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“How the Compacts of Free Association Support U.S. Interests and Counter the PRC’s  
Influence”  
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Congressional Testimony of Col. Grant F. Newsham

Chair Radewagen, Co-Chair Sablan, and distinguished members of this Task Force, thank you for the privilege and honor of inviting me to testify today.

I will be focusing on the role and importance of the Compacts of Free Association to U.S. defense and security interests and countering Chinese influence.

**Broad Outline of Current U.S. Military Pacific Strategy**

The Compacts of Free Association (COFAs) with the Republic of Palau, the Federated States of Micronesia, and the Republic of Marshall Islands underpin the entire United States defense posture and strategy in the Western Pacific and East Asia.

U.S. Pacific defenses are concentrated on the western edge of the Pacific – along the so-called ‘first island chain’. This ‘chain’ runs north-south from Japan to Taiwan to the Philippines and on to Malaysia. One should also include South Korea and Australia as part of this broad defense line. America has major military bases in Japan and South Korea, along with expanding military access in northern Australia, and has recently obtained access to a number of military sites in the Philippines. Taiwan is also an informal ally.

The thinking behind the strategy is that geography and U.S. forward deployed and partner forces can serve to hem-in the Chinese military and restrict the ability of the People’s Liberation Army (PLA) to conduct operations beyond the first island chain.

This somewhat linear U.S. defense scheme requires a secure ‘rear area’ – particularly for operations and logistics in support of the forward defenses. The Freely Associated States, along with U.S. Territories Guam and the Commonwealth of Northern Mariana Islands (CNMI), occupy what is effectively part of a huge east-west corridor running from the U.S. West Coast to Hawaii, beyond to Guam and onward to the first island chain defense line.

One analyst has correctly described this as a ‘power projection super-highway.’

The ability of U.S. forces to operate along this corridor – free of enemy interference - is indispensable. The Guam U.S. Asia Security Alliance (GUASA) has also described Micronesia – including the Freely Associated States and Guam / CNMI as constituting “a natural ‘plug’”, potentially closing off the South Pacific and the whole of the remainder of the Pacific south and east from Asia beyond the International Dateline, – to Hawaii and past to the West Coasts of North and South America.”

## **China Understands the Importance of (Undermining) the COFAs**

The military importance of COFA is obvious, if not intuitive, when viewed from the American perspective. The Chinese perspective is equally instructive as to COFA's value.

Viewed from a Chinese strategist's perspective, the Central Pacific's geography is both an obstacle and an opportunity. The easiest way to understand Chinese thinking is to look at the map of the Western Pacific with the PRC mainland on the left and the Hawaiian Islands at the far right. Then, imagine you are hovering over the Chinese mainland and looking eastwards.

The first thing you see is a chain of islands starting at the Russian Kuriles in the north and extending southwards through Japan and the Ryukyus (Okinawa) and onwards to Taiwan. Continue on and the Philippine archipelago appears, and then the chain ends at the island of Borneo before anchoring at the Straits of Malacca.

The only way for People's Liberation Army Navy ships and submarines and PLA Air Force aircraft to penetrate this portion of the first island chain is via a number of narrow straits. If the occupants of the land on either side of the 'gaps' are unfriendly, it is a small matter to effectively close off access by employing anti-ship missiles, sea mines, submarines, and anti-aircraft weapons.

This is a major headache for Chinese defense planners. The founder of the modern People's Liberation Army Navy, Admiral Liu Huaqing referred to the first island chain as a 'metal chain' restraining Chinese aspirations.

China does not have any obvious friends anywhere along the first island chain, especially now that President Ferdinand Marcos has replaced the mercurial President Roderigo Duterte in the Philippines and has quickly shifted the country back towards its longstanding alliance with the United States.

Look at the map and it's easy to understand Chinese interest in breaching the first island chain – say by threatening Taiwan into submission – and using force if necessary.

However, as the Chinese strategists look beyond the first island chain they see another island chain. This one runs from Japan down through Iwo Jima and onward to Guam and the Commonwealth of Northern Marianas, and then continues southwards through the Federated States of Micronesia and on to Indonesia and Papua New Guinea, and then to Australia. This is the second island chain.

There is even a third island chain running from Alaska through Hawaii and ending in New Zealand. Although not well remembered these days in the West as the World War II generation passes away, for decades the names Tarawa, Saipan, Guam, Tinian, Kwajalein and Peleliu were widely recognized as synonymous with the bloody fighting the Pacific. And are resonant in the minds of military planners in China.

The PRC fully intends to break these chains.

China is dead set on building a world class military able to project power – spearheaded by the Chinese Navy (PLAN) – that is capable of challenging, and eventually displacing, the United States Navy as the world’s preeminent naval power. The Chinese Navy is well on its way. For the last decade the PLAN has been launching five ships for every one the American Navy launches and now has far more surface combatants than does the US Navy.

American naval strategist, Paul Giarra stated things grimly but correctly:

Between 2016 and 2020, the Chinese navy has added to its fleet essentially the equivalent of Japan’s entire current surface fleet.... The Chinese navy is building larger and more formidable surface combatants far faster than anyone else, with at least eight hulls already launched of a brand-new class of large surface warships. It is starting to deploy its new carrier force in ways reflecting [America’s] own practice. Its growing amphibious force is a tangible threat to its neighbors. The PLA Navy is on track to have nearly twice as many surface ships as the US Navy before the end of this decade.

And the PLA Air Force is developing its long-range overwater capabilities equally fast.

But here’s the problem for China: in order to employ its new, powerful Navy (not to mention its Air Force) it must have secure, safe, ready access to the Pacific. Controlling the South China Sea, and even the East China Sea matters little if the PLA’s enemies can keep it bottled up inside the first island chain.

If you’re a Chinese planner, you might reasonably think China can with some effort ‘break’ the first island chain – in fact, this is a prerequisite. It is also why one shouldn’t underestimate how serious China is about capturing Taiwan. Do so and the first island chain is broken and the PLA has an unsinkable aircraft carrier and launching point for operations into the Pacific. The problems that create for the U.S. and allies at that point are obvious.

But, taking a page from the US World War Two playbook, at the same time China is trying to leapfrog the first island chain. If it can burrow itself into the second island chain it will roil American (and Japanese and Australian) defense plans and can potentially break down first island chain defense from behind.

It is a truism that conducting defensive or offensive military operations is impossible without a secure ‘rear area.’ If your adversary is operating behind you or has a presence and/or proxy influence you will have a very hard time. COFA nations are the ‘rear area’ of the U.S. Pacific defense strategy.

Should the PRC establish a military foothold or gain political dominance with de facto strategic veto power in the COFA states, it will have ‘leapfrogged’ America’s island chain defense and ensconced itself in the U.S.’s once secure ‘rear area’.

Support for U.S. allies such as Japan and South Korea will become difficult. Prospects for a successful defense of Taiwan will be much reduced

China knows this, which is why undermining the relationship between the COFA states and the United States is one of Beijing's highest strategic priorities.

Palau, the Federated States of Micronesia, and the Republic of Marshall Islands are perfectly situated as footholds from which to disrupt China's adversaries. If the PLA is deployed in the FAS life gets difficult for U.S. forces as Chinese aircraft and naval ships operate from the erstwhile COFA region. And Chinese intelligence and surveillance has a better platform from which to cover US activities – and target them. With surface-to-surface missiles, surface-to-air missiles and Maritime Militia operating aggressively, the US military will at best be treading carefully, excluded from the area, or taking casualties.

One Marine noted to the author:

Surface to air and surface to surface missiles turn these island locations into A2AD (anti-access, area denial) zones. These islands become an armed picket fence which receive aircraft for long range patrols and support PLAN operations as well as replenishment of Chinese subs as well as their irregular maritime forces, including dual hulled fishing vessels that cruise at speeds that fish can't keep up with 22-25 knots.

The existing U.S. strategy will be in tatters.

Imagine fighting a war in Europe and having to fight your way across the Atlantic. This will be the case if the Chinese are able to set up in the FAS.

Even if there is not a 'shooting war', FAS that are under Chinese domination – owing to economic and political influence – may adopt a stance of 'belligerent neutrality' and resist a U.S. military presence in their territories, regardless of any Compact language.

Meanwhile, Chinese intelligence collection would focus on U.S. forces. Our communications would also be vulnerable.

And this all requires the U.S. military to devote scarce resources to cover this threat – a threat that wants to encircle and choke U.S. Pacific territories and come up right up against Hawaii. These are resources that cannot then be used along the 'western defense line' – say, to assist Taiwan, Japan, or other allies.

China has studied the Japanese seizure and occupation of Micronesia and large parts of Oceania during World War Two – and it does not intend to make the same mistakes. Particularly Japan's failure to isolate Australia and sever lines of communications and supply routes with the United States.

And while the Japanese saw the Central Pacific as a bastion to keep the Americans at bay, China's long-term objectives are to use the area as springboard for expanding eastwards. They are already setting up the infrastructure on Latin America's west coast.

Indeed, the PRC sees the COFA nations as a power projection super highway – in the other direction.

However, the terms of the Compact of Free Association between the FAS nations and the United States are a problem for the Chinese since the treaties effectively prohibit PLA ships and aircraft from operating inside COFA state's territorial space.

Yet China is persistent. And while currently a direct military presence is not feasible, the COFA agreements can be terminated. Additionally, even if the United States has the sole legal right to conduct military operations in the COFA states – and even set up military bases if it wants to do so, local popular and political support is nonetheless necessary.

China is using political, economic, and other soft-power tools to undermine the U.S. presence in the Freely Associated States – and even in the Commonwealth of Northern Marianas, actual American territory, and thus weaken the US military defenses and capabilities in the Central Pacific.

Chinese survey ships have been scouting out undersea cables in Federated States of Micronesia waters in recent years, and have been doing the same in Palau.

But the PRC has been more aggressive regarding U.S. territories Guam and CNMI – where the U.S. military presence is greatest.

Recently exposed cyber-attacks, suspected to be from the Chinese state-sponsored hacker group, Volt Typhoon, was revealed to have installed malware on critical US military infrastructure on Guam.

Spy balloons too have been hovering over Guam.

But this is nothing new. China has been explicitly threatening, with suggestions the U.S. military presence puts Guam citizens at risk. For example, Chinese media and defense commentators refer to the PRC's DF-26 missile as the 'Guam killer' – able to range to U.S. bases on Guam. And the Chinese have admitted to installing underwater listening devices in the nearby Marianas Trench – posing a potential threat to U.S. Navy submarine operations.

Additionally, North Korea has threatened Guam with its new long-range missiles. Pyongyang's threats, not particularly worrisome to the local population but causing predictable harm to tourism, presumably do not displease the PRC – which also played a sizeable role in North Korea's nuclear weapons and missile programs, as well as providing the mobile TEL launcher vehicles that make the North Korean missiles mobile and hard to find.

For the Chinese Communist Party to achieve its aspirations, it needs to at the very least, render the FAS 'harmless', and ideally be able to use them as launch points under its control. No domestic talk of 'friend to all, enemy to none' and 'not wanting to get caught in the middle' will change that until there is a different regime in power in Beijing. The U.S. didn't come looking for, and doesn't want, this fight (which ironically has made the fight more likely). If in doubt, just look at the wide range of options the U.S. has in the Pacific American Territories and the FAS that haven't been exercised.

### **Military Installations in the Pacific American Territories and FAS**

Despite the Central Pacific strategic military location, the way it is coveted by China and the hard lessons Americans learned in the 1940s about the region being in an adversary's possession, the U.S. military presence is surprisingly small – consisting of only four permanent military facilities – and only one of these is in the COFA states. That one is the U.S. Army-administered Ronald Reagan Ballistic Missile Test Site at Kwajalein Atoll in the Republic of the Marshall Islands. Kwajalein is a one-of-a-kind facility that would be hard to replace for any price.

The other bases are on Guam and include the U.S. Naval Base Guam at Apra Harbor, Andersen Air Force Base – famous as the launch point for B-52 strikes against North Vietnam during the Vietnam War - and the newly open U.S. Marine Base, Camp Blaz.

Such a limited permanent presence seems inexplicable, though in the U.S. military's defense, it might be argued that until the mid-2000's or even later, there appeared to be no realistic threats to the Central Pacific. In fact, the U.S. Department of Defense seriously considered shuttering Andersen Air Force Base. However, the PRC's military build-up and expansion has considerably changed the regional security dynamic and gradually changed threat perceptions in Washington, D.C., and Honolulu.

The COFA nations potentially offer basing and access locations for U.S. naval and air Forces and ground forces (Palau, in fact, asked the US military to establish a base in the country in 2020, but to date the Americans not taken up the offer). These are essential for purposes of facilitating operations as well as logistics support, repair and maintenance activities, intelligence collection, missile defense, etc.

Another serious risk arising from the U.S. having too few bases and operating locations in the Indo-Pacific is that it is putting a lot eggs in one basket. All of it vulnerable to the PLA's Strategic Rocket Force.

The vulnerability of U.S. bases (and ships and aircraft) to Chinese missiles is a fact of life (and a headache) for American defense planners. And it is a driving force behind the U.S. military's move towards a more dispersed presence and 'distributed operations' concepts for the Oceania region.

The U.S. Air Force is adopting a new strategy called 'Agile Combat Employment' and is looking for runways and operating locations in as many places as possible. Similarly, the U.S. Navy's

'Distributed Maritime Operations' concept aims for something similar – all to provide a more difficult target for Chinese missiles.

Dispersal - combined with deception and concealment complicates an enemy's targeting. Even if the PLA Rocket Force has the 'range' to hit out to the second island chain and beyond, it still has to locate the targets. And even the PRC only has so many missiles.

The FAS provide plenty of opportunity to 'spread out' and stay alive, and hit back on multiple vectors. Just being serious about setting up in the region and raising the cost to China of an attack makes it less likely an attack will happen, and in the meantime, the facilities can be used to build local infrastructure, combat illegal fishing, assist during humanitarian disasters and more. This is the essence of deterrence through strength – in a range of sectors.

### **Military Exercises in the Pacific American Territories and FAS**

U.S. forces routinely conduct large-scale exercises on and around Guam and the CNMI, including with allies and partners. One advantage of the area is that there is plenty of open space. That allowed, for example, for the 2020 running of the annual COPE NORTH exercises to bring together over 100 aircraft and over 2,000 personnel from the U.S. Air Force, the Japan Air Self-Defense Force, and the Royal Australian Air Force.

Naval forces regularly train at Guam and the trend is for increased activity. In 2017, the French Navy made an appearance (with British Marines embarked) for joint training with the U.S. Navy and Marines and the Japan Self-Defense Force (JSDF). In July 2020 the Japanese and U.S. Navies conducted joint drills with the Royal Australian Navy and Air Force, with U.S. Air Force also participating. The 2023, iteration of the annual Exercise Sea Dragon saw participation from the Royal Canadian Air Force, Indian Navy, Japan Maritime Self-Defense Force, Republic of Korea Navy, and the United States Navy.

The Japanese, in particular are keen to make more use of Guam and surrounding areas as training areas for the JSDF. This is owing to difficulties, mostly self-imposed, in making full use of training locations in Japan. More permanent facilities in the FAS would make more essential training and exercises (both unilateral and multilateral) easier in the FAS easier for both U.S. forces and our allies (such as the Japanese), as well as bring improved infrastructure and funding to the FAS, (which, in a complementary manner provides its own form of security for the people of the FAS). The alternatives are either to not exercise or to return to the U.S. West Coast or perhaps Northern Australia to conduct such training.

### **Other Military Engagements in the Pacific American Territories and FAS**

U.S. military exercises and activities elsewhere in the FAS include regular but generally smaller scale exercises that might be considered 'engagement' more than serious warfighting training.

Small detachments are regularly deployed that conduct useful engineering and infrastructure development work. In addition to U.S. Marine teams, these have included the U.S. Navy removing underwater obstacles to improve harbor access and safety for inter-island cargo and

passenger ships transiting FSM islands. The U.S. Navy's Seabees and visiting U.S. Army teams have provided infrastructure improvements, such as building new schools. The U.S. Navy's Pacific Pathways exercise conducted HA/DR training throughout the Federated States of Micronesia (FSM).

### **What's There to Worry about? We Have a 'Contract' Agreement, Don't We?**

While COFA agreements provide legal grounds for keeping the Chinese military out of FAS, the risk exists of polarized societies or 'PRC-leaning' governments that permit a civilian but 'dual use' PRC presence. Suppose, for example, a move to allow Chinese monitoring facilities for 'civilian space' or 'environmental' or 'oceanographic' monitoring purposes. Each of the FAS is only an election away from dropping out of America's defense architecture –leaving a gaping hole and betraying generations on both side who sacrificed so much to keep it strong,

The U.S. potentially faces something like this with Kiribati – where the government dumped Taiwan for China in 2019 and moves are currently afoot to (among other things) allow a Chinese company to refurbish a decrepit American World War Two airfield on a remote atoll – for 'tourism purposes.' A treaty exists giving the U.S. veto rights should it be used for military purposes, but enforcing is difficult, and anyway, the Chinese said it was for tourism, didn't they?

Anyway, if they don't agree, what's the U.S. going to do, send the Marines to Tarawa again? That's bad optics. To say the least.

### **Winning Phase Zero**

This is why it is so important to pay attention to what is actually going on in country now (something you can only do properly if you are there). What goes on in peacetime – so-called 'phase zero' - is directly related to what happens, or doesn't happen once the shooting starts (so-called 'phase one'), and also the success or failure of a conflict.

The discussion of a Pacific conflict with China too often overlooks what is known as phase zero – the phase we are in now.

'Peacetime' military (or dual use) activities shape the environment - and ready oneself for a war, or even better, positioning one's forces and building capabilities (both one's own and allies') to deter an opponent from 'trying something.'

Phase zero military activities include training and exercises, intelligence collection, contingency planning, setting up or maintaining basing and logistics facilities - that often requires diplomacy to ensure partner nation cooperation. Indeed, this is ideally done with an eye to building partner capabilities and confidence - and creating new partners who see the you as reliable and likely to prevail.

The United States has been conducting phase zero operations throughout the Pacific for over six decades. It has, however, tended to give relatively little coverage to the COFA nations (and the

Southeast and South Pacific). Most activities tend to focus on Northeast Asia and Southeast Asia, closer to the Asian mainland.

Meanwhile, if looked at through this lens, it becomes clear China has been very actively focused on phase one engagement and entrenchment.

Much of the discussion about China in the Pacific centers on warfighting considerations and what might happen in a future war with the PRC. However, to date the PLA's overt activities in the region have been stayed largely below the 'red line', but building the phase one groundwork.

The PLAN Peace Ark hospital ship makes voyages through the region, gathering intelligence on the health conditions of key leaders.

There have been humanitarian assistance missions (as seen with the Tongan volcanic eruption) that gave China insight into local emergency operations, and gave the excuse to argue for the repositioning of supplies.

Although nominally for civilian purposes, Chinese hydrographic survey ships have mapped huge swathes of Oceania, including in the FAS, and including the location of undersea cables. And the huge Chinese fishing fleet is reported by some analysts to conduct signals intelligence activities (and more) on occasion.

This is a pattern seen worldwide. Chinese military presence tends to come after a lengthy 'set-up' period that includes commercial inroads, a physical presence of Chinese citizens, diplomacy and building political ties – especially with key leaders at all levels. Financial inducements – bribes - are often part of the deal. The military presence will come along slowly. The PRC's first overseas military base in Djibouti (which Beijing swore it was not developing) is a textbook example of this process. In Oceania, the Chinese push and prod in many places. It is just a question of time before the PLA has a place or two to call home.

We know it is trying. In 2018 Australian newspapers reported that the PRC had requested to be allowed to build a military base in Vanuatu. Both nations denied this. But fears that the PRC might fund the refurbishment of the Fijian military's Black Rock camp in 2018 caused the Australians and Americans to step in and preempt the Chinese. Something similar also happened in 2018 when a 'private' Chinese company showed interest in the Manus Island port – a strategically valuable base during World War II. And in 2019, a Chinese company signed a contract to develop a port on Tulagi in the Solomon Islands – across the water from Guadalcanal. After a local outcry – and serious concerns in Washington and Canberra, the contract was cancelled, for the time being.

In 2019 Solomon Islands switched recognition from Taiwan and a year later the Prime Minister signed a deal with the PRC that can give the People's Liberation Army access to Solomon Islands. The same Prime Minister also took out a US\$66 million loan from China to put Huawei towers all over the country – essentially paying China to wire the country for the benefit of Chinese intelligence. That's some good work for phase one.

## **Recommendations**

### **Be There, In the Right Way, With the Right People**

There is something 'ephemeral' about much US military engagement in the Central Pacific. A senior officer drops by for a visit or a military detachment builds a school and goes home. Key leader engagements and other official fly-in visits (in particular) from INDOPACOM in Hawaii and the U.S. Mainland are of limited value compared to Chinese diplomats, officials, and businessmen (playing the role of the 'Yankee Traders' of old) ingratiating, and aggressively inserting themselves from top to bottom into local societies.

Besides providing financial benefits locally – Kwajalein in RMI being a good example – there is the practical and psychological advantage of 'being there.' It is even better when the U.S. military and 'white hull' USCG activities directly benefit the local governments – as in the case of radar and ocean surveillance systems planned for Palau. While serving a military purpose, these systems potentially assist the Palau government to monitor and protect its ocean territory and resources.

We should expand the US military presence and make it as permanent as possible, but it needs to be the right people doing the right things. What's needed in many cases are small units that integrate locally and that learn from and help the communities. Engineering and medical units should be in as many places as possible and there is considerable demand for such services. It's not about rank, it's about who is best able to build and strengthen the FAS – and our relationship with them. The right young Captain is better than the wrong Colonel.

The U.S. Marine Corps might establish a training site (or more than one) to develop its Expeditionary Advance Base Operations (EABO) scheme. The FAS offers any number of locations, and is in fact the kind of terrain and setting the EABO concept has in mind.

### **Make Use of Local Veterans in the COFA States**

The extensive network of FAS citizens who are U.S. military veterans can be enormously valuable in understanding local concerns and in getting things done and bolstering defenses. A reserve system (under FAS command) should be considered. It is their country, after all. It just takes some imagination. One U.S. officer suggested:

The Freely Associated States have a lot of veterans. We should do a survey. We could harvest retirees to stand up 'reserve' centers immediately then back fill with new recruits. Units should be anti-surface and surface-to-air batteries.

Need to stand up a 'Navy' reserve operating PT boats from their home islands that are armed to the teeth.

No need for expensive housing and bases, have them operate from mobile CoCs and allow the reservists to use the boats for commercial fishing.

No Chinese fishing fleet will mess with heavily armed patrol fishing boats.

It contains costs, boosts local economy, and create ownership mentality so they take extra care of the vessel. They won't be tied up pier side waiting for a Pearl Harbor.

Out fishing will make them harder to target and makes coordinating a first strike a severe pain.

## **Defend FAS Waters from Illegal Fishing**

Illegal, unreported, unregulated (IUU) fishing is a problem that is being admired to death.

There are any number of workshops being held to advise the COFA states of a problem they are well aware of. What they need are both effective surveillance networks and, as importantly, the means to actually enforce the laws. Without the ability intercept, search, and detain it is sort of like watching a shoplifter but not intervening.

Fisheries are the main asset of the COFA states. Look at it as a matter of national defense. One should consider U.S. military support to FAS illegal fishing operations as a proper activity relating directly to these nations' 'national defense' for which the U.S. has responsibility under the Compacts of Free Association. USINDOPACOM needs to see it as such, especially given the dual use nature of the PRC fishing fleet. Indeed, this would be a tangible 'push back' against Chinese encroachment and influence – or just plain theft of our allies' natural resources.

A few ideas for consideration, and keeping in mind that the U.S. Navy is already hard pressed to cover existing requirements in the region. The U.S. Coast Guard has only a handful of ships to cover an area bigger than the continental United States.

### **Other ideas:**

- Develop a scheme, starting with American territories and the FAS, where junior U.S. Navy, Marine, or Coast Guard officers are assigned to implement and carry out an 'IUU prevention scheme' – from surveillance through enforcement. Have them work with the local enforcement, and provide them with suitable boats – needn't be 'purpose built' government ships, but are ideally locally built -- to cover a designated stretch of ocean. This can be supplemented by up what amounts to a local 'watchers' network based on local fishing boats and locals ashore – the Canadian Rangers (Reserves) model might be worth examining for relevance. This scheme has the advantage of a permanent presence, ability to draw on considerable resources, and brings locals in as partners – thus building up their capabilities. And it is focused solely on IUU and related maritime security. This will also require an aerial surveillance component.
- Work consistently with regionally appropriate local partners. For example, in the FAS, bring in the Japan Coast Guard (JCG) where possible and make this a U.S.-Japanese joint effort. As Palau and Marshall Islands recognize Taiwan, work with Taipei there as well.
- Prioritize the redevelopment of an American fishing fleet and processing capability, so there is broader incentive to make sure everyone is playing by the rules, and local economies are more likely to benefit.

## **Extend the Financial Parts of COFA**

The United States should consider support for the Compact States as a necessary ‘maintenance cost’ for U.S. national strategic interests. Consider the COFA value from a military perspective. The cost of providing ongoing funding and support for the COFA states is a pittance compared to the expense and difficulty of trying to reestablish a U.S. presence should it be lost – or to hold it in the face of local opposition. Indeed, there are other places on earth (and even in the USA) that are less critical to long-term U.S. interests and where the U.S. spends more money with even fewer chances of success.

## **Offer Versions of COFAs to Kiribati, Nauru and Tuvalu**

Beijing’s prospects received a boost in 2019 when the government of Kiribati established formal diplomatic relations with the PRC and severed its state-to-state ties with Taiwan. Kiribati is an independent nation and without a COFA arrangement with the United States so, in theory it could permit PLA access to local ports and airfields. China tends to move surprisingly cautiously when capitalizing on military access opportunities, but there is some ‘precedent’ in the case of Kiribati. In the early 2000’s the PRC operated a satellite tracking facility – believed to also have military uses – in Kiribati, prior to the local government shifting diplomatic recognition to Taiwan. Now, as mentioned, it is looking at an airfield. There is strong domestic opposition to the switch to China, but with few economic alternatives, the case can be hard to make. And the longer China is there, the harder it will be to extricate. A timely offer of a COFA might be very well received.

Nauru and Tuvalu, independent countries each with populations of around 11,000. Both recognize Taiwan and so are under heavy PRC political warfare attack. Offering them modified versions of Compacts would show that the United States backs by those willing to take a stand for democracy and freedom, whatever the costs. Apart from being the right thing to do, it would fundamentally change the political warfare narrative about Taiwan – giving hope to many.

## **Final Note**

Sometimes one just doesn’t know how good they’ve got it. Remove the FAS from ‘our side’ and everything we are doing in the Indo-Pacific gets very hard – if not impossible. And the FAS are just one piece of puzzle. Without the FAS states on-side it’s hard to ‘defend forward’ or operate from a forward position along the first island chain. But you’ve also got to have the ‘non-COFA’ states secure as well.

You can get the military part just right, and still lose. American engagement needs to cover economic, commercial, diplomatic, propaganda, and social aspects in a coordinated way and with same effort. The COFAs give us the tools to do that, if we want to. Doing it right could mean ensuring phase zero goes so well, it stays at phase zero.