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Introduction

Chairman Smith, Ranking Member Thornberry, distinguished members of the Committee, thank you for the opportunity to appear before you today to testify on policy matters related to the Department's efforts in the Indo-Pacific region. Pleased to be here today with the Commander of U.S. Indo-Pacific Command, Admiral Philip S. Davidson and the Commander of U.S. Forces Korea, General Robert B. Abrams.

The Indo-Pacific Framework

The U.S. National Security Strategy and National Defense Strategy affirm the Indo-Pacific as our priority theater. As a resident power in the region, the United States recognizes the strategic importance of the Indo-Pacific and our interests in the region are mutually-reinforcing: security enables the conditions for economic growth; burgeoning economies offer opportunities for American businesses; and American prosperity and security leads to a strong economy that protects the American people, supports our way of life, and sustains U.S. power.

For the past 70 years, the Indo-Pacific has been largely peaceful, creating the stability necessary for economic prosperity in the United States and the region. This was made possible by robust and persistent U.S. military presence and credible combat power as well as the region's collective adherence to international rules and standards, which support our vision for a free and open Indo-Pacific.

This vision for a free and open Indo-Pacific flows from common principles that underpin the current international order that has benefitted all countries in the region—principles we have a shared responsibility to uphold. These principles include respect for sovereignty and independence of every nation, no matter its size; peaceful dispute resolution without coercion; free, fair, and reciprocal trade and investment; and, adherence to international rules and norms, including those for freedom of navigation and overflight. Our vision for a free and open Indo-Pacific recognizes the linkages between economics, governance, and security—fundamental to the competitive landscape in the region—that economic security *is* national security.

These principles are the very ones that supported a system that allowed the United States to prosper and, from the ashes of the Second World War, enabled the people of this vibrant and dynamic region to prosper, as well. Perhaps no country has benefitted more from the free and open regional and international system than China, which has witnessed the rise of hundreds of millions from poverty to growing prosperity and security. However, our vision for a free and open Indo-Pacific is not shared by all – specifically, China.

Competition with China

The region increasingly is confronted with a more assertive and confident China that is willing to accept friction in the pursuit of its interests. China's pursuit of an alternative vision for the Indo-Pacific to reorder the region in its favor puts us on a pathway to strategic competition. The reemergence of great power competition—if not carefully managed—poses a challenge to the free and open order in the Indo-Pacific that underpins our continued peace and prosperity.

China is working to transform this order toward one favorable to its authoritarian governance model—one which has grown increasingly harsh and repressive. China is utilizing tools such as the One Belt, One Road to erode the sovereignty of other countries and induce them to behave in accordance with Chinese interests. China continues to challenge the rules-based system of international trade and intellectual property protection in order to erode U.S. technological advantages for commercial and military gain. In the security domain, China's rapid military modernization continues to increase PRC capacity to threaten U.S. interests and those of our allies and partners. China continues to militarize disputed features in the South China Sea and has also delivered coastal defense cruise missiles (CDCM) and long-range surface to air missile to Spratly Islands outposts, a clear sign that its intentions are not benign. This marks the most capable land-based weapon system yet deployed by China in the disputed Spratly Islands.

The NDS emphasizes competition, but this does not mean we seek conflict with China. One of the most far-reaching objectives of the NDS is to set the military relationship between the United States and China on a long-term path of transparency and non-aggression. Pursuit of a constructive, results-oriented relationship between our two countries is an important part of U.S. strategy in the Indo-Pacific region. The recognition that the United States and China are in competition does not preclude us from cooperating when our interests align. As we compete with China, we will continue to maintain military-to-military contacts aimed at reducing risk and pushing for China's compliance with international rules and norms. We are committed to building a military-to-military relationship that builds and reinforces the procedures necessary for preventing and managing crises, and encourage China to engage in behaviors that support peace and stability in the region and that support—rather than undermine—the rules-based international order. However, we will not accept policies or actions that threaten to undermine this order, which has benefited all countries in the region, including China.

The United States and China are not destined to be adversaries and we are prepared to support China's choices to the extent that China promotes long-term peace and prosperity for all in the Indo-Pacific.

Other Threats: North Korea, Transnational Issues

We also continue to face challenges from North Korea and transnational threats.

North Korea remains a military threat to the United States, our allies, partners, the region, and the international system. North Korea's illicit weapons of mass destruction program, developed and tested in violation of numerous United Nations Security Council Resolutions, destabilizes the region and is a direct challenge to the unanimous will of the international community.

This threat, growing for decades in spite of international efforts, prompted the President to approve a strategy of maximum pressure and engagement to impose costs on the Regime; and later to meet with Chairman Kim twice to offer an alternative path for the North Korean people.

At the Singapore Summit in June 2018, the first between a sitting U.S. President and a North Korean leader, Chairman Kim committed to the final, fully verified denuclearization of North Korea. The Joint Statement from the Singapore Summit is what continues to guide our policy.

In support of our overall efforts, the United States decided to suspend certain large-scale exercises. Since then, in cooperation with the Republic of Korea (ROK), we have mutually decided to modify our exercise program to ensure readiness of our combined forces to carry out the essential tasks necessary for the operations of U.S. forces in Korea

As the President has said, we are disappointed that we were not able to reach an agreement in Hanoi – but we remain committed to diplomacy. We left the Summit with a better understanding of each other’s position. The United States is clear-eyed about what we have committed to, and North Korea knows what we expect. We are firmly committed to a safe, stable, prosperous Indo-Pacific and look forward to the day when North Korea can rejoin the community of nations. That day will come only when North Korea comes into compliance with its international commitments.

In support of our efforts to achieve denuclearization of North Korea, DoD aims to ensure our diplomats continue to speak from a position of strength. Our alliances in the region remain ironclad, including with the Republic of Korea and Japan. Together we deter North Korean aggression and maintain our ability to protect the Homeland and win decisively should conflict ever occur.

Our alliances with the ROK and Japan are far more than military; however, it is important to acknowledge the ironclad nature of our military relationships. Three commands – the United Nations Command, U.S. Forces Korea, and the Combined Forces Command seamlessly integrate on the Peninsula to ensure the stability and security of the ROK. The United Nations Command remains the guarantor of the Armistice and natural home of international contributions. U.S. Forces Korea consists of 28,500 service members and their families in a visible symbol of our commitment to ROK and regional security. The Combined Forces Command is a truly binational command dedicated to the defense of the ROK.

Japan demonstrates itself to be a true friend of the United States and model ally. Japan is directly threatened by North Korea’s illicit weapons programs, and still mourns the loss of its citizens abducted by the North Korean Regime decades ago. Japan has devoted logistics, political, and operational support to our international efforts.

There is an active North Korean effort to undermine sanctions and sow political division in their execution. North Korea has turned to the use of illicit ship-to-ship transfers off China’s coast to evade caps on importing refined petroleum and the sale of textiles and coal. These restrictions were imposed and periodically strengthened as a result of North Korea’s illegal weapons development activity dating back to March 2016.

As the President noted, China is critical to our efforts and needs to do more to meet its own obligations. China shares a large land border, represents the vast majority of overseas trade, and China is North Korea’s only official ally. China supported the unanimous UN Security Council Resolutions after North Korea’s 2017 provocative nuclear tests and missile launches, and we are grateful for that support. The President has been straightforward, however, that more is needed. We have asked our Chinese counterparts at all levels to diligently monitor North Korea’s attempts at sanctions evasion, prevent illicit activity in their jurisdiction, and reinforce the

international system's conclusion that North Korea must come into compliance with its international commitments and abandon its illicit programs.

We also continue to face a variety of transnational challenges. From terrorism, illicit arms, drug, human and wildlife trafficking, and piracy to dangerous pathogens, weapons proliferation, and natural disasters, there are a host of additional, transnational, challenges throughout the Indo-Pacific of concern to the Department of Defense. Violent extremism continues to be a threat to the Indo-Pacific and there remain multiple terrorist organizations. Illegal unreported, and unregulated fishing (IUU), piracy, and criminal and drug-trafficking further challenge regional peace and prosperity. A region already prone to earthquakes and volcanoes as part of the Pacific ring of fire, the Indo-Pacific suffers regularly from natural disasters, which could be exacerbated by climate change, a source of concern to our partners in the Pacific Islands.

Despite these challenges, the United States is well positioned to address them, in no small part, through the Department of Defense's capabilities and relationships that make us an indispensable partner to the region.

National Defense Strategy

Developed in tandem and nested within the National Security Strategy, the 2018 National Defense Strategy remains the most effective aligning mechanism for the Department toward maintaining our competitive advantage in the Indo-Pacific. Overall, it guides the Department to defend the homeland; remain the preeminent military power in the world; ensure the balances of power in key regions remain in our favor; and advance an international order with allies and partners that is most conducive to our security and prosperity. The NDS is clear that the primary challenge to U.S. security and prosperity is the reemergence of long-term strategic competition with China and Russia and eroding U.S. military advantage vis-à-vis both revisionist rivals. If unaddressed, this will lead to increasingly aggressive behavior. The NDS also recognizes the dangers posed to the United States and our allies from nations such as North Korea.

In light of these challenges, the NDS prioritizes the Department's investments to compete, deter, and win. It directs the Department to sustain American influence through three lines of effort: building a more lethal force; strengthening our alliances and partnerships; and reforming the Department's business practices—the most effective avenues for addressing growing strategic competition with China and Russia.

The first line of effort is building a more lethal force. Noting the scope and pace of our competitors; ambitions and capabilities, the NDS outlines plans to invest in modernizing key U.S. capabilities including nuclear forces; space and cyberspace capabilities; C4ISR; missile defense; capabilities to strike diverse targets inside adversary air and missile defense networks; smaller, dispersed, resilient, and adaptive basing; and autonomous systems.

The second line of effort is strengthening alliances and attracting new partners. A core U.S. advantage is the strength and diversity of our alliances and partnerships, which are critical to our ability to protect the United States and project power around the world. The Department is committed to upholding our commitments while encouraging allies and partners to modernize

their defense capabilities and contribute more to collective security. The Department is also expanding collaborative planning, prioritizing requests for U.S. military equipment sales to deepen interoperability and training for high-end combat missions in alliance, bilateral, and multilateral exercises.

The third line of effort is reforming the Department for greater performance and affordability. The NDS recognizes the challenges presented by rapid technological advancements in dual-use areas, and the way China is blurring the lines between civil and military goals. Accordingly, it discusses efforts to organize Department structures to promote innovation, protect key technologies, and to harness and protect the national security innovation base to maintain the Department's technological advantage. The Department's support to whole-of-government actions also contributes to this response.

These efforts are reflected in the President's Fiscal Year 2020 budget, which reflects the President's vision for prioritizing the security, prosperity, and interests of the American people, and Acting Secretary Shanahan's vision for a future marked with more lethal, results-oriented Department of Defense with the capabilities and capacity to ensure national security and implement our National Defense Strategy (NDS) at the speed of relevance. Our FY2020 budget prioritizes innovation and modernization to strengthen our competitive advantage across all warfighting domains—a major milestone toward a more lethal, agile, and innovative Joint Force.

Strengthening Alliances and Partnerships in the Indo-Pacific

Beyond DoD's efforts to improve readiness and lethality, I want to speak further about our focus on maintaining a free and open Indo-Pacific built on strong alliances and growing partnerships and expanding collaboration and cooperation. As stated by Acting Secretary Shanahan, "starting in the Indo-Pacific, our priority theater, we continue to pursue many belts and many roads by keeping our decades-old alliances strong and fostering growing partnerships." U.S. engagement in the Indo-Pacific is rooted in our long-standing security alliances. They are nothing less than the bedrock on which our strategy rests, and as the NDS emphasizes, our network of allies and partners is a force multiplier for peace.

As such, we have strengthened our alliances with Australia, Japan, the ROK, and the Philippines, while maintaining our long-standing alliance with Thailand. These alliances are indispensable to peace and security in the region and our investments in them will continue to pay dividends far into the future.

We have also taken steps to strengthen partnerships with Singapore, Taiwan, and New Zealand, while operationalizing our Major Defense Partnership with India. Within South Asia, we are pursuing emerging partnerships with Sri Lanka, Nepal, Bangladesh, and the Maldives, and continue to take steps to strengthen security relationships in Southeast Asia including Vietnam, Indonesia, and Malaysia. We are also enhancing our engagement in the Pacific Islands to preserve a free and open Indo-Pacific region, maintain access, and promote our status as a security partner of choice, particularly in the face of increasing Chinese engagement. Finally, we continue to work with key allies such as the United Kingdom, France, and Canada on United Nations Security Council (UNSC) resolution implementation, conducting exercises and capacity

building efforts with other Pacific allies and partners, increasing information sharing, and promoting freedom of navigation.

Shared security in the Indo-Pacific continues to rest on U.S. military presence and a growing stable of alliances and close partnerships that promote interoperability and coordination. The Association of Southeast Asian Nations (ASEAN) is a key component of—and central to—our efforts to promote the values and policies enshrined in the U.S. Indo-Pacific Strategy: freedom of the seas; market economics; good governance; and respect for an order based on clear and transparent rules. Complementing U.S. diplomatic efforts, Our Secretaries of Defense have attended all the ASEAN Defense Ministers Meeting Plus (ADMM-Plus) ministerials since its inception in 2010, and we have matched this participation with active engagement in the ADMM-Plus subordinate mechanisms. In a large and interconnected region, especially one with so many strong, capable, and dedicated players, it is in our collective interest to network and link relationships to produce gains for all.

As the Indo-Pacific changes, the United States is augmenting its bilateral relationships with trilateral and multilateral arrangements, including through exercises, information-sharing arrangements, and multilateral operations like UNSC resolution implementation.

The United States continues to lead multinational exercises in the Pacific, such as the Rim of the Pacific Exercise (RIMPAC), the world's largest international maritime exercise involving 25 nations. Participating nations and forces exercised a wide range of capabilities, ranging from disaster relief and maritime security operations to sea control and complex warfighting. The DoD also holds a number of multilateral exercises with ASEAN member states and other global partners such as Cobra Gold, and the Southeast Asia Cooperation and Training (SEACAT) Exercise. This year, we will co-sponsor with Thailand the first ASEAN-U.S. Maritime exercise in September. With India and Japan, the MALABAR exercise affords an opportunity to increase our ability to operate trilaterally, including through real-time information sharing.

The United States along with multiple allies and partners are enforcing UNSC resolution sanctions against North Korea to restrict its illicit trade in support of its unlawful weapons program. Our alliances in the region remain ironclad, including with the Republic of Korea and Japan. Together we deter North Korean aggression and maintain our ability to protect the Homeland and win decisively should conflict ever occur.

The United States has launched the Indo-Pacific Maritime Security Initiative, which has boosted key partners' maritime domain awareness, and their ability to monitor and patrol territorial waters and EEZ's. Transferring a former U.S. Coast Guard cutter to Vietnam in 2017 and the historic U.S. aircraft carrier visit to Vietnam in 2018 demonstrate our strengthening relationship. We welcome deepening defense cooperation with Indonesia, and Jakarta's leadership on common regional principles and support of regional institutions to increase the collective ability to deter aggression and maintain stability. The U.S.-India relationship is moving toward deeper security cooperation by increasing operational cooperation and availing key maritime security capabilities.

Fundamentally, our alliance and partner networks rest on a bedrock of military strength. The enduring mission of the Department is to provide combat-credible military forces needed to deter war and protect the security of our nation. Should deterrence fail, the Joint Force is prepared to win.

In an era of renewed great power competition, our adversaries, allies, and the American people should know the United States has the will and the flexible, resilient, and lethal forces needed to protect peace in the region and beyond.

Conclusion

The Department of Defense is working within the NDS framework to ensure we are on a trajectory to compete, deter, and win. The United States is an Indo-Pacific power, by history and tradition; by our present commitments and political, economic, socio-cultural, and security engagements; and by our future aspirations. The Indo-Pacific is our priority theater and our strategy is designed to ensure we have ready and capable forces in the right places across this vast region at the right time, and equally ready and capable allies and partners that are able to cooperate with us, and each other, to ensure peace and stability in the region.

Our vision for the Indo-Pacific is one where all nations, large or small, are confident in their sovereignty, and able to contribute to a regional order that is safe, secure, prosperous, and free. Or, as the President has said, “each its own bright star, a satellite to none.”

Thank you for the opportunity to participate in this hearing and for your ongoing support of the Department of Defense.