

Committee on Natural Resources Indo-Pacific Task Force Oversight Hearing

1324 Longworth House Office Building

June 14, 2023, 10:00 AM

“How the Compacts of Free Association Support U.S. Interests and Counter the PRC’s Influence.”

Questions from Rep. Westerman for Albert V. Short, Colonel, U.S. Army (ret.); former Chief Negotiator for 2003 Compact of Free Association:

1. We are seeing the PRC become increasingly effective in conducting its influence operations in the FAS.

Question: Is this a result of low U.S. engagement in the region, increasing efforts and resources by the PRC for its influence operations, or conditions in the FAS?

Response by: Albert V. Short, Colonel, U.S. Army (ret.); former Chief Negotiator for 2003 Compact of Free Association:

Congressman Westerman your question correctly addresses three areas which collectively contribute to the increasing People’s Republic of China (PRC) influence in the Pacific Islands, with specific reference to the Freely Associated States (FAS), the Republic of Palau, the Federated States of Micronesia, and the Republic of the Marshall Islands. Also, we cannot ignore the PRC threat to the U. S. territories of Guam, the Northern Marianas, and even American Samoa.

Your first question: Is this the result of low U. S. engagement in the region? The short answer is YES!

Historically, we have left many Pacific Island engagement decisions to Australia and New Zealand. There is nothing wrong with that approach, they are valuable long-term partners in the Asia Pacific, however we should not neglect the area and simply feel that somebody else is taking care of our problems.

U. S. focus on this area has been less than optimum for years. What we need is a long-term strategy that addresses our strategic objectives, considering the threatening PRC activities, and in the context of the PRC’s worldwide “belt and roads initiative”.

As I noted in my prepared remarks, we need centralized strategic planning and control at the national level here in Washington, and then effective long-term implementation on a regional

basis. Today, that is simply lacking. We tend to be transactional by responding to situations that arise. Rarely are we up front on situations or activities. We are playing catch up.

Thus, the first step in achieving U. S. interests in the FAS, and in the wider Indo-Pacific is an effective coordination mechanism within the Executive Branch, with consultation with the Congress, on our strategic goals and the best methods to achieve them. Today, we simply do **not** have such a mechanism in the Executive Branch.

At the Washington level this begs the question, “who is in charge of securing our vital interests and countering the PRC influence?” Right now, it is simply not clear. It's time to establish, perhaps in the National Security Council (NSC), a mechanism to pull together and coordinate all U. S. assets and concerns.

We do not have a strategic view that we implement with actions and reactions over a long period of time. Thus, we have given the PRC a great field advantage in conducting their influence activities in the FAS and throughout the Pacific Islands.

Your second question concerns the significant PRC's influence operations in the Freely Associated States and the inroads they have made. First, the PRC activity in the FAS is a subset of their broader objectives in the Indo-Pacific for regional dominance. There is no question, the PRC is actively seeking regional dominance in the Pacific Islands, as they have established in the South China Sea.

The PRC is in the game both short term and long term. The recent *tour-de-force* by the PRC Foreign Minister throughout the Pacific Islands clearly highlighted this high-level PRC focus, but it is the day-to-day activities targeted to subvert the Pacific Islands that are the real threat.

While the media emphasizes the PRC's large scale infrastructure projects, what is missed is the low level political and economic activity such as buying into local businesses, influence operations in media that support PRC political objectives, social activities such as friendship organizations, and scholarships for study in China. All this results in a host of multifaceted economic, social, political, informational, psychological warfare operations all focused on the goal and that goal is clearly regional dominance. Regional dominance means elimination of United States and our allies influence in the area.

Look at the activities of the PRC that go back 20 or 30 years in the South China Sea where they are claiming total dominance.

We need to take the gloves off with the PRC. As I pointed out in my remarks at the hearing, the PRC does not play by the rules... their rules are any means to the end and that end is regional domination.

Why is this vast ocean area of interest to the PRC? There are two main lines of communication, both air and surface, in Asia, one is through the Straits of Malacca north through the South China Sea, and the other is across the Pacific through the Pacific Islands. If one controls both

lines of communication, it effectively cuts off the so-called frontline states, Korea, Taiwan, Japan, Philippines, and others.

You don't have to be a military strategist to realize that should the PRC be successful in dominating the Pacific Islands and their lines of communication, it will effectively be a flank attack on our partners in Japan, Korea, Taiwan, Philippines, and southward.

Your last point concerns the conditions within the FAS which have facilitated PRC encroachment.

The PRC approach is multifaceted and multiyear, it is economic penetration and political (especially anti- Taiwan), it is social activities, it is influence warfare, the entire gamut of national power and influence operations directed at the governments and people of the FAS.

As I noted in my prepared remarks, the FAS and by extension all the Pacific Island nations are vulnerable because:

- They are remote, have a very small land mass, and are geographically isolated in the central Pacific,
- They have a very thin population, about 200,000,
- They lack natural resources (except fish),
- They have poor infrastructure and generally fragile governments because of the small population and weak economy.

While the Freely Associated States have made significant progress in the last 40 years, with the noted shortcomings, they still will require U. S. assistance. This includes programmatic support especially in infrastructure, education, and health. The compacts as renegotiated will continue grant assistance for another 20 years again with emphasis on infrastructure, health, and education.

The Compacts of Free Association provide a framework for a relationship, but that is the formal side. To be effective the relationship must be much deeper than a piece of paper and a few signatures. Over 40 years, we have built an effective relationship with the Micronesian States, but it can always be better. As we seek to support our long-term interests, people to people relationships, built over time and built on common bonds are key.

In these small nations, person-to-person communication is perhaps more vital then when dealing with NATO or Japan or some other world power.

The Peace Corps is a classic example of relationship building. During the Trusteeship, we had more Peace Corps volunteers in Micronesia than anywhere else in the world. However, that program was ended, perhaps for all the wrong reasons. It is now time to reestablish the Peace Corps in Micronesia and build grassroots relationships, as we did in the 60s and 70s.

We have U. S. embassies in all the Micronesian capitals and capable foreign service personnel and local nationals who solve low-level and sometimes high-level issues that come between any two nations.

CINCPAC, in Hawaii, has been a key element in building effective relations with the Micronesian States. On one hand it facilitates Micronesian recruitment for the U. S. Armed Forces where they serve in large numbers. It also has frequent meetings and exchanges in Honolulu and in the FAS on security and defense issues.

Thank you for the opportunity to address these issues which should be key factors when the Congress of the United States, and this Committee, considers passage of the Compacts of Free Association which have recently been submitted by the Administration. Expeditious action on the Compacts by this Committee and others is essential, and will send a positive message of continued U. S. interest and commitment to democratic government in the FAS and the broader Pacific Islands.