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Chairman Bera, Ranking Member Chabot, and distinguished Subcommittee members, thank you for the opportunity to appear today.

As a veteran analyst of the U.S. Indo-Pacific region and the former third-ranking official at the U.S. Agency for International Development, I support intelligent and active engagement to better the lives of the more than 60 million people living in the five Lower Mekong basin countries comprising Cambodia, Laos, Myanmar, Thailand, and Vietnam. However, before the United States forges ahead with more well-intentioned policies and programs, we must appreciate not only the rich diversity of the Mekong region but also the looming challenge posed by the neighboring great power, China.

My brief testimony focuses on Beijing’s hegemonic policies designed to underwrite security and economic dominance on China’s periphery, expand control over natural resources of the Mekong River and which flow through the Lower Mekong states, shape the information environment that promotes preferred narratives, and establish a strategic land bridge to the South China Sea, the Gulf of Thailand, the Andaman Sea, and the Bay of Bengal—in short, bypassing the Malacca Strait and reaching out to the Indian and Pacific Oceans.

One of the primary challenges the United States faces in maintaining its influence in the Mekong region is China’s powerful sway over the other five countries through which the river flows. As the United States forges a smart foreign policy engagement with the Lower Mekong basin, it is imperative to consider how Beijing’s military, economic, technological, and political ambitions affect the U.S. and partner cooperation with continental Southeast Asian states.

Military Influence

The mounting capabilities of the People’s Liberation Army (PLA) are comprehensively yet concisely presented in the Department of Defense’s 2022 report on *Military and Security Developments Involving the People’s Republic of China*. The PLA’s overwhelming military capabilities relative to those of all five Lower Mekong states is a local reality that explains Beijing’s reach and mainland Southeast Asian states’ delicate efforts to retain their autonomy.

No country is more aware of this predicament than Vietnam, which balances close political and economic relations with China even as it pursues outside security partners, especially the United States. Officials in Hanoi know that the most recent war fought by the PLA was against Vietnam in 1979. Vietnam rejects China’s unjustifiable nine-dash line claims in the South China Sea and disputes sovereignty over the contested Paracel and Spratly Islands. Still, it also regularly engages in coast guard and navy patrols with its Chinese counterparts.

Stepping back from the details of China's military engagement with the Lower Mekong states, the basic pattern of behavior underscores PLA efforts to expand its ability to rebuff foreign intervention on the periphery of mainland Asia. Trade, development, and other economic and political instruments seek to reinforce an advantageous military posture, which in turn serves to protect China's economic and political interests. Joint exercises and training, weapons and equipment exchanges, military-to-military engagement, and command over digital networks and outer space activities combine to deepen the ability of the PLA and Chinese paramilitary forces to control its southern periphery and near seas. As a result, China can better project military power throughout maritime Southeast Asia and the far seas stretching across the Indian Ocean to the Middle East, Africa, and the Mediterranean.

China's support for upgrading Cambodia's Ream Naval Base, which juts out into the Gulf of Thailand, appears to be the PRC's first overseas military base in Asia. Notwithstanding denials by officials in both Phnom Penh and Beijing, China is funding construction and a deeper port for potentially docking larger Chinese naval vessels. Cambodia even relocated a facility built by Vietnam off Ream Naval Base to placate the PLA. Further, Cambodian and Chinese officials converged on Beijing in September to mark the handoff of PLA military supplies to Cambodia. China has invested in a deep-sea port on the Cambodian island of Koh Kong, which could provide the PLA with significant naval and air capabilities should a future contingency require it.

In western Myanmar, China aspires to build military bases and installations looking out to the Bay of Bengal. Although Myanmar's military coup of early 2021 has devolved into massive civil unrest and economic downturn, China has been adamant about protecting its enormous investments in crucial infrastructure and energy flows to maintain political and economic stability. The PLA has considered building a military logistics facility in Myanmar, presumably near Kyaukphyu, the deep-sea port on Myanmar's west coast that provides a back door to the Indian Ocean. Experts have pointed to the "string of pearls" pattern developing along the Eurasian periphery to Hambantota Port, Sri Lanka, Gwadar Port, Pakistan, and Chinese PLA Navy piers in Djibouti. It would be surprising if China did not gradually enhance its security presence in this region in the next several years. These facilities are relatively close to vital maritime chokepoints and shipping lanes. The PLA wants to track U.S. military operations and be capable of waging sea denial and control operations in these distant seas to prevent the timely reinforcement of U.S. military operations near the East and South China Seas.

None of this will be made explicit by China or its host nations. Cambodia's national constitution strictly forbids the presence of any foreign military base on its soil, and yet, Chinese officials engage in sloganeering rather than transparency as it furtively seeks to complete the construction of the Ream Naval Base and pursue other basing locations. As Chinese State Councilor and Defense Minister General Wei Fenghe shared at the ASEAN Defense Ministers' Meeting Plus (ADMM-Plus) in Siem Reap, Cambodia, last month, under the core leadership of Xi Jinping, China seeks a great national rejuvenation. Beijing thinks the entire region should align with Beijing's Global Security Initiative and resist small cliques and divisions. Those and similar phrases fit into China's current regional charm offensive, but they mask the implications of Beijing's desired end state on the Lower Mekong states.

Of greater interest to the militaries of mainland Southeast Asia are China's buffet of military and humanitarian assistance offered to these countries. This aid ranges from instruction in using

unmanned and smart weapons (drones) at the “Great Wall-22” International Forum on Counterterrorism in Beijing in August of this year, to pandemic assistance, to providing weapons and support in satellite launching and data stations. In all these types of aid and more, China’s military instruments of statecraft are evident. Some of this assistance is longstanding; Vietnam and China concluded their 33rd joint naval patrol in Beibu Bay last month.

Some military statecraft is new or at least conducted in the current environment. For example, despite its brutal civil crackdown, Myanmar’s military, the Tatmadaw, is participating in China’s virtual International Military Personnel Training Webinar at the PLA Army Logistics Academy this week. Yet Beijing claims the effort will build “a community with a shared future for mankind.” Underscoring a similar theme, last year, Thai forces participated in UN multinational peacekeeping exercises in China under the banner of “Shared Destiny-2021.”

Chinese strategic and tactical weapons are also part of Beijing’s military engagement with these Mekong region states. Myanmar has displayed SY-400 TEL precision-strike weapons (a version of China’s DF-12 short-range ballistic missile downgraded for export). Last year China delivered a Ming-class submarine to Naypyidaw. Thailand purchased a Yuan-class sub in 2017, although China has had difficulty providing the platform. But in 2019, China produced a Type 071E landing platform dock ship to Thailand, the first recipient of a PLAN Yuzhao-class LPD.

China’s provision of public goods in cyber and outer space to Mekong countries serves another objective of making these neighbors dependent on Beijing, which is busy harvesting big data from the exchange. For instance, China has built satellite receiving stations in Thailand, an associate member of the China-dominated Asia-Pacific Space Cooperation Organization (APSCO). All data are sent to the Chinese Academy of Science’s National Astronomical Observatory of China. China has also provided satellite carrying or launching services for Laos.

Finally, one discerns in China’s multifaceted military activities among these five states of the Mekong region, a determined effort to win over or intimidate Thailand, a U.S. ally, and Vietnam, the one state most likely to engage in maritime boundary disputes with China. Experts are still debating the outcome of the Communist Party of China’s 20th National Congress in October. Still, it seems noteworthy that Vice Chairman General Zhang Youxia remains on the Central Military Commission for a third term despite his age; his father served with Xi Jinping’s father at the end of China’s Civil War in 1949 and thus is one of the PLA’s ‘princelings.’ In addition, General Li Zuocheng, Chief of the Joint Staff Department, is one of the few remaining active-duty officers with combat experience in the border war with Vietnam. Such personnel decisions at the highest level undoubtedly send a message to Vietnamese leaders and Vietnam’s many security partners: the PLA rewards operational combat experience and is moving toward an unsurpassed military capability in the region. Of course, China relies not just on military forces to deal with these neighboring states but the paramilitary forces of the People’s Armed Forces Maritime Militia; for instance, they were involved in the 2014 defense of China’s HYSY-981 deep-sea oil rig off Vietnam.

Economic Influence

China's economic influence is even more straightforward than its military engagement with the five Lower Mekong states. Trade, investment, the protection of vital energy and supply chains, and the signature Belt and Road Initiative (BRI) are at the heart of Beijing's economic statecraft for gaining regional influence. Without conflating all economic assistance under the rubric of BRI, China's financing and construction projects span many sectors—energy, transportation, chemicals, rare earth metals, health services, telecommunications, agriculture, and entertainment. Even as the pandemic and slowing economy have shifted China's emphasis towards a Health Silk Road and Digital Silk Road, energy and infrastructure investments still stand out as China's leading economic contribution to the development of this region. These include:

- In Myanmar, a pipeline that can deliver 440,000 barrels a day of crude oil from Saudi Arabia and other suppliers to Yunnan Province via Kyaukphyu and a gas pipeline that can provide up to 12 billion cubic meters of natural gas a year to China.
- In Thailand, last year, BRI supported the building of the first and largest 5G smart hospital in Southeast Asia, using Huawei's 5G network, cloud services, and artificial intelligence. In addition, once a feasibility study is finished in 2023, China may bid on the centuries-old dream of building a canal—or a cheaper land bridge with major transshipping infrastructure—across the Kra Isthmus to connect Chumphon Province along the Gulf of Thailand to Ranong Province in Southwestern Thailand, as part of its “string of pearls” forward-basing objectives. The combination of pan-Asian railways and major ports would lock in China at the center of trade and transportation in most of Southeast Asia.
- In Laos, the 2021 completion of the China-Laos Railway, which at \$6 billion represents about a third of the GDP of Laos, speeds travel from the capital of Vientiane to the Chinese border. However, the social and environmental costs of this and other large infrastructure projects are at the center of debate in the Mekong region, suggesting that sometimes the most ambitious BRI projects often impose crushing indirect costs, from debt to droughts and the loss of fish stocks and farmland in the Lower Mekong countries.
- In Cambodia, where China's investments topped \$15 billion during 2012-2017, BRI concentrated on energy projects and a nearly \$2 billion expressway linking Phnom Penh with Sihanoukville, Cambodia's principal port town. Among the significant new projects announced last month on the margins of the ASEAN meetings were an expressway from Phnom Penh to the Vietnamese border and a rail link between Cambodia's capital and the capitals of Thailand and Laos.

Trade remains a massive draw between China and Vietnam. The Chinese reminded General Secretary Nguyen Phu Trong of Vietnam when he was the first leader to visit Xi Jinping after the 20th party congress in October. China is Vietnam's biggest trade partner, with some \$168 billion in bilateral trade last year. In addition, with China-ASEAN pressing a Free Trade Agreement 3.0 and playing a leading role in the Regional Comprehensive Economic Partnership (RCEP), China reminds ASEAN members that trade between their countries is valued at about \$880 billion as of September. And Beijing seems eager to leverage this monetization of trade dependency to preempt regional governments from adopting the rules and standards created by the U.S. Indo-

Pacific Economic Partnership (IPEF) that may impose new trade restrictions and create other constraints on critical Chinese industries.

In short, China's military and economic influence add to significant political power and clout over the five states of the Mekong region.

Concluding Guidance

In enumerating ways China is pushing deeper into the Mekong region, my aim is not to suggest the containment of China but the promotion of clear-eyed U.S. programs that advance our national interests and those of independent sovereign states in Southeast Asia. A clear insight of this statement is the need to ensure appropriate governmental agencies closely track and assess China's efforts to gain influence among these five countries. But I would also emphasize the following three guidelines for policymakers.

First, ensure that this region's U.S. foreign policy initiatives are analyzed for their strategic value. The breadth and scope of Beijing's efforts in the Mekong region cannot be matched by the United States, even when working closely with allies and partners. A more strategic approach that makes tough tradeoffs and establishes clear priorities and vigorous implementation plans will be pivotal to achieving the desired strategic effects of U.S. engagement. This should not imply securitizing all programs, from humanitarian assistance to environmental assistance, but simply being realistic about how China's influence operations and geopolitical strategies may nullify the intended benefit of our policies and finite foreign aid and other resources. The goal should be to help the people of the Lower Mekong -through affirmative and transparent policies - achieve prosperity and sustainable development without conceding sovereignty and strategic autonomy to a hegemonic power like China while maintaining a strong foothold for U.S. interest in the region. To work toward this objective, the U.S. Congress has clear oversight and budgetary obligations to ensure that all programs relevant to the Mekong region address their value and impact, considering Beijing's efforts to blunt U.S. influence and expand China's suzerainty over continental Southeast Asia.

Second, substantially enhance U.S. capacity-building programs with each of the Lower Mekong basin countries in ways congruent with American values and interests. The nature of the junta in Myanmar and, to a lesser extent, China's towering shadow over Cambodia and Laos suggests that particular emphasis should be given to Thailand and Vietnam. One is a de jure ally, and the other a de facto ally. Both countries are vital to Southeast Asia's future and are stakeholders in the Indo-Pacific Economic Framework (IPEF). Both value their strategic autonomy and have historically resisted outside intervention. Both can reduce direct dependence on China's party-state-dominated economy while complicating any PLA military operations to alter the regional status quo by force or coercion. Capacity-building should accentuate IPEF efforts to establish standards and secure supply chains in critical areas and education and training, most likely to empower these countries to shape their destinies within a rules-based order that preserves natural resources and peace. The U.S. Government should encourage some of America's outstanding universities and colleges to explore ways to significantly expand language training and education in science and technology, including engineering, information technology, and health care.

Third and finally, educate and promote U.S. foreign policy aims and programs. That is, help educate Americans better to understand this fascinating region's complexities and strategic importance. Equally, help inform the part about America's commitment and good-faith efforts to responsibly advance the interests of Lower Mekong basin countries within a free and open Indo-Pacific. The former implies further support for educational exchanges, foreign language training, and international affairs programming; the latter requires more vigorous strategic communications. To ensure progress is being made, need periodic, third-party assessments and surveys to establish that people in the region understand what the United States is seeking to achieve, why it is doing so, and how it aims to succeed.