion that Japan has provided in support to Ukraine, and the $3 billion plus that South Korea has done as well.

These burden sharing contributions need to be documented as per legislation like the *Allied Burden Sharing Report Act*.

My fourth point is in regard to access basing and overflight. The United States increasingly operates in a contested basing environment to include cost constraints, adversary tactics, and the vagaries of domestic political leadership in these host countries.

Gaining access to allied bases and civilian facilities for prepositioning of kinetic and nonkinetic capabilities is as much political as it is a military exercise.

It requires socializing publics and governments not just at the national level, but also at the local level, to understand the role they play in national security.

In the case of Japan, this means securing access to JSDF and civilian facilities in the dispersed positions in the southwest island chain. It also means the U.S. commitment to following through on the promise to create a joint force headquarters to coordinate with the newly established JJOC in Japan.

In Korea, this means not just a military, but also a political discussion with the next South Korean Government about the role of the Korean military and the U.S. military in a Taiwan contingency.

South Korea has made good statements with regard to Taiwan's defense in the previous two leaders' summits, but now comes the

hard part; bringing political consensus to think about changes that include things like force presence on the Peninsula, rear area support, and South Korean capabilities to deter North Korea in the event of opportunistic aggression in a Taiwan contingency.

The other point I wanted to make about ABO strategy is to complement our military access arrangements with a strategy to stop Chinese economic coercion. This is because our access could be compromised by Chinese commercial pressure on host economies with regard to our arrangements.

In this regard, U.S. Indo-Pacific allies need to take a page from the EU's anti-coercion instrument and build a collective economic deterrence framework that is not just an economic strategy, but is also related to our military and ABO strategy.

My last point is that the update of our alliances should include burden sharing in terms of allied participation in global governance institutions when our traditional institutions of global governance, like the U.N. Security Council, are underperforming.

In this regard, the State Department should formalize the IP4—Indo-Pacific Four—grouping as regular participants in global governance institutions like the NATO leaders' summit and the G–7.

These allies can help carry forward like minded agendas as the United States consolidates its power at home.

Thank you very much.

[The prepared statement of Dr. Cha follows:]

Prepared Statement of Dr. Victor D. Cha

Chairman Risch, Ranking Member Shaheen and distinguished members of the committee, it is an honor to appear before this committee on the topic of U.S. alliances in the Indo-Pacific region. The views represented in this testimony are my own and not those of any employer or institution with which I am affiliated.

The Indo-Pacific is of terrible importance to U.S. economic and security interests, and our alliances help to preserve those interests and achieve our goals there. But these alliances are in need of reform and modernization given the challenges posed by the new geostrategic environment.

I will speak briefly about the historical importance of these security institutions and ways to modernize them going forward. I request that my full written statement be submitted for the record.

ORIGINS OF THE ALLIANCE SYSTEM

When the United States created a network of bilateral alliances in Asia in the immediate postwar period, architects like John Foster Dulles acknowledged that this system was different from the multilateral structure built in Western Europe, but policymakers at the time probably had no inkling of how successful this alliance system would become and how well it would serve U.S. interests.

Each of the bilateral alliances at that time with Japan, South Korea, Taiwan, Philippines, Thailand, Australia, and New Zealand (ANZUS) afforded the United States an immense amount of power and influence, unlike anywhere else in the world. The alliance system created incredibly loyal allies like Japan, Australia, and South Korea, the latter two of which have fought with the United States in every war since World War I and the Korean War, respectively.

Through this alliance system, the United States won the Cold War in Asia: It created prosperity and economic development in the region beyond anyone's imagination; it fostered growth and democracy. The importance of democratic values in the alliance system cannot be undervalued considering that at the outset of the alliance system's creation in 1951, it looked very much like communism would win the day. The CCP victory in China in 1949, the communist North Korea attack in 1950, and communist insurgencies in Southeast Asia lent credence to the domino theory—that soon, all these distant, post-colonial states would be falling behind the iron curtain. But that did not happen. The U.S. alliance system in Asia prevailed.

TODAY'S GEOPOLITICAL ENVIRONMENT

Today, the pacing threat from China crosses many dimensions, including security, economic, information, and technology. But it is complicated and enhanced by a growing group of illiberal actors operating in concert with one another to undermine the U.S. position. These actors are well known to you: Russia, Iran, and North Korea and their conduit states, Cuba, Iraq, Syria, and Venezuela. Table 1, for example, shows the range of support provided by these actors to Russia's war in Ukraine. China supplied almost 100 percent of the microelectronics for Russia's missiles, tanks, and aircraft. Iran contributed significantly to Russia's supply of attack drones, close-range ballistic missiles, and glide bombs among other weapons used in the war. North Korea has provided 11,000–12,000 troops, hundreds of ballistic missiles, and may account for as much as 50 percent of Russia's ammunition today. Outside of these actors, the supply of like-minded and capable partners dwindles in comparison with a growing number of "hedge" states like Brazil, India, Indonesia, Saudi Arabia, South Africa, and UAE who cannot be relied upon to side with the United States depending on the issue.

Table 1: Support for Russia

China	Iran	North Korea
Backfilled by exporting dual-use components and industrial products	Drone production technology, drone training and co-production of drones inside Russia	Accounted for 50% of Russia's ammunition
Increased trade to a record of $240 billion in 2023, up 64% from 2021 and became Russia's key supplier of cars, clothing, raw materials and much more	Provided at least 300,000 artillery shells and a million rounds of ammunition	Sent between 11,000 to 12,000 North Korean troops
Provided 90% of goods under the BIS Common High Priority List, which includes 50 items critical to Russian weapons systems and military development	Drone support including Mohajer-6 and Shahed-136/131 drones. An estimated total of 15,000 Shahed/Geran-2 attack drones have been launched against Ukraine	Provided between 7 to 9 million rounds of ammunitions (152mm and 122mm)
Supplied 70% of machine tools needed to build ballistic missiles	400 surface-to-surface ballistic missiles (Fateh-110)	20 to 120 240-mm multiple rocket launch systems (MLRS)
Supplied 90% of microelectronics needed to build missiles, tanks and aircraft	Anti-tank rockets, mortar bombs and glide bombs	120 170-mm self-propelled howitzers
Provided nitrocellulose, which is critical to production of artillery rounds	Close-range ballistic missiles (Fath-360)	150 ballistic missiles (KN23 and KN-24), with 150 more expected in 2025
Shared space based capabilities and satellite imagery	Joint cooperation on new types of unmanned aerial vehicles (UAVs)	200 long-range artillery
Joint cooperation on new types of unmanned aerial vehicles (UAVs)		

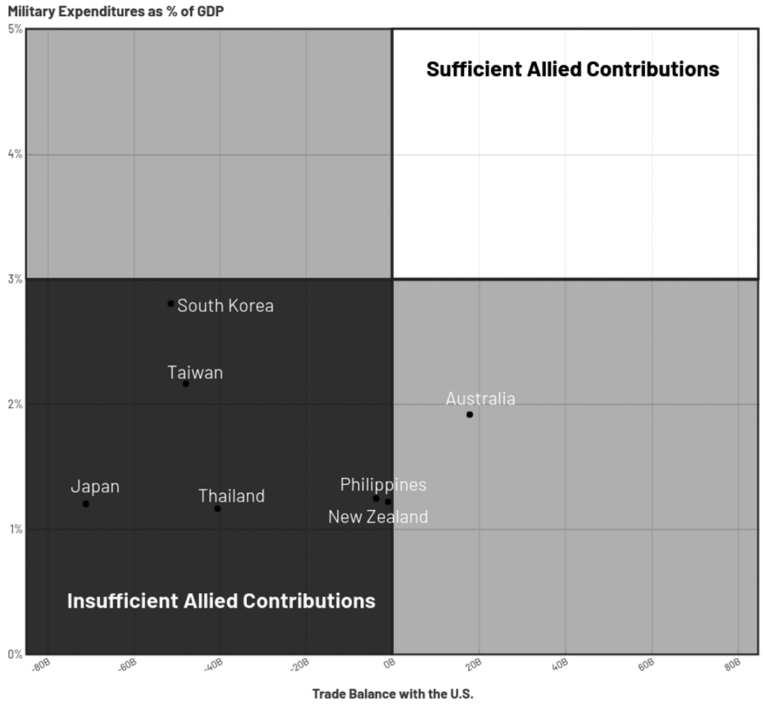
Source: Victor Cha and CSIS • Created with Datawrapper

REFORMING THE INDO-PACIFIC ALLIANCES

The United States must meet these challenges and win, not by going it alone but with the support of our allies. There is no real alternative. The alliance system has proven to be a winning formula in the past, and it will do so again, but not without reform and modernization.

For some in the current administration, the imperative to update and modernize these alliances stems from the judgment that they are costly economically to the United States. If we use trade and defense-spending as two metrics of allied burden-sharing, there are no Indo-Pacific allies that are judged to be carrying their fair share.

Figure 1: Indo-Pacific Allies' Trade Balance and Defense Spending



Source: Victor Cha and CSIS

Four principles should drive the mindset of alliance modernization: 1) Indo-Pacific allies are capable and can contribute much more to networked capabilities than in the past; 2) Change is difficult, but Indo-Pacific allies must manage the domestic-political resistance to doing things differently; 3) Allies need to accept increased burden-sharing as a given in the modernization effort; and 4) Allied contributions to successful deterrence with the United States are a critical pre-requisite to their realizing commercial opportunity with China—that is, without security, there is no commercial opportunity, there is only commercial coercion by China.

In the Indo-Pacific region, the United States has 24 persistent bases and access to 20 other military sites. By contrast, China has only one overseas base in the world in Djibouti. These positions host 88,500 active-duty servicemembers, including about 60,000 in Japan and about 28,500 in Korea.

This presence affords the United States rapid response capabilities to military contingencies; contributes to successful deterrence against adversarial threats to the homeland and to allies/partners; and provides the physical assurance of the U.S. security umbrella that is critical not just to peace, but also to profitable commerce and investment that drives the region's growth.

Congress' role in maintaining this alliance network is critical in its appropriation of funds for basing activities; its legislation of policies and requirements related to basing; and its oversight of the executive branch's policies related to basing and alliance relations.

BURDEN-SHARING

Four principles should undergird the reform of burden-sharing arrangements with allies. One, allied governments must recognize that traditional monetary burden-sharing algorithms are legacies of a time one-half century ago when U.S. capabili-

ties dwarfed those of smaller partners. Host-nation support arrangements where the U.S. annual contribution is larger than that of the partner no longer makes sense given the partner's wealth.

Two, host-nation support agreements probably can and should take account of allied contributions to defense and security outside of, but on behalf of, the bilateral security partnership.

Three, aside from the monetary aspects, burden-sharing should be defined as the reorientation of costs and capabilities to the broader regional deterrence and defense mission in the Indo-Pacific. While this is already the case for some alliances, it is not the case for all and needs to be so.

Four, a critical element of reform is to avoid surprises. It is imperative to create a suitable runway and plan that gives host nations the political space to make potentially paradigm-shifting adjustments to the alliance.

Current SMA arrangements for Japan and South Korea adhere to a legacy algorithm of incremental annual increases of around 2 percent and 5–8 percent respectively. The newly concluded South Korea agreement ($1.05 billion in 2025 and $1.14 billion in 2026) expires in 2030; the Japan agreement (about $1.5 billion in 2025) expires in 2026 with each agreement covering about 40–50 percent (Korea) and 75 percent (Japan) of the non-personnel costs of stationing USFK and USFJ (covering labor, utilities, training, construction, purchase of local supplies).

Negotiation of new agreements, following a "cost-plus-50" model for example, will be difficult for host nations to swallow given the need for legislative ratification (unlike in the United States). In devising a more equitable formula for cost-sharing that acknowledges the economic capacity of allied governments' substantial wealth, the United States and allied governments could agree to include other non-SMA contributions as part of the ledger of allied contributions in future agreements. Table 2 gives examples of past non-SMA costs borne by Japan and Korea.

Table 2: Non-SMA costs borne by Japan and South Korea

Japan	
$12.1 billion	Construction for the Futenma Replacement Facility in Okinawa.
$4.5 billion	Construction at the Marine Corps Air Station Iwakuni.
$2.8 billion	Support for infrastructure projects on Marine Corps Base Camp Blaz as part of the relocation to Guam and the Defense Policy Review Initiative (total is $8.6 billion).
South Korea	
$9.7 billion	Yongsan Relocation Plan, which moved forces from Yongsan to USAG Humphreys. ROK provided 90% of the total cost (total was $10.7 billion).
$2.4 billion	Land Partnership Plan, which consolidated USFK forces north of Seoul to Camp Humphreys and Daegu (total was $3.3 billion).
$61 million	Land-swap deal for Lotte golf course used for THAAD deployment in Seongju in 2017.

Source: Victor Cha and CSIS • Created with Datawrapper

Greater burden-sharing by allies could also acknowledge the out-of-theater contributions by allies to security. But this would also require that current burden-sharing agreements be revised to reinstitute allied support for U.S. military assets outside of the host nation (e.g., South Korea). For example, Table 3 enumerates Australia, Japan and South Korea's contributions to Ukraine.

Table 3: Support for Ukraine

Commitments made between January 24, 2022, to December 31, 2024.

Country	Financial ($ billion)	Humanitarian ($ billion)	Military ($ billion)	Total ($ billion)
Australia	0.00	0.17	0.92	1.09
Japan	15.51	2.47	0.07	18.05
South Korea	2.79	0.47	0.02	3.28

Table: Victor Cha and CSIS • Source: "The Ukraine Support Tracker: Which countries help Ukraine and how?" Kiel Working Paper, No. 2218, 1-75. • Created with Datawrapper

This more comprehensive definition of burden-sharing by allies should be documented by the Administration through legislation like the *Allied Burden Sharing Report Act* and the *NATO Burden Sharing Report Act*.

ACCESS, BASING AND OVERFLIGHT (ABO)

The United States will increasingly operate in a contested basing environment. Some of the challenges are internal in terms of our own resource constraints. Some of them relate to the strategy of the adversary (i.e., A2/AD). And some of the challenges are political and internal to those particular host countries. Yet securing these privileges are critical to giving the U.S. military resilience in terms of staying power, resupply/repair, and storage, not to mention the critical physical presence that undergirds credible deterrence.

Here I cannot offer recommendations that you have not already heard. In general, we need to push for U.S. use of allied bases in contingencies where the ally is not directly threatened. Given growing reach and capabilities of the adversary, the United States must do more to harden forward presence infrastructure as well as increase air and missile defense systems. There could be more burden-sharing of the latter with allies, including additional THAAD systems in the region.

In the case of Japan, major advances in defense spending and the creation of the joint operational command (JJOC) are commendable, and have been supported by the public. There is an expectation that the United States would pre-consult with Japan on pre-positioning of additional capabilities, and that Tokyo would gain support of local communities. The Japanese Government could build on this momentum to improve access arrangements for the alliance to make deterrence more credible and defenses more capable in a Taiwan contingency. This requires an initiative from the top to engage in a whole-of-government dialogue internally and with the United States (in the 2+2 ministerial talks) on revisions to SOFA which govern limited use access to JSDF and civilian facilities other than permanent U.S. bases in Japan. The purpose would be to streamline the national and local approval process for U.S. access to dispersed positions in the Southwest (Nansei) island chain (Miyako, Ishigaki, Yonaguni) in advance of an armed-attack situation. Tokyo must also work with local governments to enhance their understanding of the role they play in national defense (something better understood in Tokyo). Such reforms should not be seen as a favor or concession to the United States, but as necessary to enhance Japan's national defense and security in the Nansei island chain closest to Taiwan.

In the case of South Korea, U.S. access to bases, the addition of new non-kinetic capabilities, and the addition of kinetic capabilities would be generally uncontroversial. The key is that they are framed as directed toward the North Korean threat. The framing of capabilities as directed to a Taiwan contingency, however, becomes more problematic given the traditional South Korean reluctance to become entrapped in a U.S.-China conflict. Domestic political factors matter here to a degree in that conservative governments in Seoul tend to be a shade more open to discussions about Taiwan contingencies. It is also noteworthy that both progressive and conservative governments have broken new ground with summit-level statements equating freedom of navigation and stability of the Taiwan straits with Korea's security. Still, the resistance is real. The United States could engage the next Korean Government in a broad reorientation of U.S. forces in Korea moving from a peninsular mission to a regional one. The range of options here could span removing troops from the peninsula to elsewhere, or increasing the presence in Korea with a portion each committed to peninsular defense and regional defense.

However, I would like to draw your attention to one important strategy to optimize U.S. ABO options. If the strategy for maintaining access rests on complementing and/or reforming large, main legacy operating base infrastructures, which are put at risk by the adversary's anti-access capabilities, with a network of smaller, dispersed, and concealed arrangements in the Indo-Pacific, then a major threat to this plan is not just China's ability to locate and militarily target such arrangements, but the political and commercial pressure that it can put on the hosts to withhold cooperation with the United States. Indeed, commercial pressure is probably the ideal tool for China to use given the nature of these small and dispersed ABO arrangements—that is, a host nation is more likely to succumb to intense Chinese economic pressure to withhold cooperation with the United States over a discrete access arrangement than over a large military base. China's use of economic coercion against U.S. allies is well-established. Since 2008, it has used economic coercion against 18 governments and over 500 companies (including U.S. primes). The purpose of the coercion is expressly political, not trade-related. The most well-known case related to access capabilities is probably the 2016–2017 commercial assault on Korean companies for the emplacement of a THAAD battery in Seongju, South Korea, which did at least $7.5 billion dollars of damage.

An important component of an ABO strategy must be to complement the military access arrangements with a counter-coercion strategy designed to deter Chinese economic coercion. This strategy, otherwise known as "collective resilience" would take the form of a multilateral economic deterrence mechanism that leverages the combined trade capabilities of like-minded partners to signal to China that they cannot economically coerce any one member of the group. Like-minded partners trade with China in 575 finished and intermediary goods valued at $59.61 billion upon which China is highly dependent, and for which China does not have alternative sources.[1] A collective economic deterrence strategy has proven to work in Europe where the anti-coercion instrument (ACI) introduced in 2023 seems to have slowed China's coercive practices against other individual states as it had done to Lithuania. The United States should encourage Indo-Pacific allies to do the same expressly with the understanding that there is an important security rationale related to ABO.

OPPORTUNISTIC AGGRESSION

The war in Ukraine has made Indo-Pacific allies realize that war is a real possibility in Asia and that the unthinkable is possible. There is more proactive thinking in the region about dual contingencies and opportunistic aggression than I have ever experienced before. For example, we have had inquiries in the last 3 years from both Taiwan and South Korea about gaming out dual contingencies at the Track II level. An updated alliance structure should capitalize on this new thinking to proactively consider new ways of deterring opportunistic aggression. These could include, but not be limited to:

- Reorienting of the U.S. military presence on the Korean peninsula to a regional deterrence and defense mission (either by drawdown or supplementing);
- Training of USFK both on and off the peninsula;
- Collective defense declaration among the U.S., Japan, and South Korea and a bilateral security declaration between Japan and South Korea (2025 marks the 60th anniversary of normalized relations);
- Increased South Korean defense spending and independent military capabilities to deter North Korean opportunistic aggression during a Taiwan contingency;
- Consideration of rear area support roles played by South Korea in a Taiwan contingency
- Use of the UNC contributing nations' framework on the Korean peninsula to enhance peacetime deterrence

These are all politically sensitive issues in South Korea and would be topics to be taken up with the government once the political impeachment crisis in that country is resolved. Any reorientation of the U.S. presence on the peninsula, however, would require hard thinking about the retention of some ground troop presence to provide the traditional "tripwire" deterrent against North Korean adventurism; and would necessitate a planned, phased process that would minimize the negative political and economic externalities that would result from an abrupt change. Complete withdrawal of the troop presence would beg the question of cost (losing the South

[1] Victor Cha, "Collective Resilience: Deterring China's Weaponization of Economic Interdependence," *International Security* 48, no. 1 (2023): 91–124. doi: *https://doi.org/10.1162/isec_a_00465*.

Korean subsidy), as well as alternative locations that would still be close enough to the fight to be effective. Increasing the troop presence (with a portion each trained for peninsular and regional defense) could mute potential South Korean self-help responses (e.g., proactive discussions of nuclearization), but would require a difficult Korean political choice to acknowledge its role in a Taiwan fight.

NEW AREAS OF ALLIED COOPERATION

Updating of the alliances should include other new areas of cooperation outside of the military realm. A strong precedent has already been set by the previous two administrations for allied cooperation on economic security, export controls, and supply chains. Under the current administration, new opportunities have been unearthed in areas including shipbuilding and strategic energy cooperation with Japan and South Korea, in particular.

In Secretary Rubio's confirmation hearing before this body, he observed that eight decades after the end of the second World War, America is being called upon again to create a free world out of chaos, but he also noted the voters elected President Trump because they want a strong America with a "prudent" foreign policy. In this regard, the State Department should encourage our allies in the Indo-Pacific and Europe to play more active political roles in sustaining global governance as traditional institutions like the UN Security Council have underperformed and groupings like BRICS aim to disrupt the current rules-based order. I have two specific recommendations here. First, the United States should encourage more direct security dialogue and military planning among European and Asian allies that builds on the Trump and Biden administrations' previous efforts to build multilateral coalitions on functional issues like export controls, sanctions, and pandemic preparedness. The war in Ukraine, China's assertiveness, and North Korea's supply of Russia have brought the two theaters together in unprecedented ways and I have been personally impressed by the level of interest and sophistication in the European discussions on security of the Indo-Pacific.

Finally, the State Department would do well to promote and formalize the "Indo-Pacific-4" framework's (Japan, South Korea, Australia, New Zealand) participation in global governance institutions. Regular participation in the NATO leader's summits have led to greater cooperation across Europe and Asia in countering Chinese coercion. Moreover, the Group of Seven (G7) has become the de facto organization in which leading like-minded states coordinate policies, set sanctions, and define new rules and norms in the absence of functioning UN mandates. Indo-Pacific and European actors like Australia, South Korea and Spain are proven high performers in many of the pressing tasks identified in recent G7 leaders' summits like economic resilience and security, digital competitiveness, food security, climate change, labor security, and development, and therefore could contribute much to burden-sharing and global governance.[2]

The CHAIRMAN. Thank you very much, Doctor.

We will now do a round of questions and if there is interest we will do a second round, and I am going to start first of all with you, Mr. Schriver.

You talked about—and I do not mean this to sound critical—but you were questioning the use of a percent of GDP as a commitment to what a country thinks it should do to defend itself.

I have always had the same thought myself. My problem is I cannot think of another thing that you can use to measure it. Do you have any other measuring devices that you have in mind that you think might be appropriate in that regard?

We see this across government. A lot of times they will take a broad brush and try to measure something with something that is not exactly related, but your thoughts on that, please.

Mr. SCHRIVER. Thank you, Mr. Chairman. What I meant to say is it is important, but many times insufficient, and in other instances there are factors that should be weighted more heavily like

[2] John J. Hamre, Victor Cha, Emily Benson, Max Bergmann, Erin L. Murphy, and Caitlin Welsh, "'Bending' the Architecture: Reimagining the G7," *CSIS*, June 12, 2024, *https://www.csis.org/analysis/bending-architecture-reimagining-g7*.

in the case of the Philippines—nine new active sites including those with geographic proximity to the Taiwan Strait is extremely valuable, even though they are only spending 1.5 percent of GDP from a relatively small economy.

So I am afraid it comes down to more of a qualitative assessment of weighing these different baskets—what are they doing on ABO, what are they doing on their own defense.

You get really sort of qualitative when you get to history. I think it counts that Australia has fought alongside us in every war since World War I.

I think that gives us confidence they will be alongside us in the future, and to me that is a part of having confidence in them sharing a burden in the worst of times, but that gets very hard to chart on a graph and measure.

The CHAIRMAN. Thank you, and I appreciate that, particularly with Australia. I never even think about what percent they spend on—it does not matter to me.

These people are friends and have been with us through thick and thin and that counts for way more than anything that you could talk about statistically.

I would like—I am going to give all three of you a short run at this.

Something I have been very impressed with in recent times has been the Philippines' desire to have us as an ally and vice versa, and we all know they are making real effort in that regard.

What are the Chinese doing about this? Their reaction, obviously, is going to be negative. How does that actually materialize in reality?

Why do we not start with you, Mr. Schriver, and we will go across.

Mr. SCHRIVER. Well, they are certainly behaving aggressively toward the Philippines in the disputed territories. There is a lot of activity around Second Thomas Shoal that includes water cannons being fired from coast guard vessels, includes shouldering of Filipino vessels.

I think also what is going on is a lot of attempts at elite capture and economic coercion. As Dr. Cha mentioned, they are very focused on upcoming elections in the Philippines and what they might be able to do to tip the balance.

So they are playing a little bit of a long game, too, in addition to the points of coercion that are much more acute.

So, clearly, they do not like it, but from our perspective we cannot have an ECTA site and have the Chinese go around and buy up everything around it in terms of the electrical grid, in terms of the communication systems, in terms of the local infrastructure.

We have to be able to address it in a more comprehensive way.

The CHAIRMAN. Thank you.

Dr. Mastro.

Dr. MASTRO. Thank you, Chairman. In terms of the things that the Chinese are doing, if you look at Chinese writings and speeches about the U.S. alliance system generally speaking, I think it is very telling that they spend a lot of energy in their discourse and their behavior and their capabilities trying to undermine the U.S. alliance system.

To me, the fact that they are leveraging some of these discussions right now in the United States—what the United States is doing vis-à-vis Ukraine, for example, and for example, the dissolution of some of our key agencies like USAID—they are using those to say that, one, the United States is not a reliable ally and, two, they are also increasing their military presence around a lot of key allies and partners like Japan, the Philippines, and their aggression towards Taiwan.

When I speak to the Chinese military directly and I ask them about their military activities in these areas, they tell me that they are specifically designed to demonstrate to allies and partners that the United States cannot help them, that in the case of their defense even though the United States military is a significant force, given the fact that we are not forward deployed sufficiently that those countries would be on their own.

So there is this implicit military coercion that is occurring. At the same time, they are offering a lot of positive inducements to some countries in the region.

If we alienate certain partners in the Indo-Pacific, in particular in Southeast Asia, if we ask them to pick sides, I am not sure we will like what side Singapore or even the Philippines might pick in the end.

For that reason the Chinese are leveraging both their economic coercion as well as positive inducements. The development assistance that the Chinese are giving to Southeast Asian countries in particular is significant, and for access, basing, and overflight the United States is trying to expand our relationships with countries in the Second Island Chain, for example Palau or the Federated States of Micronesia.

These are not countries that are under direct military threat from Beijing and so it is really—some of the programs we mentioned such as development assistance, economic assistance, military training, that convinced these countries to allow U.S. access, and on the same hand, the other side of the ledger they have the Chinese coming in with elite capture and economic incentives.

For that reason it is very important, I think, that we focus on the military side, but also the economic and political side as well.

The CHAIRMAN. Appreciate that.

Dr. Cha.

Dr. CHA. Just quickly, to add to what has been said, it is not just elite capture. It is dominating the information space and the media partnerships with lots of essentially resource-poor, media in the Philippines.

That needs to be combated in some way, and so things like RFA and VOA are actually quite important in that respect.

Then I will go back to the point on commercial pressure. As Randy said, there are nine access sites.

China knows how to put very targeted commercial pressure, perhaps on certain localities to try to complicate our ability to gain access to those sites.

So having some sort of collective strategy among Asia Pacific partners, again, sort of like the EU has done with the ACI, is something that is important for ABO strategy.

The CHAIRMAN. Thank you.

Senator Shaheen.

Senator SHAHEEN. Thank you.

Dr. Cha, you mentioned, and I think the other two panelists also suggested this, that the new cooperation between Russia and China and North Korea on the war in Ukraine is having an impact.

Can you talk about the impact that that is having to our—throughout the Indo-Pacific and the concerns that that raises with our other allies in the region?

Dr. CHA. I am happy to, Senator. I think it has had three effects.

The first is it has clearly had an effect on the battlefield, in the sense that 12,000 North Korean troops are in Kursk to try to regain some territory before peace negotiations start—again, 50 percent of Russian munitions today are reportedly sourced from North Korea. These are having real impacts on the battlefield. That is the first point.

The second is that it has really created a lot of concern among Indo-Pacific partners that anything is possible in Asia now.

War in the middle of Europe that looks like a war from days past cause them to think not only is war in the Taiwan Straits possible, and not only is war on the Korean Peninsula possible, but that these things could happen at the same time through opportunistic aggression.

For the first time we have started getting inquiries from both South Korean and Taiwan friends to think more trilaterally about those sorts of dual contingency scenarios.

Then the third effect, I think, is that it has really closed the gap between the way our European friends and our Indo-Pacific friends think about security. There are no longer two theaters—it really is one theater.

I have actually, I think, in the past year made more trips to Brussels than I have to the Indo-Pacific region because of all the interest in Asia, and the level of conversation—I think my colleagues would agree—in Europe on Indo-Pacific security now is at a much, much higher level than it was even a year ago.

So those would be the three things I would say.

Senator SHAHEEN. Thank you. Do either of you want to add to that?

Yes, Dr. Mastro.

Dr. MASTRO. Thank you, ma'am.

I would add for the China-Russia relationship in particular there are four main things that they are complicating for the United States.

First and foremost, their relationship is making it harder for the United States to deter the two countries independently, and then I think we can see with Ukraine—and I would predict it would be the same thing in the Indo-Pacific—it makes it harder for us to compel them to stop fighting and the reasons for that is, first, these two countries, while they might not fight together in the sort of interoperable alliance framework, they are serving and building the ability to serve as a strategic rear to one another.

Senator SHAHEEN. So let me interrupt for a minute, because in some quarters there is a suggestion that we can actually pull Russia away from China and separate the two of them.

Can you speak to that? Dr. Cha, you may want to speak to that as well as Mr. Schriver.

Dr. MASTRO. I would say, generally speaking, I have done a historical review of the relationship since 1949 and the idea that you could present positive inducements or try to convince Russia, for example, that China is a greater threat than the United States or vice versa is not going to work.

The best strategy if we had any hope of pulling them apart is that for now while European countries are more concerned about the Indo-Pacific, it is not the case that they are reacting to China as if China is such a strong partner to Russia.

They still have very strong economic relations with China and they are reluctant to punish China for that relationship. If the Chinese thought it would come at an economic cost—their relationship with Russia—I think they would be much better geared to pull apart.

So NATO could play a greater role in that economic relationship with China to show them that they cannot just get all the military benefits from Russia without some diplomatic and economic costs.

Senator SHAHEEN. Mr. Schriver, do you have any?

Mr. SCHRIVER. I would be highly suspicious of that endeavor, I think, particularly with Mr. Putin and Xi Jinping and the relationship that they have developed and the mutual reinforcing activities that have made them alliance like.

I would also point out some people refer to this as the reverse Kissinger. Of course, when Kissinger courted China, China and Russia had already—then the Soviet Union—had already had a very significant falling out. So it was not creating a fissure. It was taking advantage of a fissure.

Senator SHAHEEN. Thank you.

Dr. Cha, anything to add?

Dr. CHA. I was actually going to make a similar point to Randy's. I think in international relations, that sort of diplomacy only works if you occupy the pivot position—where the other two sides are coming to you. That is what was happening with Kissinger and diplomacy between the Soviet Union and China.

In this case, if we were to try a reverse Kissinger, it would be Russia that occupies the pivot position, and so for that reason, I think it would be suspect.

Senator SHAHEEN. Thank you.

The CHAIRMAN. Senator Ricketts.

Senator RICKETTS. Great. Thank you, Mr. Chairman, and thank you to our witnesses here today to talk about this very important topic.

Since signing of the 1951 mutual defense treaty, the Philippines has been one of our key allies in the Pacific. However, in recent years, the alliance has grown both more important and even more key as far as our strategic alignment.

Despite being outmatched militarily and economically the Philippines have demonstrated an incredible resolve in resisting Beijing's unlawful aggression in the South China Sea, certainly, more recently.

It is also able to act as an important voice within the ASEAN against communist China's other pressure campaigns that you all have been talking about.

The most important is what the alliance provides us militarily and, Mr. Schriver, you were talking about the expansion of the EDCA bases and the nine strategic sites that they have given us access to to enhance our ability to deter communist China in the Taiwan Strait and South China Sea and other key theaters.

It has also allowed us to deploy the Typhon missile system, which can hold land-based targets in China at risk as well as surface ships.

How important is it for us to continue to work with Manila to expand U.S. access to these sites and further invest in the infrastructure and housing for U.S. troops, Mr. Schriver?

Mr. SCHRIVER. Thank you. I think it is extraordinarily important, and if you kind of racked and stacked in the region, I would put the Philippines right at the top of where we need to invest, given its geography and given a window of opportunity.

The last administration in Manila under President Duterte was not exactly user-friendly, if you will. Marcos has been a sea change and really more of a return to the norm, but a sea change nonetheless, and I think we should take advantage of that.

Frankly, the population, given Chinese aggression and coercion, is also very much in support of strengthening U.S.-Philippine ties and I think it is the time to make the investments that are needed.

Senator RICKETTS. Great. We were just talking about China's really aggressive position toward the Philippines, these gray zone attacks in the South China Sea. You mentioned some of the areas there. It is really, really valuable that Manila shows this defiance, is it not, Mr. Schriver?

Mr. SCHRIVER. It is. They are, of course, first and foremost responsible for their own defense and I think they have done a very admirable job on these resupply missions to Second Thomas Shoal, really resisting that Chinese pressure and coercion.

Senator RICKETTS. So what else can we or Japan or Australia do to be able to support the Philippines as it resists this gray zone activity here in the South China Sea?

Mr. SCHRIVER. I think Chinese coercion is not limited to South China Sea so I think pushback in the East China Sea, pushback in areas closer to Vietnam.

It is a comprehensive approach that is led by the U.S. but joined with allies and partners will, I think, demonstrate to the Chinese that they have got a broader problem, that the country that signed UNCLOS and ratified it, but does not honor it and acts outside it is going to face broad pushback.

Then on point in the Philippines, I do think we need to resume our cooperation with the Philippine Coast Guard which is now on pause because it is a state INL program and it is a law enforcement program.

The Coast Guard is really on the front lines, not necessarily the Navy in every case, so I think there is a number of things we can do and, again, it is extraordinarily important.

Senator RICKETTS. What about the cooperation between Japan and the Philippines? They have recently, you know, gotten some agreements together. What do you think about that?

Mr. SCHRIVER. Very encouraging. If you looked at a map: Japan, Philippines, what is in the middle—it is Taiwan—and I think a lot of the security cooperation is oriented toward that major known contingency.

Japan is also stepping up with security assistance so we are no longer the sole provider or only provider of military equipment and other training and other types of services. Japan is a very professional military and they are lending that expertise to the Philippines in very helpful ways.

Senator RICKETTS. I think we provided about $500 million last year in FMS to the Philippines and, obviously, it is encouraging to see Japan do that as well.

You were also talking about the percent of GDP that the Philippines is spending and evaluating the bases and so forth.

Is it fair for us to ask the Philippines to get to 2 percent of GDP spending on their own defense? They are trying to modernize here.

Mr. SCHRIVER. I am for being aspirational and I think given the threat they are facing it is reasonable to ask. I think those discussions—that is why we need skilled diplomats. That is why we need capable alliance managers with years of experience.

I agree there are some approaches, as Dr. Mastro pointed out, that can have negative effects and so I think we need to do it with a degree of deftness, but it is important.

Senator RICKETTS. Do the Philippines have that kind of capability? Can they economically support 2 percent of GDP, do you think?

Mr. SCHRIVER. The short answer, I would say, is yes, but it is a very robust democracy. They have a lot of other priorities when it comes to development of the economy.

So this would be grinding it out through the legislature, but I think they could get there, given the threat and the very real requirements they have for defense.

Senator RICKETTS. Great. Thank you, Mr. Schriver.

The CHAIRMAN. Senator Coons.

Senator COONS. Thank you, Mr. Chairman. Thank you to our witnesses.

Dr. Cha, you have spoken extensively about the alignment of some of our core adversaries and, as you just referenced in your opening statement, support from China, Iran, North Korea is absolutely critical to Russia's war effort against Ukraine.

Many, I think, are now underestimating what these three countries are getting in return for that partnership. Could you just speak briefly to what North Korea is or could be gaining from their munitions support, their now active troop support, and the negative impacts this might be having in the Indo-Pacific region and how our allies are viewing it, and how they might step up?

Dr. CHA. Sure, Senator.

I think your question really points to the fact that what is happening in the war in Ukraine has serious impact on what is happening in Indo-Pacific security as well.

Initially, I think that when the Biden administration publicized the first arms transfer to the Wagner Group, we became very worried that this was the start of a relationship between these two that would only grow as Russia's need for munitions and troops also grew.

Initially, we thought that what was being provided was, largely, a lot of food, fuel and energy—things that were really stocked out in North Korea after a 3½-year lockdown from COVID.

For North Korea, this opportunity with Russia emerged just as they were coming out of a 3½-year COVID lockdown. This was like a Christmas present for them.

The concern now is that it has moved beyond food, fuel, energy and medicines to higher end military technology, and I think if we track the U.S. Government's statements about this, they have moved from statements about the theoretical or hypothetical to statements of fact.

We have seen this, I think, also in North Korea's own actions and demonstrations. Successful military satellite launches after successive failures—they became more successful after Kim Jong-un's first visit to——

Senator COONS. So it is your view that North Korea is almost certainly receiving sophisticated missile satellite military assistance from Russia in exchange for their support?

Dr. CHA. Yes, and the one I would particularly point to is potential nuclear-propelled submarine technology, because the North Koreans put the leader in front of a new submarine and said this is a nuclear powered submarine.

So this is the one that I think has gotten the most attention recently, but, yes, all those things that you mentioned.

Senator COONS. I have limited time. You also spoke about the critical role that Radio Free Asia provides. It has a $60 million budget, but reaches 60 million people a week.

Given upcoming elections in the Philippines, given our concern about soft power and influence in the region, Pacific Island nations, how wise or foolish is it that the Administration just canceled Radio Free Asia?

Dr. CHA. So, again, I think our access basing and overflight strategy is directly related to competition in the information space where China is creating these media partnerships all over the Global South and creating a narrative of the United States that is clearly counter to our interests.

We need to be able to push back on that with real, accurate information, and that comes from places like VOA and RFA.

Senator COONS. Dr. Mastro, you spoke to the fact that the PRC is taking advantage of our abrupt withdrawal from hundreds of different development partnerships throughout the Indo-Pacific.

Just speak, if you would, briefly to what kind of challenge you think it is creating for us and our strategic interests for us to have abruptly canceled and shut down economic development partnerships, public health partnerships, things like providing reliable energy to our new basing opportunities in the Philippines, providing partnerships in terms of intel and communication, security in the Philippines.

What is the strategic impact to our abrupt withdrawal as partners for dozens and dozens of programs across these key countries?

Dr. MASTRO. So, sir, I think the first thing to mention is if we are having a hard time assessing what is impactful for the competition with China or not, it is always useful to look at what the Chinese are spending on and what they are saying.

So they spend eight times more than we do on public diplomacy, and as Dr. Cha already mentioned, with all of their information centers, with Xinhua and others, they are obviously extremely focused in this area.

What is important for the Indo-Pacific is that a lot of these countries are not—it is very different than NATO allies and partners in that many of these countries have a lot of incentives not to support the United States militarily.

What we have on offer—if they are not threatened with direct invasion from China, which even allies like Australia are not, what we have on offer are other things besides just that security cooperation.

When we build infrastructure, for example, in the Philippines there is this understanding that with that foreign development and assistance that type of infrastructure can be used by the Philippines when U.S. forces are not there.

Without those types of commitments there are a lot of countries that they put themselves at risk, that the threat from China becomes greater the more they cooperate with us, and so the only way to outbalance that is with the economic incentives—offering humanitarian aid, disaster relief, foreign development assistance, and that is why the Chinese are so focused on those tools of power.

Senator COONS. Thank you. I think we are making an enormous mistake in unilaterally and abruptly shutting down long-standing humanitarian, economic development, infrastructure, and relief programs throughout the Indo-Pacific.

Thank you.

The CHAIRMAN. Senator McCormick.

Senator MCCORMICK. Mr. Chairman, Ranking Member, thank you, and thank you to our panelists.

A free and open Indo-Pacific is critical to our nation's security. I think we all agree on that. To paraphrase General MacArthur, the Pacific acts as a protective shield for all of the Americas with the Western Pacific as its linchpin.

I am excited to have this great group to talk about the alliances that are so central to that shield because they are on the front lines of defending against China—the Chinese Communist Party's aggression and escalating efforts and expansionist ambitions in the First Island Chain.

We must stand with those allies and ensure those partnerships deliver on matched value to both sides including burden sharing.

So Dr. Cha, good to see you again, and I would like to start with you. Japan has been one of the allies where we have seen the most progress in increasing defense investment and interoperability with U.S. forces.

We recently had Ambassador Designate Glass testify before this committee. What priorities should be top of mind for him and for

this administration to make that deterrence from the U.S.-Japan alliance most credible?

Dr. CHA. Thank you, Senator.

I would say that there are three things. The first is, as I mentioned in my testimony, the Japanese stood up the JJOC—the Japan Joint Operational Command. It was a big step in the alliance to try to create a much more militarily capable, interoperable, integrated relationship with the United States.

It is incumbent on our side to really fulfill our commitment to create a joint force headquarters. I think that is one. Even though that is not necessarily a diplomatic matter, it is an important message to send.

The second is that I would like to see is a continuation of the bilateral and trilateral relationship among the U.S., Japan, and South Korea. This was something that both the first Trump administration as well as the Biden administration worked on.

Major steps were made since August of 2023. I know we have a little bit of a political situation in South Korea, waiting for a new government to come into place, but in terms of defense and deterrence, and making more credible the U.S. position in Asia and giving confidence to allies in the Indo-Pacific as well as in Europe about U.S. sustained commitment, I think that is extremely important as well.

Then, the third are the things that my colleagues have mentioned in terms of Japan's role in places like the Philippines and in other parts of Asia, as well as Taiwan, where they can play a very important role in helping to complement what the United States is doing in terms of access, basing and overflight.

Senator MCCORMICK. Very good. Thank you.

Mr. Schriver, Secretary Rubio recently reiterated U.S. policy with regard to Taiwan—any forced, compelled, coercive change in the status of Taiwan.

Where would you see the United States falling short in its role in deterring a war in the Taiwan Strait?

Mr. SCHRIVER. Thank you, Senator.

I think I would point to a few things, and it is not necessarily falling short, but there has been an evolutionary process where we have been more direct in our language and rhetoric. We have been moving into areas that were previously too sensitive like training of Taiwanese military forces.

I think we need to continue the posture initiatives. We really need to develop the Philippines, particularly northern Luzon, which has that geographic proximity to the Taiwan Strait.

We need to strengthen our training of Taiwan military forces. That was a taboo for decades and now we are getting them to a point where they are more professional, more proficient, as they are placing a greater emphasis on training.

I think, as Dr. Mastro implied in her opening statement, it is not only what they spend. They have got to 2.5. They pledged to get to 3 percent and they say that is a floor, not a ceiling, but it is what they spend it in and what they invest on, and I think given the changing nature of warfare they need to look at modernized command and control that will help optimize battlefield decisions.

They need to look at a lot more unmanned autonomous in every domain including underwater. I think we need to help lead them in this investment strategy as really key to upholding deterrence.

Senator MCCORMICK. Very good. Thank you. I will yield the rest of my time.

The CHAIRMAN. Thank you.

Senator Duckworth.

Senator DUCKWORTH. Thank you, Mr. Chairman. Thank you all for being here today.

My office has been hearing about how vital initiatives aimed at advancing American interests in the Indo-Pacific have been stalled over the last several weeks, and this is following up on my colleagues' interest in the Indo-Pacific as well.

This includes not only critical programs, but also essential funding that supports intelligence efforts on pressing regional issues.

I am deeply concerned that the current administration is pursuing a path that directly contradicts strengthening Indo-Pacific alliances, a move that could have far-reaching implications for our security.

Like my colleagues have mentioned, I am deeply concerned about the PRC's activities in the region. Before this administration the United States led with a clear strategy—invest, align, compete—in response to the PRC's growing geopolitical influence in the Indo-Pacific, and we demonstrated that strength by consistently following through on our commitments, proving to our allies that the U.S. is a reliable partner, a leader in defending democracy and a defender of international norms.

This strategy was central to our global leadership in maintaining peace and stability in the region, and, unfortunately, we are walking backwards as the Trump Asia policy of today seems to be neglecting our well-established alliances, institutions, the rule of law, and rules.

I am a co-founder of the bipartisan Quad Caucus and I made it a priority to send a clear and powerful message to our allies, partners, and even competitors that the United States is committed to the Indo-Pacific region in the long term, and I wholeheartedly believe that defense, diplomacy, and cooperation are crucial.

Mr. Schriver, as someone who has held a key in shaping U.S. defense policy in the Indo-Pacific what specific steps should the United States takes to demonstrate its long-term commitment to the Indo-Pacific and its allies within the context of the Quad?

Mr. SCHRIVER. Thank you, Senator Duckworth, and thank you for your leadership on the Quad. It is very important.

I am the only one up here who is not a professor, but if I were to give this administration a grade it would not be failing.

It would be incomplete, because I think they have done some very positive things—the Prime Minister Kishida visit, Prime Minister Modi's meeting with President Trump—and I would point to Secretary Rubio's decision on the very first day in office to hold a Quad meeting as part of that positive agenda notwithstanding some of the other issues that you mentioned, and I share some of your concerns I am sure.

I think what we understand took place in that Quad meeting at the foreign minister level is there was a very kind of nascent dis-

cussion about moving into the security issues and that is significant that Foreign Minister Jaishankar would go along with that and actually introduce some of that, as I understand it, which indicates India is sufficiently concerned that they are willing to take this format and move it into military and security issues.

I would like to see that nurtured and matured and even, perhaps, go operational. We have got a lot of PLA activity in the Indian Ocean now. Anti-submarine warfare cooperation could happen quietly, but it could involve the four countries doing real-world things that would be very significant.

Senator DUCKWORTH. Do you not think that that is also a place where we can strengthen our relationship with Quad, but also not alienate important regional partners like ASEAN?

I do think that there is a need to strengthen economic relations with the Quad, but in a way that complements our relationship with ASEAN and their leadership role both—so I am asking both economic cooperation, but also cooperation, especially when it comes to strategies where the Chinese are really infiltrating into the region. Go ahead.

Mr. SCHRIVER. Thank you. I do agree with that. I think you are the expert on ASEAN, but it is a region of very mixed stages of development, different types of government, and so I think disaggregating and looking at where the Quad can be helpful as a donor, as an economic partner, I think that kind of sophisticated approach would really help counter what China is doing.

China is gaining ground in Southeast Asia—there is no doubt about it, and we are seeing a lot of—particularly since the tariffs, we are seeing a lot of Chinese investment going into Southeast Asia, some of which is helpful to them, but some of which is also over capacity, crowding out some of their indigenous manufacturing and aspects of their economy.

So I would like to see the Quad do more in this area.

Senator DUCKWORTH. Yes, because I think Quad investment into ASEAN maybe as part of the supply chain manufacturing issues for the United States is an opportunity and, frankly, we have come off a very strong year in ASEAN of Indonesian leadership.

The Malaysians are doing a great job there now. Philippines are next. I think there are some real opportunities there for some partnerships and I would like to see the United States continue to pursue those economic relationships, in addition to their strategic partnerships, but making those linkages between Quad and ASEAN.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator.

Senator Cornyn.

Senator CORNYN. Thank you all for being here.

Mr. Schriver, I like your characterization of the tyranny of time and distance when it comes to the Taiwan contingency. We like to talk about very euphemistic terms, which could be a bloody and very destructive military conflict.

First, let me ask you about supply chains. The reason why Senator Warner and I and all—and many of our colleagues joined together and passed the *CHIPS and Science Act* starting back in 2020, but then finally, I guess, in 2022 was because we were worried about the supply chains of advanced semiconductors and the

fact that the United States only made about 12 percent of those, and the fact that in this world we live in we are extraordinarily dependent on that sort of technology for everything from our iPhones to the avionics and the Joint Strike Fighter.

Are there other supply chains that we need to be concerned about in the event of another pandemic, natural disaster, or military conflict in the Indo-Pacific? I would invite anybody to offer any advice now and if you want to get back to us with a more comprehensive list I would welcome that.

Mr. SCHRIVER. Thank you, Senator.

I think when you look at something like CHIPS you got to understand the component parts, which gets down to critical minerals and the mining and the processing, and so it is a very complex supply chain, and where I think we can do better now to better position us for resiliency in the event of a conflict is to really look at alternate sources of critical minerals and that processing and that whole sort of chain of production. Right now we are heavily relying on China.

Senator CORNYN. Yes. China processes 90 percent.

Mr. SCHRIVER. Yes.

Senator CORNYN. Ninety percent, as I recall.

Any other thoughts on supply chains from the other panelists?

Dr. MASTRO. I just want to add that there is no entity that is in a better position to protect U.S. interests than the United States itself, and when we pull out of the Indo-Pacific we are basically outsourcing that to another country like China.

China itself has a "Made in China 2025" standards—2035. They have identified 15 areas where not only do they want to be self-sufficient so that we have less power to shape their decisions, but they have been very explicit that they want the world to be reliant on them precisely so they have this type of leverage that you are talking about.

In any scenario involving Taiwan, the Chinese are hoping this is going to be a quick war—3–4 weeks, and even in those types of scenarios the disruption economically is going to be significant, but the United States needs to be in the position that we could intervene in that time frame so that what we threaten is much more of a global disruption to the Chinese themselves.

Senator CORNYN. Because time is so short, let me start with Dr. Cha on this question.

You talk about how long the Taiwan contingency conflict will last. My impression from traveling in the region is that we have a lot of wonderful allies that have capabilities and they vary a lot depending on the nation, but we have seen in Ukraine there is a difference between capability and will, and one of the things that I am very concerned about is we are overestimating our—what our allies might be willing to do.

I think, Dr. Mastro, you mentioned they are reluctant to take sides. That seemed to be the typical response we got as we were talking to folks in the Indo-Pacific, but in terms of—and I know this is a hard question and maybe one we do not want to confront, but I do not think we have any choice but to confront—if there was a shooting war in the South China Sea where, according to Presi-

dent Xi's instructions to the PLA, they needed to be ready by 2027 to essentially take Taiwan who can we depend on? What countries?

If you could list those in terms of our—of who would be the most likely and who would be the most effective, that would be very useful.

Dr. MASTRO. Well, sir, if I can just say we can depend on Japan to allow us access to their two U.S. bases, at the very least. Japanese logistical support will be critical, but that will only come into play in a more protracted conflict if the United States does intervene in time.

The northern Philippines and southwest Japan are the only areas in combat radius of Taiwan, and so the immediate support of use of U.S. bases and in the Philippines in particular, we are not investing right now in the types of air and naval capabilities that we need to be able to respond in a timely manner in the Taiwan Strait.

If we did, that it would basically be the almost immediate permission to use those bases in the northern Philippines and southwest Japan for direct kinetic action against the ships making their way across the strait that would be by far the most critical.

Then in a more protracted conflict, other basing options like in Australia and in the Second Island Chain become more important, but immediate approval from Japan to use those bases, like, within hours is the most important thing.

Senator CORNYN. Dr. Cha.

Dr. CHA. Yes, I would not disagree with that at all. The only thing I would add is the point about the duration of the conflict and the scope of it.

If the duration of the conflict and the scope extends beyond the First Island Chain, Second Island Chain, or even the Indian Ocean, then that necessarily will bring other players in. If it gets to that level, I think we would be able to count on some of those players, even potentially the Europeans, to help as well.

The CHAIRMAN. Thank you, Senator.

Senator Rosen, you are next.

Senator ROSEN. Thank you, chair Risch, ranking member Shaheen. Thank you for being here today, for holding this hearing.

I want to talk about countering the PRC influence. Of course, in the South Pacific is what we are talking about today because our economic security—our security relationships with Pacific Island nations play a significant role in our ability to counter expanding PRC influence.

It is particularly true for members of the Compacts of Free Association, or COFA, an agreement that serves as a bedrock of U.S. engagement with Palau, the Marshall Islands, and Micronesia.

COFA is a mutually beneficial arrangement affording our military access to areas of immense strategic importance in exchange for U.S. assistance.

Under COFA, USAID is tasked with leading disaster response efforts to all three island countries, but with USAID gutted, no other agency has the authority, the technical expertise, the capacity, or the resources to respond to a natural disaster in the Pacific.

Disregarding our obligations under COFA potentially puts us in violation of our own agreement and will only cede ground to the

PRC, which has been actively using, as we know, humanitarian assistance to expand its sphere of influence in the Pacific.

So, Dr. Cha, can you speak to the importance of the COFA agreement and USAID's presence in the region to U.S. national security and can you expand on some of the consequences if the PRC were to displace us in the region?

Dr. CHA. Thank you, Senator.

I do not disagree with the way you have characterized the importance of the Pacific Island nations and also the vacuum that could be filled by China or is already being filled by China when U.S. assistance is not there—U.S. commercial support, all these things.

I think the Biden administration deserves credit for responding to this, but at the same time, unfortunately, it was too little too late because the Chinese had already made security agreements of that nature.

Again, I will go back to one of the points that I talked about in my testimony, which is that in addition to the importance of things like RFA and VOA to compete in the information space so that there is a fair narrative of the United States and our interest in the region, the commercial support is also important.

Again, China has used economic coercion against 18 governments and over 500 companies since 2008, heightened during Xi Jinping's terms, of course.

These Pacific Island nations are just easy prey for Chinese influence in that way, so we need to be able to combat that as well.

Senator ROSEN. I want to expand a little bit upon that because it is also one of the only three Pacific Island nations to recognize Palau—excuse me, recognize Taiwan's independence.

So it is something I discussed with Palau's President when he and I met back in 2021, and so as a result Palau is increasingly becoming a victim of PRC harassment.

To increase Palau's resilience, the USAID was supporting the development of an undersea cable system, which is vital for global communications, facilitating financial transactions, for national security. This program is now halted as a part of the overall foreign assistance freeze.

I am going to stick with you, Dr. Cha. Can you talk about the importance of infrastructure development, undersea cable systems in the Pacific Islands, and what signal do you think we are sending if we are stopping this support to Palau and to others?

Dr. CHA. As we often say in government, you cannot fight something with nothing, and so if we are moving away from—we can, of course, look to allies and partners like Australia and others to help, but if the United States is not supporting that, then it is just going to be a vacuum that is going to be filled by China or other actors that seek to undermine our interests there.

Senator ROSEN. Thank you. I want to talk a little bit, Dr. Mastro, quickly about economic coercion by the PRC. We know that they are really spending a lot of money by supporting Philippines on energy security, infrastructure spending, prepositioning near key military installations, economic development programs.

I am going fast because my time is running out. Humanitarian assistance to demonstrate the value of what they are doing. Much of the work we have been doing is stopped. They are stepping in.

So, Dr. Mastro, can you expand on some of the more prominent coercive tactics the PRC employs in the Indo-Pacific region?

Dr. MASTRO. To the discussion, ma'am, that we were just having it is—they have a three-prong strategy and one key part is exploitation or exploiting gaps where the United States is not present.

They have more consulates and embassies in the region than we do. They have more elite visits than we do and, obviously, we have talked about the foreign aid and development assistance. So part of it, of course, are these positive inducements.

When it comes to the coercion, the Chinese, when they have leverage, they use it every single time and so we can expect that if we step away so we are no longer in a position to ensure freedom of navigation.

So countries like the Philippines will have to trust that the Chinese will allow them to trade with the rest of the world, and while some might say, "oh, the Chinese would never cut off that access," I think it has been pretty clear that when they are upset about something, and we are not even talking about foreign policy—military strategy.

If you say or believe anything different about what happens domestically in China then you are a target. Our allies and partners, I think, have learned and are learning more and more. If your strategy is to not upset Beijing—if that is your defense strategy, it is not going to work.

Senator ROSEN. Right. Thank you. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator.

Senator Scott.

Senator SCOTT OF FLORIDA. Thank you, Chairman Risch and Ranking Member Shaheen.

Thank you for your testimony today. So first off, do you think that as China builds up their economy, there is a greater chance that they are going to use their military to invade Taiwan?

Dr. MASTRO. Well, sir, I would focus on their military capabilities. We are not deterring China right now from taking Taiwan by force.

What is deterring them is they have not finalized their military modernization. In particular, they have not honed command and control logistics.

Senator SCOTT OF FLORIDA. So if they have a crappy economy, if their economy falls apart, will they have less military assets?

Dr. MASTRO. So far, sir, the size of their economy they do not have to choose between guns and butter and so it would really have to be such a decrease that you have widespread social instability.

In that case, I think they turn inward, but otherwise, I think they have the resources to continue the modernization.

Senator SCOTT OF FLORIDA. What percentage of their economy is tied to the American consumer?

Dr. MASTRO. I would have to get back to you on the specifics, but they are an export driven economy and their connection to the global economy is number one. If they believed trade with U.S. allies and partners would stop if they attacked Taiwan, they would never do it.

Senator SCOTT OF FLORIDA. So do you think it would be logical for any democracy, including in the United States, for the people in these countries to stop buying Chinese products?

Dr. MASTRO. Well, sir——

Senator SCOTT OF FLORIDA. Not whether it would be easy. Should we?

Dr. MASTRO. So the way I think about it is if in times of peace before we have this type of conflict, if we get rid of all of our leverage against the PRC, we do not have that economic deterrent in place.

The Chinese are trying to diversify and to be less reliant on us for a reason.

So I think those measures should be considered and should be in place in times of crisis, but potentially not something implemented in peacetime.

Senator SCOTT OF FLORIDA. They are using their economy right now to build up their military. Would we not be better off to stop buying anything from them today so they will have less resources to modernize their military?

After the fact, it is too late. Once they have the military that they have—like, I personally do not understand why anybody buys an American—a Chinese product.

I have never understood it. When I came up here 6 years ago, 85 percent of the drones bought by the Federal Government were Chinese made. That seems like stupidity.

It only took 6 years to get that passed through the NDA. I do not know why we want to continue to build the Chinese economy. So do you guys intentionally go buy Chinese products?

Dr. MASTRO. Sir, just I would add that the technology, I think, something that you highlighted is vitally important. If there is any U.S. product, technology, know-how that contributes to the lethality of the Chinese military, those absolutely need to be prevented from being exported.

Senator SCOTT OF FLORIDA. So you do not think it matters what their economy is doing? They did not seem to have a very good economy back when their big military—when their economy was one-tenth the size and they clearly could not threaten Taiwan when their economy was one-tenth the size. So I do not get why we help them build up their economy.

Does anybody else——

Mr. SCHRIVER. I think it is an extremely valid point. I think for often—for many years we thought that our economic engagement would help shape and change China politically.

It did not. I think there are constituencies in the United States that do profit from the trade relationship with China and they continue to be advocates for it, but I think we should look at things like revoking PNTR.

I think we should look at strengthening export controls and outbound investment. It makes no sense to me that we would restrict the Chinese from investing in an entity in the United States that is engaged in developing some technology with military applications, but yet outbound investment can go invest in a Chinese entity that does the exact same research. Makes no sense at all.

Senator SCOTT OF FLORIDA. Dr. Cha, what do you think?

Dr. CHA. The only thing I will add to that is that the other effect of the world's economic interaction with China is that it has caused many countries and allies of ours to self-censor.

They stay away from saying things or taking actions that are in favor of the United States because they are worried they are going to get whacked by China with some sort of trade sanction, or all of a sudden they are going to stop sending tourists, or they are going to stop importing bananas from the Philippines. There is a whole list of things that China does, basically weaponizing trade and interdependence.

Senator SCOTT OF FLORIDA. I know my time is up. I just do not get why we buy one product. Our military is dependent on Chinese drugs.

How are you going to change on a dime once they decide to invade Taiwan? Why we would ever rely on Chinese technology for anything like drones it seems pretty foolish.

Thank you.

The CHAIRMAN. Thank you, Senator Scott.

Senator Shaheen.

Senator SHAHEEN. Thank you. I have a few more questions before we close the panel out.

First, I would like to go back, Mr. Schriver, I think, to Senator Ricketts' question about the foreign military sales in the Philippines and I would just like to point out for the record that $164 million of the $500 million in FMF for the Philippines is frozen under the cuts and the freezing of programs with the State Department. So that is troubling when we think about what we are hoping from the Philippines.

I wanted to—staying on the Philippines, the ICC has arrested former President Duterte on a warrant for extra judicial killings.

Do you all have any views on how that is going to affect the upcoming presidential election in the Philippines and what that might mean for the U.S. relationship with the Philippines? Anybody have any thoughts about that?

Mr. SCHRIVER. It is an excellent question and it is probably too soon to tell. There is a segment of the population that does not like to see a former president carted off in handcuffs, notwithstanding the actual things he authorized as President and, of course, this is a family affair. His daughter is the Vice President and presumably leader of the Duterte faction in the next set of elections.

Senator SHAHEEN. So maybe I should ask it this way. How do we think—if she wins the next presidential election, how do we think that will affect the relationship with the U.S.?

Mr. SCHRIVER. We have got about as good a partner as we could ever want in Marcos. So, inevitably, it probably goes down. She is in many ways her father's daughter and thinks similarly about some of these issues like the alliance.

She has also shown streaks of independence and, of course, she has a complicated relationship with her father in other ways.

I think it is difficult to say, but I think we have a window of opportunity now given Marcos, which is why as you point out the things that are frozen—I think we should be moving with all due urgency while this window is open.

Senator SHAHEEN. Do you all agree with that assessment?

Dr. MASTRO. Yes, ma'am, and if you would indulge me. Given your question, I think it highlights the importance of having a really nuanced understanding of the domestic politics in the Philippines.

We have already mentioned the seizure of some—the dissolution of some programs under this current administration, but also besides the Fulbright's research funding under Minerva grants, for example, have all been ceased, and as a professor at a university, you know, having people study these types of issues—we do not have Ph.D. students anymore that we are encouraging to learn languages, to do these sorts of things, because the funding has stopped.

Senator SHAHEEN. I agree. I think it is totally shortsighted and does not recognize how important soft power is to deterring conflict and aggression.

Dr. Cha, did you want to add anything?

Dr. CHA. I agree with that. It is not just a military alliance. It is a relationship.

Senator SHAHEEN. Right.

Dr. CHA. It is a political and social relationship that crosses generations. In all of these countries, all of these Indo-Pacific allies, as I mentioned in my testimony, it is about political engagement, not just military engagement.

In the case of the Vice President, it is a very important role for the State Department and others in terms of diplomacy's early engagement and socializing not just the elite, but also the public about why these nine ECTA sites are important.

Senator SHAHEEN. I want to go back to the information space because you have mentioned—several of you have mentioned RFA and VOA, and we had a hearing here on China—I think it was our first hearing—and one of the people testifying pointed out that China spends over a billion dollars, that we know of, a year in the information space trying to influence information in countries in the Indo-Pacific and much of it is disinformation and misinformation.

So can you talk about what that means for us when we are not playing in this space at all?

Dr. CHA. Sure, Senator.

So recently, I was asked—this was before the cuts—to speak to a group of Fulbright scholars who were going out to countries in Southeast Asia and Central Asia, places where there is a lot of Chinese media partnerships, and I told them that they should expect to go into an information environment in which everybody believes that the war in Ukraine was started by NATO.

They could not—they were Americans—believe that people would think that, but this is what happens when you try to fight something with nothing.

I think Oriana said it great when she said they spend eight times more on public diplomacy than we do. That about tells you who is dominating the information space and that, again, directly relates to the military.

That is not sort of two or three steps removed from the military. That directly relates to political consensus on access, basing and overflight.

Senator SHAHEEN. Yes, I do not—anybody else want to add?

Go ahead.

Dr. MASTRO. Ma'am, if I can just add, Xi Jinping himself has been very clear that his top priority is to be the leader of the developing world.

Before this administration came in, when I was providing recommendations and advice, I would say the United States has not really had a strategy towards the developing world in a long time and that should be our number one priority is enhancing and increasing spending in some of these areas.

We look at some of this propaganda coming out of the CCP and we think it is so heavy handed—who can possibly believe this, but after you spend time in a lot of these places and spend time in Beijing—I have been there for some of their top meetings of defense ministers with developing countries and the rhetoric about the imperial United States, the colonial United States.

I often have to remind everyone that the United States has never been a colonial power. It really resonates with a lot of these countries and these are places in some cases no U.S. president has ever visited. Xi Jinping has gone to 70 percent of the poorest countries in places like Africa, Central Asia, where our leaders just do not go.

It used to be the case that the Foreign Service could fit on one aircraft carrier. I wonder what it is going to look like in future years, but expanding our reach through those types of programs and departments is not only effective, as the other witnesses have highlighted, but it is actually relatively cheaper than trying to do it through military means.

Senator SHAHEEN. I am out of time and we have to go vote, but I just have a final question because I visited the Indo-Pacific last year and one of the countries we visited was Vietnam, and I was amazed at how positive all the leaders we met within Vietnam were about their strategic partnership with the United States, how they wanted to expand on that, the plans they had to grow the economy and their willingness to stand up to China in ways that many of the other countries in the region were not.

Does anybody want to speak to what opportunity we have with Vietnam?

Mr. Schriver.

Mr. SCHRIVER. Thank you, Senator. We poll as a country—not political leaders or parties, but as a country—94 percent favorable in Vietnam, which is just stunning given how recent our conflict was.

Senator SHAHEEN. Very stunning, yes.

Mr. SCHRIVER. Now, the Chinese poll in single digits and those two figures might be related, but that, to me, suggests there are definitely opportunities.

When I was at the Pentagon we did try to open things up. We had three aircraft carrier visits to Vietnam in about 3½ years.

There are ways we are expanding the relationship. We are helping them with the maritime domain awareness issues related to the Chinese incursions, but here is what I will come back one more time to things that we have suspended.

The dioxin remediation is absolutely critical. The war of—legacy of war issues are absolutely critical enablers to the broader military and defense cooperation that we want.

I have been to those sites, been to Bien Hoa. I have seen the local population how much they appreciate it because they have been concerned at the effects of Agent Orange. If we step away from that, these opportunities will close.

Senator SHAHEEN. I could not agree more and thank you all very much for your testimony today.

The CHAIRMAN. Thank you. Been a very interesting panel and we really appreciate all of your views on these matters, critically important to people of the United States.

We are—I am going to keep the record open for questions until tomorrow at the close of business and I would ask if you get a question if you would respond promptly.

I know you are volunteering to this, but, nonetheless, if you would help us in that regard, we really appreciate that. Again, thank you for your testimony.

The hearing is adjourned.

[Whereupon, at 11:38 a.m., the hearing was adjourned.]

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