

Written answers to questions arising from the Subcommittee on Indian and Insular Affairs oversight hearing on 'Preserving U.S. Interests in the Indo-Pacific: Examining How U.S. Engagement Counters Chinese Influence in the Region,' 16 May 2023.

By Cleo Paskal

Questions from Rep. Westerman for Cleo Paskal

- 1. How specifically has the CCP been working to infiltrate the FAS politically. How can U.S. respond to counter CCP political infiltration into the FAS?*

The Chinese Communist Party (CCP) has a toolkit of political warfare weapons that it uses to infiltrate and then, if it can, control, the FAS (and elsewhere) politically. Many approaches are tried at once. Those that open up cracks are doubled down upon, though efforts continue in other areas as well.

Very broadly, major operations are usually “braided,” with three mutually reinforcing strands.

First, the initial approach may be designed to look **commercial** — for example, as with the attempted setting up of the Rongelap Atoll Special Administrative Region ([RASAR](#)) in the Marshall Islands under the guise of economic development.

Second, the PRC combines this with a **strategic** goal. So, in the case of RASAR, the attempted setting up of a country-within-a-country was designed to undermine the sovereignty of the Marshall Islands, drive a wedge between the Marshall Islands and the United States/Taiwan, and act as a launch site for other PRC operations.

Third, **corruption** and **criminal activity** are threaded throughout - in the case of RASAR, that manifests as bribery of senior officials.

One can see a similar braided approach with the various PRC-linked port and fisheries projects that are branded as economic development (**commercial**), but that undermine a nation’s maritime and border security (**strategic**), in part through buying off key officials (**corruption**). The officials may think they are just ‘making a bit of money on the side’, without fully realizing the strategic vulnerabilities that are being injected into their systems.

The same is true for corruption that results in PRC-linked companies winning contracts for installing critical infrastructure, for example Huawei towers in Solomon Islands. For more examples, please see the 9 March 2023 [letter](#) from then Federated States of Micronesia President David Panuelo.

All of this is wrapped up in layers of protective information warfare, using paid-for traditional media, social media, social events, trips to China and more, backed by a very good intelligence network that gives China insight into who to target, and how.

How to counter it? Do what we should be doing anyway and go after the strand that reinforces the commercial and strategic and that gives the CCP its unfair advantage: **the corruption**.

Currently, there is almost never any downside to taking Chinese money: No loss of money, assets, status, visa access to the United States, etc. Indeed, in the case of RASAR, none of the Marshallese who were bribed were exposed by the United States, let alone charged. And one of the convicted Chinese criminals involved was even deported by the United States back to the Marshalls, where she is now free to continue her operation. This is a moral, legal, and strategic failure.

There are many brave FAS citizens trying to keep their countries secure, as evidenced by President Panuelo's letter, the work of the Palau national security coordinator, and others. But the longer they are unsupported, the more worn down they become and the fewer their numbers will be. It is also often difficult for local investigators and prosecutors to bring to trial the higher profile cases due to how close-knit the local societies are.

Very public investigations into CCP corruption and criminal activities in the FAS (and Guam and CNMI) should be undertaken by the relevant U.S. agencies and departments. That can include supporting the appointment of special prosecutors with specific remits to investigate corruption.

In the case of FAS citizens, if found guilty of taking money that links back to foreign malign actors, there should be a revocation of the right to enter the United States.

These measures can be bolstered by congressional hearings into the issue and congressional visits to the region to hear first-hand about the challenges.

Additionally, there should be support for domestically controlled national security coordination offices in each of the FAS. Palau was the first to establish such a post and it has proven invaluable for domestic security coordination and streamlining security and defense collaboration with international partners, in particular the United States.

2. What is one of the biggest threats to the people of the Pacific Islands?

As described above, there is a focused, well-funded, and well-resourced CCP-led attempt to undermine sovereignty of Pacific Island countries in order to extend PRC influence across the region. The result is an exportation of the same centralized, brutal, extortionate, and environmentally and socially destructive system one finds in the PRC.

Which is the point: At its very core, this is a battle of systems: authoritarianism versus democracy.

This is why the institutions that support democracy (free press, independent judiciary, even elections themselves) are among the first targets of PRC influence operations. This strategy was

explicitly described in the book [Unrestricted Warfare](#), written by two People's Liberation Army (PLA) Air Force Colonels in 1999.

As seen in Solomon Islands, each country is only one election away from a PRC proxy taking power and, in the case of Solomons, literally doing away with democracy (in this case by ['delaying'](#) elections).

Unless there is democracy and reasonably honest and consensual government, nothing else will work. All the USAID projects, signing of agreements, Pacific Island Forum visits, etc., can't accomplish anything if the people in power are authoritarians in hock to Beijing.

For example, if the United States signs a deal with Papua New Guinea (PNG) to put in a naval base but then the government of PNG is elite captured by China, all that's happened is the United States has built a base for China — unless Washington wants to forcibly hold on to the base when asked to leave, which in itself would be an information warfare win for Beijing.

3. What solutions should be prioritized?

Democracy needs to be promoted and protected. At a minimum, this requires a combination of diplomacy and the cutting off of the flow of the illegal money that is distorting democracy.

A high priority on the diplomacy front is working to ensure the pro-PRC government in Solomons isn't allowed to get away with delaying elections — it should be publicly called out and the Pacific Games (which were used as the excuse to delay elections) should be boycotted until elections are held. Any country that attends the games should be tagged as caring more about sports than democracy. A stand should be taken, not just to protect democracy in Solomons, but so that others are dissuaded from trying something similar. The United States is being tested.

On the money front, here are two ideas of many: First, track the illegal money and prosecute the corrupt officials (and enlist the assistance of Australia and New Zealand to do the same); second, ensure careful oversight of campaign funding going to sway FAS voters in the United States.

These are some measures that would not only help liberate the Pacific Islands from PRC political warfare, they would also show those fighting for their own sovereignty across the Pacific Islands that the United States of America has their back.

Questions from Rep. Radewagen for Ms. Paskal

- 1. You highlight in your testimony that the PRC utilized a slush fund to pay off 39 of 50 Members of the Solomon Islands Parliament in connection with the security agreement reached there and that President David Panuelo of the FSM also recently described in an*

open letter the effects of PRC corruption locally as well – can you elaborate for the committee on the patterns of PRC corruption to undermine local governments in the Pacific?

Just to elaborate, the 39 or the 50 seem to have been bought off to make Prime Minister Sogavare 'Motion of No Confidence' proof (and so ensure a PRC proxy was in place and could deliver the security agreement) as well as to ensure that Sogavare had enough votes to amend the constitution in order to delay elections. They delivered on both counts.

It is also worth noting that the process allowed the PRC to identify compliant politicians it can cultivate (Sogavare is convenient to Beijing but eminently replaceable) as well as reticent ones it will target for removal from politics.

I describe some of the ways local governments are undermined in the replies to Chairman Westerman's questions above, but it's worth adding that Chinese organized crime is an integral part of the PRC's operations. They bribe, enforce, smuggle, blackmail, and more.

While largely free to make their own money and develop their own networks, Chinese criminals do so with the understanding that they must be useful to Beijing when required (as made explicit in the PRC's 2017 National Intelligence [Law](#)). As a result, they become very difficult to extract from a country as Beijing will often refuse to allow them to be deported back to China, and Pacific Island countries don't have the resources to charge or jail them or fight Beijing on deportation.

As a result, in some places, there are scores, if not hundreds, of Chinese 'undesirables' — people identified by the affected Pacific Island country as a problem for the state — walking free, undermining governance at a very fundamental level.

- 2. In your written testimony, you envision moving away from "Maritime Domain Awareness" to "Maritime Domain Enforcement". Can you elaborate further on that? And what additional resources, the United States may need to allocate to ensure that enforcement can be done effectively.*

This is a foundational question that warrants a hearing of its own with experts from across a wide range of fields, including military, financial, fisheries, and more. As Dr. Watson said at the hearing, fisheries should be considered a national security issue for the United States.

One reason is that while illegal, unreported and unregulated (IUU) fishing is profitable and possibly necessary for food importer China, it also serves as an excuse to 'flood the zone' with China's dual use fishing fleet, some of which contains a serious criminal element (that also turns a nice profit).

China will not give this up easily. It will put pressure on local governments and try to undermine patrols and enforcement efforts. It is likely not a coincidence that U.S. Coast Guard ships on IUU

patrol have had trouble landing in ports in Solomon Islands and Vanuatu, affecting their ability to do their work.

Apart from enforcement at sea (the specifics of which are best left to those more expert than me), one will need a plan to 'protect' the execution of any enforcement policy, including dealing with local corruption and giving backing to local governments trying to stand their ground against pressure from Beijing.

This is where direct U.S. government involvement and support is essential. Few countries will take on China by themselves. U.S. intelligence has a role to play as do U.S. diplomats and also a comprehensive political warfare effort (with an economic component) that improves the local environment so IUU fishing can't operate.

So, what's needed? More than anything, a change of mind-set from the administration on down through the State Department and Department of Defense (in particular).

Local nations know they have a problem with IUU and don't need to be reminded of it. They need help doing something about it. They lack the resources — particularly ships and personnel. In the case of Palau, for example, their biggest ship is barely a match for a single Chinese fishing boat — much less a double-hulled, armed, maritime militia boat. And it would stand no chance against a Chinese 'government' ship.

A 'total' approach to the IUU problem — that covers surveillance through enforcement — needs to be employed and considered a priority by the U.S. government. It currently is not a top priority — even though it is THE major priority to many Pacific Island countries.

To get a sense of the overmatch, while the U.S. Coast Guard is making efforts, to cover the vast Pacific Ocean west of Hawaii, the Coast Guard has approximately three [Medium Endurance Cutters](#) — with maybe another one being deployed in the next year. A total of four ships. It has three shorter ranged [Fast Response Cutters](#) — with perhaps four more received and deployed in the fairly near future.

That's at best seven Coast Guard ships to cover the Western Pacific, a zone larger than the continental United States. It's a huge expanse and seven ships is just seven ships — some of which will be in port for a period of time. Imagine patrolling the U.S. with seven police cars that go around 30 miles per hour.

Without the ability to intercept, search, and detain, it's sort of like watching a shoplifter but not intervening. Indeed, it seems as though the United States and other Western and larger regional nations glide over the problem as if someone else will handle enforcement.

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 United States has responsibility under the Compacts of Free Association (needless to say, this is also the case for

U.S. territories). 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 and a danger to their economic security.

The IUU fishing problem — and enforcing laws against it — should also be considered from a broader perspective. For example, penalties can be applied 'asymmetrically.' Given that most of the IUU fishing is Chinese, we should apply financial and economic pressure on other Chinese entities that are related to fishing, however broadly. For example, we should delist from U.S. exchanges companies that finance and construct the fleets, ports, and docks involved in illegal fisheries, applying tariffs to Chinese fisheries products, restricting U.S. technology and financial flows into the PRC if any connection can be made to the fleet. Given the military-civil fusion nature of the PRC, this may be quite helpful.

At the same time, apart from playing defense, one should also go on 'offense' economically and 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.

Questions from Rep. Case for all witnesses

- 1. If Congress were to expand the same eligibility for federal benefits to Compact migrants as are currently extended to lawful permanent residents, what uncovered costs from delivering still-uncovered services would host communities have to cover without federal aid.*

Not my area.

- 2. Citizens of the Freely Associated States are eligible to join the U.S. military and frequently serve in our armed forces. What proportion of the population from the Freely Associated States joins the U.S. military compared to other U.S. communities? What are the challenges veterans in the Freely Associated States experience in accessing Department of Veterans Affairs health care and other benefits when they return home to their countries? What can be done to improve this.*

I understand there is work on this topic related to the COFA negotiations, and I can just go by what is publicly available. As such, my comments are general and may be overtaken by new initiatives (and I hope they will be).

As with VA services in general, even in the United States, the key issues are 1) awareness of available services; 2) accessibility to services; and 3) receiving proper services.

These are longstanding problems for many veterans living in the United States. However, things are much worse for veterans from the FAS by virtue of the restrictions on VA activities and operations in foreign countries. This is exacerbated by the distance and expense required to travel to U.S. territory to access health care benefits or to receive care.

As a result, many FAS veterans are unable to access VA services and health care and are effectively abandoned by the VA (and the government they served) once they return to their home country.

When considering how, and whether, to improve this situation, one must remember that while the FAS are indeed 'foreign' countries, they are also the only three nations on earth that have formally entrusted their national defense to the United States. Not only have FAS citizens volunteered to risk their lives on behalf of the United States, the entire countries have volunteered to be a critical part of U.S. defenses.

An adjustment to U.S. law that allows the VA to operate in the FAS as if it were U.S. territory is necessary, given the FAS's unique circumstances.

Until this can be accomplished, the VA needs to make the FAS and serving its veterans a priority. It currently is not. In fact, veterans seem to be losing some services. One veteran in Marshall Islands, who served for over two decades with the U.S. Army and was a recruiter, said that up until about a decade ago, veterans could get their VA medicine posted to them. (The FAS have local U.S. postal codes.) Then that stopped. That should be restarted, as a priority.

Appropriate 'work arounds' can be accomplished to ensure FAS veterans are served as close to possible as if they were U.S. veterans in the United States. This includes easy use of local medical services without out-of-pocket expenses or labyrinthine reimbursement procedures.

As a part of that, each U.S. Embassy in the FAS should have a VA ombudsman — either VA staff or contracted — to serve local veterans who are otherwise intimidated by the prospects of navigating the Veterans Administration.

While permanent services are being set up, we should consider regular deployments of U.S. military medical teams to the FAS for set periods of time, say, quarterly, to provide basic medical services, to include mental health care.

3. *Funding for the Compacts of Free Association is currently borne by the Department of the Interior and the Biden administration suggests moving that funding the Department of State but to keep administration of the Compacts within the Department of the Interior. Given the critical role the Compacts of Free Association to our national security and to the Department of Defense, should the Department of Defense also bear some of the costs?*

I give my answer knowing that changing such a fundamental aspect of the COFAs might be extremely difficult at this stage. However, it is worth pointing out that of any U.S. government department, the Department of Defense has:

- By far the greatest number of people in the FAS;
- The most regular interactions with people in the region;
- The most comprehensive and up-to-date knowledge about the countries; and
- The greatest interest in ensuring good relations.

So, for example, on one small island in Palau, there are scores of Marines living for months among the locals, learning, making friends, playing baseball, improving infrastructure, etc. That one island alone has far more Americans living much more closely with Palauans than the State Department has at the U.S. Embassy.

Additionally, with the large number of FAS citizens who served in the U.S. military, there is a common cultural bridge with which to work (and, given the treatment of veterans, it should be improved anyway).

The Department of Defense, including the Reserves (possibly through a National Guard State partnership program), has all the skills and the motivation needed to work with the FAS to improve education, health, infrastructure, accounting, investigations, etc. over the long run. Seems a lost opportunity not to include them in the process.

4. *Last year the administration released the first ever Strategy for Pacific Islands Partnership along with a more detailed Roadmap to a 21st Century U.S. Pacific Islands Partnership. How what this and recent efforts to reengage the region see by the Pacific Islands? What role can Congress play to help implement the Pacific Islands Partnership Strategy?*

Pacific Islanders tend to be understandably pragmatic to the point of jaded about 'policies' and 'strategies.' Unless they can see tangible results (lower energy costs, better telecoms, better schools, more jobs, rain water capture systems, help with illegal fisheries, lower cost flights to the United States and within the region, etc.), it doesn't really resonate. So, for example, while the opening of the embassies in Solomon Islands and Tonga seems like a good advance (as per the strategy), the fact that neither offer consular services turns them into a disappointment for most locals.

Congress would be well placed, including through hearings, to try to ensure that activities under the strategy produce real results on the ground.

5. *The Pacific Islands Forum, a critical inter-governmental organization in the Pacific Islands region, laid out a regional vision for the development of the Pacific Islands in its 2025 Strategy for the Blue Pacific Continent. How can the United States support this strategy?*

It's worth noting the heavy emphasis on the Pacific Islands Forum (PIF) doesn't resonate with most Pacific Islands citizens. The PIF seemingly plays little to no role in their daily lives, and the bureaucrats sent there often have weak connections to their communities (they aren't elected to the PIF, so they tend to be beholden to bureaucracies, for what are considered plum postings, and not to their fellow citizens). Additionally, the United States isn't even a member of the PIF.

It might be worth Congress learning more about, and looking more towards, the well-respected Pacific Community (<https://www.spc.int/>), the region's scientific and technical organization of which the United States is a member, to find grounded, local, practical solutions to many of the challenges facing Pacific Islanders.