# Statement before the House Foreign Affairs Subcommittee on Asia, the Pacific, Central Asia, and Nonproliferation

"The Strategic Importance of the Pacific Islands" Testimony by James Loi, former Deputy Assistant Secretary of State Bureau of East Asian and Pacific Affairs, U.S. Department of State October 20, 2021

Chairman Bera, Ranking Member Chabot, distinguished Members of the Subcommittee, thank you for the opportunity to offer my perspectives on the "The Strategic Importance of the Pacific Islands".

This hearing is timely and important given the Biden Administration's heavy focus on strategic engagement in the Indo-Pacific region. In the past, it was often the case that for Asia-Pacific policy hands, "Indo" and "Pacific" served as geographic bookends for policy priorities directed at allies, partners, and friends in northeast and southeast Asia. In recent years, the rhetorical shift from "Asia-Pacific" to "Indo-Pacific" has had its intended effect of broadening not just the bureaucratic geographic scope of what constitutes "Asia" but importantly also the outlook and ambition of policymakers. The clearest manifestation of this is the Quad which is providing new energy to strategic relations with India and a framework for broader strategic collaboration with longstanding allies Japan and Australia. We must now ensure that this broadened Indo-Pacific policy scope also encompasses a re-invigoration of our approach to relations in the Pacific.

## Strategic Importance

Few would dispute the strategic importance to the United States of the Pacific Ocean as a body of water through which vital trade flows and from which the U.S. is able to project military power, as a critical source of fishery and other natural resources, and as a barrier creating distance from threats to the continental United States emanating from its west. By extension then, it should be self-evident that Pacific Island states are of strategic importance to the United States. Afterall, these states' Exclusive Economic Zones cover vast portions of the Pacific and their relations and cooperation with the United States and/or competing major powers hold potential to impact critical sea lines of communication, U.S. power projection, and U.S. economic security. During World War II the strategic importance of the Pacific Islands was abundantly clear. It would be a mistake to believe that is no longer the case. The debate then, should be less about whether the Pacific Islands are strategically important to United States, and more about how U.S. policy towards and engagement with Pacific Island states can best preserve and protect U.S. interests and advance the interests of our Pacific partners. With that in mind, I will focus these written comments on ways in which the United States can enhance its engagement with the Pacific.

#### Policy Attention and Staffing

The United States government engages most effectively when it does so with a clear strategic policy, implemented through a broad, coordinated interagency approach and guided by focused coordination from the National Security Council (NSC). A look at Executive Branch staffing will typically reveal policy and engagement priorities. By this measure, there are some anecdotal indications of increased attention to the Pacific but a clear sense that more resources, both in Washington and the region are necessary. At the State Department, staffing dedicated to Pacific Island affairs has increased over the past decade but remains embedded in the office also responsible for Australia and New Zealand affairs vice as a stand-alone office. At the NSC, there had been a dedicated Pacific Islands director during the Trump Administration but that portfolio has once again been folded back into a position with broader geographic responsibilities, which could detract from attention paid to the Pacific. How other key agencies such as Defense, Interior, Commerce, and USTR are staffed is less clear and bears examination.

**Recommendation:** Establish a clear roadmap for U.S. policy towards the Pacific. Examine Executive Branch agency manpower dedicated to the Pacific and ensure budgeting is aligned

with staffing needs and requirements. Encourage the State Department to create a stand-alone Pacific Islands office within the Bureau of East Asia & Pacific Affairs.

#### Presence & Participation Matter

Relationships and direct engagement always matter in international relations, but arguably more so in the Pacific where elite circles are smaller and disproportionately influential. Politically, economically, and culturally the Pacific is far from homogenous. Understanding and navigating the nuances between and within Micronesia, Melanesia and Polynesia require presence and experience. The U.S. government is handicapped by not having permanent on-the-ground diplomatic staff in many Pacific Island countries. Just as politics are local, so is diplomatic engagement. The tyranny of distance and logistical challenges of inter-island travel create built-in disadvantages for the current model where certain U.S. ambassadors are accredited to multiple Pacific Island governments. Restrictions imposed by COVID have magnified those challenges and placed U.S. diplomatic personnel at a disadvantage.

**Recommendation:** Consideration should be given to creating an on-the-ground permanent diplomatic presence in the Solomon Islands, Kiribati, Nauru, Tonga and Tuvalu. The U.S. diplomatic presence in Samoa may serve as a useful model.

Pacific regional architecture and the fora within it are important means of engaging Pacific Island governments, demonstrating U.S. commitment, and advancing U.S. policy priorities. Senior level U.S. engagement in and participation at annual Pacific leader level meetings is inconsistent and undermines U.S. credibility and perceptions of its commitment. Creating predictability around the level and frequency of U.S. participation is important and, even if at a sub-Cabinet level, would be better than occasional and unpredictable participation at the Cabinet level.

**Recommendation:** Look at ways of building in predictability in U.S. engagement at annual meetings of fora like the Pacific Islands Forum (PIF), including through a commitment to attend

at a specific senior level or establishment of a rotational schedule at a Cabinet Secretary or Deputy-Secretary level amongst key agencies (e.g., State, Interior, Commerce).

### Play to U.S. Strengths

Stepped up Chinese engagement in the Pacific and Beijing's use of debt diplomacy and economic coercion in the Pacific have justifiably raised eyebrows and concerns. However, China should not become or be perceived as the raison d'etre for U.S. engagement or be allowed to drive a reactive U.S. approach of whack-a-mole. U.S. engagement is most successful when it is forward looking and multi-faceted, encompassing political, economic, security and people-topeople elements. Celebrating and recalling sacrifices from World War II are important parts of our shared history and legacy but resonate less with younger generations of Pacific Islanders. We must celebrate our heritage while also providing a path forward. Soft power initiatives like the Peace Corps, Fulbright scholarships, the U.S. Navy's Pacific Partnership, and U.S. Coast Guard capacity building programs are powerful tools not easily replicated by our competitors but are often the first to be cut. Similarly, U.S. economic initiatives including through USAID, the Millennium Challenge Corporation (MCC), the South Pacific Tuna Treaty, and the Compacts of Free Association if sustained and, as applicable, renewed in a timely fashion, are critical to demonstrating enduring U.S. commitment. Finally, as the United States does in other regions of the world, in the Pacific we must leverage the force multiplying capabilities and expertise of allies and partners like Australia, Japan, New Zealand and Taiwan. The electrification program in Papua New Guinea is one such recent example of this. The United States can achieve much more in the Pacific if it integrates and coordinates its efforts with like-minded partners.

**Recommendation:** In the Pacific, a little can go a long way. Even modest increases to the budgets for the aforementioned programs can have a major impact. Consider new infrastructure initiatives through MCC and USAID and increases to programs for technical and higher education. Ensure Compact of Free Association negotiations with the Republic of Palau, Republic of the Marshall Islands and Federated States of Micronesia are concluded and legislatively authorized in a timely fashion. Pursue a mutually beneficial extension of the South Pacific Tuna Treaty.

## Meaningful Support on Climate Change

The threat of climate change is existential for most Pacific Islanders. Coastal erosion, drought, flooding, water scarcity and soil salinization are challenges in the Pacific now. There is no single issue of greater importance to Pacific Island governments yet it is one where U.S. assistance is most susceptible to disruption. At present, the United States is well positioned to play a global leadership role in addressing climate change and to provide meaningful mitigation and adaptation assistance. But if the U.S. is to maintain credibility in the Pacific in the long-term, we must ensure that U.S. climate assistance is sustained, targeted, and shielded from being turned on/off by the U.S. political calendar. Debates on the root cause of climate change and how to stop and reverse it will continue, but to deny the impacts already being felt in the Pacific is a sure-fire way to fatally undermine U.S. strategic interests in this region.

**Recommendation:** Identify longer-term stable funding streams for climate change assistance.