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BEFORE THE 118th CONGRESS
HOUSE SELECT COMMITTEE ON STRATEGIC COMPETITION BETWEEN
THE UNITED STATES AND THE CHINESE COMMUNIST PARTY
JULY 20, 2023

Chairman Gallagher, Ranking Member Krishnamoorthi, and distinguished Members of the Committee: thank you for the opportunity to testify today on how the Department of Defense (DoD) is strengthening peace, stability, and deterrence alongside our allies and partners in support of a shared vision for a free and open Indo-Pacific region.

I am pleased to testify today alongside Assistant Secretary Kritenbrink from the Department of State and Assistant Secretary Kendler from the Department of Commerce. When our three Secretaries all testified together before the Senate Appropriations Committee in May, Secretary Austin stated that we all succeed as a team, and that DoD succeeds when our interagency partners succeed.

The *National Defense Strategy* (NDS) identifies the PRC as the Department's "pacing challenge." The PRC presents the most comprehensive and serious challenge to U.S. national security because of the PRC's increasingly coercive efforts to refashion the Indo-Pacific region and the international system to suit its authoritarian preferences. To that end, we have seen the People's Liberation Army (PLA) play a growing role in the PRC's aspirations to dominate the Indo-Pacific region and displace the United States as a global power. The PLA's coercive and risky activities in the Taiwan Strait, the South and East China Seas, and beyond have demonstrated the PRC's revisionist intentions more clearly than ever.

But conflict between the United States and the PRC, as Secretary Austin and senior leaders across the Department have said many times, is neither imminent nor inevitable. This is because U.S. deterrence is real and strong, and the Department is doing more than ever to keep it that way. More than two years into the Biden-Harris Administration, we are delivering a military that is more capable, deployed in more and more forward places across the region, and more deeply integrated with our allies and partners.

Investing in a More Capable U.S. Military

First, with the support of Congress, the Department is delivering cutting-edge capabilities right now and investing in the capabilities our warfighters will need to maintain deterrence well into the future. We know that having a highly capable and combat-credible military is critical for preventing conflict. A force that is designed and equipped to gain warfighting advantages and exploit adversary vulnerabilities is a principal source of American deterrence. As a result, the Department is urgently modernizing U.S. military power with advanced capabilities and new operational concepts to address the challenges posed by the PLA.

To that end, President Biden's FY 2024 budget requests major investments in air power, including fifth generation aircraft; sea power, including undersea capabilities; resilient space capabilities; joint all domain command and control; and cybersecurity and cyber space operations, among others.

These capabilities will strengthen deterrence and ensure the Joint Force can prevail in conflict by enhancing our ability to penetrate an adversary's anti-access/area-denial (A2/AD) defenses at range and conduct strikes against a range of targets. These investments will also improve the survivability of our strike capabilities; support the next generation of combat power

despite adversary attacks; maintain information and decision advantages for our warfighters in the face of intense adversary disruptions; and ensure we can rapidly mobilize, deploy, and sustain the Joint Force across the vast distances in the Indo-Pacific region.

This budget also includes the largest-ever request for Pacific Deterrence Initiative (PDI) funding – a 40 percent increase at \$9.1 billion. PDI is a critical tool for investing in advanced capabilities and more resilient posture that we need across the Indo-Pacific region. Together with other crucial investments in the President’s FY 2024 budget request for DoD, these expenditures would strengthen how the United States projects military power across long distances and holds key targets at risk, including in highly contested environments.

President Biden’s FY 2024 budget request also includes major funding for munitions, including the right mix of highly-lethal, precision long-range munitions that are vital to our warfighting requirements in the Indo-Pacific region. The President’s budget seeks to maximize procurement of relevant munitions through multi-year procurement and seeks enhancements to the munitions industrial base to grow future production capacity. The budget also includes significant investments in anti-ship munitions, including the Standard Missile (SM-6), the Long-Range Anti-Ship Missile (LRASM), and the Maritime Strike Tomahawks (MST), as well as land-attack munitions such as the Precision Strike Missile (PrSM), Joint Air-to-Surface Standoff Missile (JASSM), and upgrades to the Tomahawk Land Attack Missile, all of which are vital for neutralizing an adversary’s A2/AD capabilities.

The President’s FY 2024 budget also represents the Department’s largest-ever down payment on developing and deploying breakthrough technologies critical to deterrence and warfighting in the decades ahead. Our budget request seeks an unprecedented level of funding for research and development and for procurement – \$145 billion and \$170 billion, respectively. And to make sure that the results of our historic commitments in these areas do not just live in laboratories, the Department is bringing them to life through efforts like the Rapid Defense Experimentation Reserve (RDER), which helps get promising prototypes into the hands of warfighters.

We also know that simply investing in capabilities is not enough to maintain deterrence. We must also bring these capabilities together in new operational concepts and creative approaches like the Joint Warfighting Concept, which will enhance our Joint Force’s ability to operate seamlessly across all domains, draw from all instruments of our national power, and perform effectively alongside our regional allies and partners.

We are also working to implement the priorities for nuclear strategy, policy, posture, and forces identified by the 2022 *Nuclear Posture Review*. To that end, the President’s FY 2024 budget request seeks modernization of the nuclear triad and nuclear command and control. We are also reinvigorating our dialogues on extended deterrence with the Republic of Korea and Japan, ensuring strategic alignment through a whole-of-government approach.

Today, the U.S. military is the most capable and credible fighting force in the world. For decades, that capability and credibility has formed the heart of deterrence in the Indo-Pacific

region. The kinds of major investments in new capabilities and concepts that I have just described are designed to keep it that way.

Delivering a More Forward Regional Force Posture

Second, the Department is delivering historic achievements with our allies and partners to make U.S. force posture across the Indo-Pacific region more resilient, mobile, distributed, and lethal. Deterring conflict requires the United States to field combat credible forces that can rapidly respond to an adversary's aggression and successfully deny it its objectives. To do so, our forces must be forward in the Indo-Pacific region and integrated alongside our allies and partners, resilient in the face of the adversary's attacks, and capable of taking rapid decisive action. U.S. force posture in the Indo-Pacific region is crucial to ensuring that potential adversaries know that aggression will be enormously costly and at the risk of uncertain outcomes.

That is why the Department's remarkable momentum over the last year in fortifying our forward defense perimeter has been so important.

In December 2022, the United States and Australia announced a series of new force posture initiatives that include increased rotations of U.S. bombers and fighters through Australian bases. These rotations will support training and bring more capable U.S. forces to the Indo-Pacific region, ready to quickly respond to any crisis. The United States is also deepening our logistics cooperation with Australia, which will strengthen our shared ability to move and sustain forces effectively, ensuring we can project combat power throughout the Western Pacific. At the upcoming U.S.-Australia Ministerial meeting later this month, the United States and Australia will make additional progress in deepening our force posture cooperation, combined logistics investments, and expanded exercises, including expanding exercises to include other allies and partners in the region.

In early January 2023, the United States announced historic posture improvements with Japan that will deliver more capable, ready, and interoperable U.S. forces in the region. These include the first forward stationing of a U.S. Marine Littoral Regiment (MLR), bringing the Marine Corps' most advanced formation and cutting-edge anti-ship capabilities to Japan. The United States and Japan also committed to enhanced bilateral exercises and training in Japan's Southwest Islands, which will increase interoperability across key terrain in the region. These improvements will be compounded by even greater capability; for example, the Department is modernizing its fighter aircraft presence in Japan by bringing more lethal and survivable capability forward. These steps demonstrate the deepening strategic alignment between the world's first- and third-largest economies.

Later in January, the United States and the Philippines announced that U.S. forces will have access to four new sites in the Philippines under the Enhanced Defense Cooperation Agreement (EDCA), underscoring how, in addition to strengthening our existing posture, the United States is also expanding where we operate to new strategic locations. A key pillar of alliance cooperation, EDCA supports combined training, exercises, and interoperability between U.S. and Philippine forces to respond more effectively to natural disasters and other crises, whether in the South China Sea or elsewhere in the region.

And in May 2023, the United States and Papua New Guinea (PNG) concluded a Defense Cooperation Agreement (DCA) that will deepen bilateral security cooperation, strengthen the close U.S.-PNG relationship, and increase regional stability and security. We have also successfully concluded a shiprider agreement to improve PNG’s capacity for maritime domain awareness, and both of these agreements build upon decades of meaningful defense cooperation between the United States and our partner in Port Moresby.

Each of these announcements on their own represents a major achievement for our alliances and partnerships. Together, they form a historic modernization of the U.S. Indo-Pacific force posture. Most importantly, these changes help deter conflict by underscoring that the U.S. military stands ready—and forward—in the region, upholding stability and prosperity and defending ourselves, our interests, and our allies and partners.

Integrating More Deeply Together with Regional Allies and Partners

Faced with increasingly aggressive and destabilizing activities by the PRC and the Democratic People’s Republic of Korea (DPRK), countries across the Indo-Pacific region are stepping up in support of a shared regional vision—and we are proud to be standing with them. Secretary Austin spoke at the Shangri-La Dialogue in Singapore this year about how we are seeing our regional allies and partners meeting this moment. “Our work together,” he told representatives from dozens of Indo-Pacific militaries, “has made this region stronger and safer.” That’s why the Department is taking a number of actions to support our Indo-Pacific allies and partners as they invest in themselves and their own capabilities, their relationships with each other, and their relationships with the United States.

Strengthening Regional Capabilities

We are taking unprecedented steps to enable our allies and partners to contribute to deterrence in the Indo-Pacific region. The Department is supporting Japan’s efforts to acquire counterstrike capabilities, working with Australia as it develops an indigenous capacity to manufacture guided weapons and explosive ordnance, implementing a new inaugural technology initiative with India focused on co-development and co-production of major defense platforms, working with Southeast Asian countries to acquire asymmetric capabilities suited to combatting PRC coercion and harassment, and more. Most recently with India, we concretized our commitment to co-produce jet engines and strengthen cutting-edge technology and defense industrial cooperation during Prime Minister Modi’s state visit. We are also working with Indian counterparts on proposals to co-produce extended range artillery and infantry vehicles to address India’s operational requirements along its border with the PRC.

Additionally, the Australia-United Kingdom-United States Partnership (AUKUS) represents a game-changing initiative that further deepens the United States’ ties with two of our closest allies who have significant interests in maintaining a free and open Indo-Pacific. Secretary Austin described the AUKUS Optimal Pathway, which will see Australia acquire conventionally armed, nuclear-powered submarines as “the next step forward in the transformational partnership among our three great democracies.” A profound result of our efforts to accelerate combined

capability development, AUKUS will strengthen the ability of all three nations to work together in undersea warfare, autonomous systems, hypersonics, and beyond.

Consistent with longstanding policy, we are also continuing to uphold our commitments consistent with the Taiwan Relations Act (TRA) to support Taiwan’s self-defense capabilities, including through the provision of appropriate defensive arms and services, in the face of the PRC’s ongoing pressure campaign. The TRA has formed the bedrock of peace, stability, and deterrence in the Taiwan Strait over the last four decades. Crucially, it is animated by robust bipartisan support for providing Taiwan with self-defense capabilities, in addition to maintaining the U.S. capacity to resist any resort to force that jeopardizes the security of the people on Taiwan.

Providing these self-defense capabilities to Taiwan is one of the Department’s highest priorities. We are leveraging the authorizations provided in the National Defense Authorization Act (NDAA) for FY 2023 to provide President Biden with recommended Presidential Drawdown Authorization (PDA) packages supporting Taiwan’s self-defense capabilities. We hope that such transfers – this fiscal year and into the future – can be enabled by PDA replenishment funding for our Military Departments and Services as they draw down equipment to support our partners. Furthermore, we continue to support the State Department’s requests for Foreign Military Financing (FMF) for Taiwan. PDA and FMF are complementary programs critical to strengthening Taiwan’s capabilities.

Investing in Regional Security Networks

The Department is also supporting a growing constellation of coalitions dedicated to preserving regional peace and stability. These efforts are not merely dialogue for the sake of it; they are yielding concrete actions and tangible results for the region. We are strengthening trilateral security efforts with Japan and the Philippines, Japan and the Republic of Korea (ROK), and beyond. This year at the Shangri-La Dialogue, Secretary Austin and his Australian and Japanese counterparts committed to conduct trilateral F-35 Joint Strike Fighter training in Australia; enhance readiness through high-end trilateral exercises in northern Australia; and increase strategic capabilities cooperation, including in integrated air and missile defense, intelligence, surveillance, and reconnaissance (ISR), and undersea warfare to maintain the technological edge in the region. Our critical trilateral efforts with Japan and the ROK have yielded important progress in our efforts to share early-warning missile data and to develop a long-term trilateral plan for regular exercises and training to strengthen interoperability among our forces.

We have also deepened security engagements with multilateral partners in the Association of Southeast Asian Nations and the Quad. The Indo-Pacific Partnership for Maritime Domain Awareness (IPMDA), for example, will drive greater transparency by providing space-based maritime domain awareness to countries in Southeast Asia, the Indian Ocean, and the Pacific Islands. This will greatly enhance the ability of regional states to monitor and police their own waters, addressing illegal fishing and other malign PRC behavior. These relationships and activities represent a growing set of common interests, a willingness to defend them, and—perhaps most importantly— one of America’s greatest strategic advantages in the Indo-Pacific region and globally.

Operating in the Region Like Never Before

As a testament to how our regional allies and partners are continuing to seek deeper relationships with the United States, our bilateral and multilateral exercises are also growing in scale, scope, and complexity as they enhance interoperability, strengthen deterrence, and highlight our shared regional resolve against coercive behavior. Exercise KEEN Sword with Japan, for example, further integrated our capabilities with F-35 aircraft and High Mobility Artillery Rocket System (HIMARS) launchers and incorporated assets from Australia, Canada, and the United Kingdom. Exercise BALIKATAN with the Philippines featured more than 17,600 members of the Armed Forces of the Philippines, the U.S. military, and Australian forces. Exercise GARUDA SHIELD with Indonesia and over a dozen participating nations has become one of the largest multilateral exercises in the Indo-Pacific region, featuring thousands of forces. Exercise COBRA GOLD co-sponsored with Thailand did not only see a return to pre-pandemic levels of participation by dozens of countries, but also the largest U.S. contingent in a decade. And Exercise TALISMAN SABER in Australia will be the biggest bilaterally planned U.S.-Australia exercise in history, bringing together like-minded partners like Canada, France, Germany, India, Indonesia, Japan, the Republic of Korea, New Zealand, and the United Kingdom.

Rising to Meet the Department's Pacing Challenge

As I have just outlined, the Department is doing more than ever to strengthen peace, stability, and deterrence across the Indo-Pacific region because we see clearly the PRC's growing capabilities, increasing coercion, and desire to reshape the rules in the region. That is precisely why the 2022 *NDS* rightly identifies the PRC as the Department's "pacing challenge." And it is why the Administration's Indo-Pacific Strategy identifies the PRC as "combining its economic, diplomatic, military, and technological might as it pursues a sphere of influence in the Indo-Pacific and seeks to become the world's most influential power."

The Department believes strongly in the importance of maintaining open lines of military-to-military communication between the United States and the PRC to ensure that competition does not inadvertently veer into conflict. Unfortunately, the PLA has remained largely unwilling to engage in substantive dialogue.

Regardless, the United States will continue to fly, sail, and operate – safely and responsibly – wherever international law allows. And to maintain deterrence, we will continue delivering a military that is more capable, more forward, and more integrated with our allies and partners.

Mr. Chairman, as I have done in previous appearances, I will conclude by underscoring the strategic imperative of building and maintaining a bipartisan consensus on the urgency of rising to the China challenge. It is now incumbent upon all of us to drive that consensus toward significant and decisive actions.

Together, we are clear-eyed about the challenge, we are giving it the attention and resources that it deserves, we are seeing those results bear fruit, and the Department seeks the partnership of this Committee and the entire 118th Congress to continue delivering results alongside our allies and partners. Thank you for your time and attention, and I look forward to your questions.