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DETERRENCE AMID RISING TENSIONS:

PREVENTING CCP AGGRESSION ON TAIWAN

Thursday, May 15, 2025

House of Representatives,

Select Committee on the Strategic Competition between the

United States and the Chinese Communist Party,

Washington, D.C.

The committee met, pursuant to call, at 9:02 a.m., in Room 390, Cannon House Office Building, Hon. John Moolenaar [chairman of the committee] presiding.

Chairman Moolenaar. The select committee will come to order.

Good morning and thank you all for being here today. This hearing today is not just another discussion about long-term competition with China. It is about a very real near-term threat in the narrowing window we have to prevent a catastrophic conflict in the Indo-Pacific. Sometimes this is referred to as the 2027 Davidson window after former INDOPACOM Commander Admiral Phil Davidson.

But, while Admiral Davidson did warn us about Xi Jinping's ambitions this decade, 2027 is not an American date but a Chinese one. Xi has ordered the People's Liberation Army to be ready to take Taiwan by force by 2027. Xi's directive is backed by the largest military buildup since World War II on land, at sea, in the skies, in space, and across cyberspace.

And that date, 2027, also marks the end of this Congress. That means that the 119th Congress may be the last full legislative session with a chance to alter Xi's calculus.

We cannot delay. We must close critical gaps now, weapon stockpiles, forward posture, contested logistics, cyber defenses, and Taiwan's readiness. Every decision we make on defense spending, arms deliveries, posture planning, must be driven by that urgency because deterrence delayed is deterrence denied.

We have a great group today to deliver this critical message and discuss our plan and our path forward to deter the Chinese Communist Party's catastrophic ambitions.

So today I will be asking tough necessary questions, questions every Member of Congress should be thinking about: What does China's military buildup really tell us about its intent? How do we help Taiwan turn its strategy into reality and actually get U.S. systems delivered on time? What are the most urgent gaps in U.S. Force posture and capabilities, especially across the First Island Chain? What cyber threats could blind or cripple our response before a shot is even fired? And what steps can we take now with

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our allies and partners to build multilateral deterrents that Xi can't ignore?

Let me close with this: We are not seeking war. We are trying to prevent one. And prevention only works if Xi believes that the cost of aggression is too high to bear. That requires action serious enough, visible enough, and fast enough to shift the risk calculation in Beijing. That is the work ahead. This hearing is part of that, and I thank our witnesses for helping us to get it right.

So let's begin. I now recognize Ranking Member Raja Krishnamoorthi for his opening statement.

Raja.

[The statement of Chairman Moolenaar follows:]

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Mr. <u>Krishnamoorthi.</u> Thank you, Mr. Chair, and thank you for convening this important hearing on this critical topic, the deep ties between Taiwan and the U.S. and the CCP's growing threat to Taiwan and, by extension, America and the world.

But, first, there is a problem we need to address, Mr. Chairman: Americans don't know much about Taiwan.

Take this scene from the latest season of the hit HBO series "White Lotus," which takes place in Thailand, but one of the leads, Victoria, confuses it for somewhere else.

[Video played.]

Mr. <u>Krishnamoorthi.</u> At least she confuses Thailand for Taiwan, not China, but Victoria is not alone in her geographic illiteracy. Three years ago, I had the privilege of visiting Taiwan for my first time with then Speaker Pelosi. After the trip, this poll by Morning Consult was taken asking Americans if they could find Taiwan on a map. It turned out that only 34 percent of Americans can correctly identify Taiwan, which is that green dot on the map. A lot of people thought Taiwan was in other places where these yellow dots indicate even up in the Arctic Circle in Russia.

This hearing is important for many reasons, not necessarily to teach geography but an opportunity to clearly explain to Americans why Taiwan is so important. First, I want to talk about values. When I have been to Taiwan, I have been bowled over by how amazingly vibrant Taiwan's democracy is. Let me show you this scene here: This is the celebration in Taiwan after President William Lai was inaugurated last May.

Now, Mr. Chair, you and I were in Taiwan right before this particular celebration, and I am upset that we missed the party with street dancers, tiger costumes, and that big blue horse.

In contrast, this was the CCP's recent celebration of Xi Jinping getting an unelected third term, setting up to be dictator for life. So here you have the contrast. On one

side of the strait, you have a one-party dictatorship; and on the other side is Taiwan, a democracy doing everything it can to make sure that, in the words of one great Illinoisan, government of the people, by the people, and for the people does not perish from the Earth.

This brings me to my second point, which is about the economy. A lot of Americans may not appreciate just how essential Taiwan is for our own prosperity in America. Taiwan is America's seventh largest trading partner, and it is a huge, huge market for U.S. exports. Take my home State of Illinois, for example. Taiwan, believe it or not, is the second largest importer of Illinois corn and the third largest importer of Illinois soybeans.

Soybeans, Dusty.

Taiwan is also a major investor. Since 2022, Taiwan's investment in America has skyrocketed, surging from \$1 billion in 2022 to \$14 billion just 2 years later in 2024. This includes the first installment of \$165 billion in investment that one Taiwan semiconductor company alone is going to make, namely TSMC.

This brings me to my final point. Before Taiwan's election last year, the CCP said that the results would mean, quote, peace or war. I showed you how Taiwan celebrated its successful democratic election, but the PLA responded just a little differently, practicing a blockade and missile attack on Taiwan.

This is a clip, courtesy of Chinese state television.

[Video played.]

Mr. <u>Krishnamoorthi.</u> A little ominous if you ask me, but that is how they greeted the results of the election. We know that Xi Jinping has ordered the PLA to be ready to invade Taiwan by 2027, and that clip gave you a visual of what a prelude to a possible invasion could look like.

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According to a recent study, a conflict over Taiwan would be absolutely

devastating for the world. It would drop global GDP by a staggering \$10 trillion or 10

percent in one single year. And, as you can see, a war over Taiwan would be much,

much worse than even the COVID pandemic at its height. Losing access to Taiwan's

semiconductors alone would push the U.S. into a, quote, immediate great depression.

People would die, and our economy would crash. America, as the chairman mentioned

before, America does not want a war over Taiwan. A CCP attack on Taiwan would be

unacceptable for our prosperity, our security, and our values.

Chairman Xi, know that America on a bipartisan basis stands for peace across the

Taiwan Strait. However, we will not tolerate actions that put peace at risk.

Thank you, and I yield back.

[The statement of Mr. Krishnamoorthi follows:]

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Chairman Moolenaar. Thank you, Ranking Member.

If any other member wishes to submit a statement for the record, without objection, those statements will be added to the record.

Now I would like to introduce our witnesses today. I want to start with General Charles Flynn is the former commanding general of the United States Army Pacific, a four-star command that made him the Army's senior official in the Pacific. We are grateful for his decades of service and for joining us today.

Rear Admiral Mark Montgomery is the senior director, FDD Center on Cyber and Technology Innovation. He previously, for more than 30 years in the United States Navy, including as director of operations at U.S. Pacific Command and as commander of Carrier Strike Group 5.

And, finally, we are joined by the Honorable Kurt Campbell, who most recently was the 22nd United States Deputy Secretary of State. He currently serves as chairman and cofounder of the Asia Group.

I want to welcome all of you, and I appreciate you being with us.

With that, I want to recognize General Flynn, you are now recognized for your opening remarks.

STATEMENTS OF GENERAL (RET.) CHARLES FLYNN, FORMER COMMANDER, UNITED STATES ARMY PACIFIC; REAR ADMIRAL (RET.) MARK MONTGOMERY, SENIOR DIRECTOR, CENTER ON CYBER AND TECHNOLOGY INNOVATION, FOUNDATION FOR DEFENSE OF DEMOCRACIES; AND THE HONORABLE KURT CAMPBELL, 22ND UNITED STATES DEPUTY SECRETARY OF STATE.

STATEMENT OF GENERAL (RET.) CHARLES FLYNN

General <u>Flynn.</u> Chairman, Ranking Member, and distinguished members of the committee, thanks for inviting me to testify today. The threat of a Chinese invasion of Taiwan is no longer distant or theoretical. The urgency to restore credible deterrence in the Indo-Pacific has never been greater.

Taiwan's security is not only about protecting a vibrant democracy. It is about preserving regional stability, defending U.S. interests, and maintaining the credibility of our alliance network from Japan to the Philippines, from Australia to India. It is about defending our homeland and gaining forward positional advantage.

The People's Liberation Army, the PLA, is China's primary instrument for forcibly invading and unifying Taiwan. And, among its branches, the PLA Army is the decisive force. We must stop pretending that this is just a naval or air power problem. If the PLA Army cannot land, cannot maneuver, cannot hold ground, and cannot subjugate the people of Taiwan, it cannot win. If we can prevent them from even attempting to cross, we deter the war all together.

For far too long, we have invested in exquisite systems to fight a sea and air campaign but left ourselves exposed where it matters most: on land, where wars are won

or lost. Land power, not in isolation, but as the backbone that enables the interdependencies of the Joint Force is what enables deterrents. It creates persistence, builds partnerships, is resilient, and develops the deep infrastructure that sustains the fight providing the operational endurance we need.

No other service delivers long-range fires, integrated air and missile defense, theater sustainment, command and control, and mobility across scale like the U.S. Army. These are not future capabilities. They are being fielded now through multi-demand task forces, logistic hubs, and joint fires networks in Japan, Korea, the Philippines, Australia, and beyond, but we need to go further and faster. We must establish a distributed resilient land power posture across the First and Second Island Chains, backed by rapid access agreements, robust joint exercises, and prepositioned equipment that accelerates our response times.

This is not just a U.S. Army issue. Our most capable partners in Asia, Japan,

South Korea, the Philippines, Australia, India, and Indonesia all field large and capable

armies. If we integrate them, if we train and network them to operate with U.S. Forces,

we create an Indo-Pacific land power network that multiplies deterrents tenfold.

The PLA does not fear our ships and aircraft. In fact, they expect them. It has built an A2/AD arsenal to deny them. What it fears is a credible force that can counter its Army on its flanks, in its interior before it assembles and loads and before it ever reaches Taiwan. That is what forward-positioned allied land power brings to the table. This approach is more sustainable and more affordable than betting on billion dollar platforms that are vulnerable to missile saturation, electronic warfare, fragile supply chains, and other emerging threats.

Instead of chasing perfection, what we need is persistent presence, hard-to-kill, hard-to-ignore capabilities anchored in both geography and partnerships. This includes

asymmetric defense investments by Taiwan. I support President Lai's emphasis on mobile survivable systems, but these must be paired with deep civil-military integration, Reserve reforms, territorial defense strategies, and, above all, training, training, and more training. A resilient society helps deny the PLA the quick clean victory it seeks and shifts the cost calculus back onto Beijing.

Now, how do we operationalize this? Let me highlight three key army capabilities that matter most in the Indo-Pacific. First, mobile ground-based strike systems, like Typhon and HIMARS, can disrupt PLA planning and decisionmaking. We need more of these, longer ranges, reloadable, mobile, and fully networked into a joint fires web.

Second, the Army's Multi-Domain Task Forces. They bring together long-range sensing, cyberspace, AI, electronic warfare, and fires into a seamless operational construct. These units provide targeting deception and control across all domains and must remain a top investment priority.

Third, none of this works without sustainment. The Army leads in logistics, medical support, engineering, depot level supply maintenance, and inland transport. It is the backbone of the entire joint concept. Without Army sustainment, agile combat employment from the Air Force and expeditionary basing cannot function. We must push forward AI-enabled manufacturing, coproduction, maintenance, and pre-positioned stocks now, not later.

Army forces also build lasting regional partnerships that no other service can.

These relationships secure terrain, both physical and human terrain, and they build a security architecture that binds the region together. That is real deterrence.

So I am going to urge this committee to consider a strategic realignment; expand joint campaigning with Army-led partners; invest in long range precision fires, integrated

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air and missile defense, AIEW, resilient networks and theater logistics; build and

strengthen the land-power coalition that already wants to work with us; and recognize

the PLA Army as the decisive threat vector for Taiwan. You can't invade Taiwan unless

you can generate an invasion force, and that is what we must prevent.

So let me close with this: Deterrence is not a speech, and it is not a flyover. It

is not a sanction or a carrier patrol. Deterrence is sum of this equation, posture plus

capability plus messaging plus will. It requires persistent presence. It demands deep

partnerships. And it is the certainty in the mind of the adversary that aggression will

fail.

We still have time to prevent war, and we must, but time is not on our side. A

focused land-power strategy integrated with our allies and synchronized across the Joint

Force is how we deny the PLA its objective, preserve peace in the Indo-Pacific. Thank

you, Chairman and members. I look forward to your questions.

[The statement of General Flynn follows:]

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Chairman Moolenaar. Thank you, General.

Admiral Montgomery, please proceed.

STATEMENT OF REAR ADMIRAL (RET.) MARK MONTGOMERY

Admiral Montgomery. Thank you, Chairman Moolenaar, Ranking Member Krishnamoorthi, and distinguished members of the committee. This hearing today I think is really well timed. As we speak, America's ability to defeat a Chinese attack on Taiwan is eroding. Beijing's military readiness has benefited from a 30-year investment focused on advanced technologies that specifically target U.S. vulnerabilities. In the face of this threat, America's ability to deter China is withering. And, thus, the risk of a conflict is growing.

One of the biggest challenges that the United States and Taiwan face is that we need to prepare for the most dangerous scenarios -- the cross-strait invasions, the maritime blockades -- but, in addition, we have to prepare for the most likely scenario. That is a comprehensive cyber-enabled economic warfare campaign. Because a cross-strait invasion or blockade would cause the most destruction on Taiwan, I think Beijing will want to force Taiwan's capitulation through less drastic methods, like a comprehensive pressure campaign that targets the financial, the energy, and the telecommunication sectors, and I think this will be facilitated by malicious cyber activity and military feints that further stress Taiwan's societal resilience.

And, back here in the American Homeland, China is also going to employ the same malicious cyber activity to weaken our critical infrastructures and paralyze our American military mobility and readiness. China is also certain to conduct influence operations aimed at weakening Taiwanese and American public support for action and freezing our

national security decisionmaking processes.

But, as tough as things may look, continued congressional action can reverse these dangerous trends. My written testimony identified 20 recommendations across two broad lines of effort that Taiwan and America can take. That first line of effort is about siege proofing Taiwan and enhancing its ability to defend itself. There is no country can or should do more to prepare Taiwan to defend Taiwan than Taiwan. To confront the most dangerous scenarios, Taiwan has to properly resource its military forces. That means Taiwan needs to spend 3 percent of their GDP on defense this year, and they need to increase defense spending to 5 percent of GDP by 2028. And this money should be used to build both counter-intervention ground forces to oppose that cross-strait invasion, as well as fund air and naval capabilities to oppose a blockade.

Deterrence will only work if Taiwan credibly prepares for both of these most dangerous scenarios.

But organizing and equipping Taiwan's forces will also the require the United States to be a better, more effective partner. The stories of egregious foreign military sales delays are not anecdotal. They are persistent. And, alongside that foreign military sales, the U.S. should maximize its military assistance to Taiwan through FMF, Presidential drawdown authorities, and Congress' new Taiwan security cooperation initiative. Taiwan is too small to handle the Chinese challenge alone.

We should also preposition munitions in Taiwan by establishing a stockpile program similar to the ones that we have in Israel and Korea, and we should expand our joint training and exercise programs, and I would start by growing the joint training team developed by General Flynn out to about a thousand people.

Alongside this military-oriented preparation, Taiwan also has to prepare for that most likely scenario, a cyber and economic campaign designed to break Taiwan's societal

resilience and force Taipei to bend the knee without a damaging ground war.

The second line of effort is about us: Protecting America's ability to respond to and win a war in the western Pacific. China is prepositioning disruptive and destructive cyber capabilities in U.S. critical infrastructures. They are also developing cruise, ballistic, and hypersonic missiles that can impact the U.S. homeland. Beijing wants to disrupt America's ability to fight, and we must not let that happen.

In the cyber realm, the United States needs to improve the security of our rail, aviation, and port sectors to ensure that we can reliable move forces from forts to ports. Congress should investigate using the National Guard to conduct some of this defense of America's critical assets. Similarly, we need to build our societal resilience against Chinese-maligned influence. Last year, Congress wisely took a critical step by requiring the sale of TikTok. Any White House effort to save TikTok must ensure ByteDance is divested of its control over the TikTok algorithm.

In missile defense, the Golden Dome effort could be a great first step if it focuses on a long-term space-based approach to defending the homeland. And we need to double down on America's investments in hypersonic defense. At this moment, we have no answer to Chinese maneuvering hypersonic muscles.

Finally, we need to create an independent cyber service in order to maximize cyber force generation and allow U.S. Cyber Command to compete with China's exploding cyber capabilities.

Thanks for the opportunity to testify. I look forward to your questions.

[The statement of Admiral Montgomery follows:]

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Chairman Moolenaar. Thank you very much, Admiral.

Dr. Campbell, the floor is yours.

STATEMENT OF THE HONORABLE KURT CAMPBELL

Mr. <u>Campbell.</u> Thank you, Chairman.

Thank you, Ranking Member.

Let me commend this committee for the manner in which you have undertaken your business. It has been bipartisan in an environment that there is scarcely very much cooperation. The work that you have done has been path-breaking and informed our work over the last several years, and it continues today, and I want to just suggest to you that it is a model of how we should undertake our work.

It is also the case -- first of all, I am grateful to be joined with such wonderful patriots who have devoted so much of their careers not only to the maintenance of peace and stability in the western Pacific but also to American power in the Indo-Pacific. I will say that this peace and stability which we enjoy across the Taiwan Strait is largely a result of legislative action. This is the example of legislative leadership, beginning with the 1979 Taiwan Relations Act, continuing with the work subsequently enhancing Taiwan's defense capabilities, ensuring that both parties remain vigilant to the threats and the challenges and that we stand firm behind Taiwan, so that needs to continue. I think it is critical and vital.

Second point, just very quickly, the ranking member described Taiwan. The truth is this is an enormous achievement by the Taiwanese people, but we should take some credit for that. What Taiwan has achieved technologically, democratically, the resilience of their society. To be honest, I can remember visiting several years ago during a very

difficult election period thinking, "Oh my gosh, look at the challenges that they are facing." Their democracy in many respects is more resilient than our own. This is a remarkable achievement. They are a partner with us in so many different ways, and this should be commended and embraced.

Third thing, just to underscore, for decades, it was only the United States that was recognizing and supporting Taiwan's importance. But, over the course of the last several years, something remarkable has happened: Many of our allies and partners are joining with us in engaging Taiwan, and they are speaking out publicly that they, too, have an interest in the maintenance and peace and stability across the Taiwan Strait.

Now, the gentleman sitting next to me can tell you all the important elements of deterrence on the military side, but I will also tell you Beijing takes notice in how other countries respond, and the fact that we have gone from one or two countries talking about the importance to Taiwan to absolutely dozens now is an enormous achievement, not only of this body but the United States, and that should continue.

Fourth, just quickly on capabilities, you have heard a lot about what needs to be done with respect to the indigenous military and defensive capabilities of Taiwan. I stand with the gentleman here on those issues. I would differ slightly with the general. I believe that this is a naval theater, but that is probably sort of an intramural thing that we can get to.

I will talk to you mostly what I think is as important as anything else: The Taiwan Relations Act insists that we maintain the capabilities to maintain peace and stability, to respond to challenges in the western Pacific, and I do fundamentally agree with my colleagues that we need to do more about our own capabilities. I will just, from my own experience over the past 30 years working on these issues, I will just tell you where I think the big issues are focused.

First of all, I do not believe we can take this challenge on by ourselves. We need much deeper engagement with our allies and partners, and that means Japan. That means South Korea. That means Australia. That also means increasingly countries like India and Vietnam, and I will also tell you countries in Europe, who also believe that the maintenance of peace and stability is in our interests.

We need much greater integration militarily and strategically. We need to embrace these partnerships that go way beyond what we have done in the past. I think that is critically important.

Shipbuilding, something that you all have focused on that we have struggled with. Critical munitions. I was struck very early in the Ukraine crisis at how difficult it was for us to produce what we needed domestically. We are going to need to do this more with allies and partners. And, so, while I think it is critical that you focus on what Taiwan needs to do and how we need to support Taiwan, remember that we are the ultimate backstop, and we must keep our capabilities shifting more of our capacity to the Indo-Pacific, recognizing that this is where the ultimate challenge to American power is in the 21st century.

Last thing, I am going to say this carefully if I can: I agree that we are facing enormous challenges from Beijing, but we must be honest that some of the biggest challenges that we are facing are debates here in the United States. We occasionally hear discussion about spheres of interests and influence, and maybe this is too far for us, and it is in another major authoritarian country's neighborhood, and we should look at this differently. Those concepts are contrary to our strategic interests. They are un-American, and they do not align with our historic responsibilities, our commitments, and what we all believe in. And so I am asking, not only are you inviting us in today to discuss with you, I am asking for this committee's leadership to make clear that our

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interests stand clearly with continuing our vibrant support of the Taiwanese people and what they have achieved technologically, politically, and strategically over the course of

the last 40 years with our strong support.

Thank you very much, Chairman.

[The statement of Mr. Campbell follows:]

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Chairman Moolenaar. Thank you, Dr. Campbell, and all three witnesses.

Now we will move to questions, and I would like to begin with General Flynn. In your testimony, you mentioned that America's window for strategic decisionmaking is closing and that we must accelerate our own preparations. Can you better -- help us better understand the stakes in the starkest terms possible given your decades of service, and are we currently moving with enough urgency to, as you put it, accelerate our preparations?

General Flynn. Chairman, no, we are not. Let me -- I guess I will just describe, from 2014 to 2024, when I left command, what the Chinese military were doing 10 years ago compared to what they are doing today is dramatically different, and that trajectory that they are on is what we actually have to slow down.

The problem is that our organic industrial base is a precursor to our defense industrial base, and they are anemic. And so, when Mr. Campbell mentioned about precision munitions and shipbuilding, I am for all of that. In fact, we need that. In fact, the region needs it because they don't have big air forces and big navies. The U.S. Navy and the U.S. Air Force must keep the global commons open.

But part of the problem is that the thing I lacked as U.S. Army Pacific Commander, and I would say that the combatant commander did as well, was sort of persistent logistic hubs forward where you could have stores, coproduction. You could have distributed in agile locations to be able to draw on those stores. And, of course, this requires a really important dance between the Department of State and the Department of Defense to have those locations open and available, although we have things available today.

And so I just think the window, Chairman, is narrowing, but it is also narrowing for China as well. So it is not all bad news.

President Xi is 71. He will be 81 in 10 years, and I know that this window of '27 is

still, you know, sort of on the table. Are they rehearsing? Are they preparing?

Absolutely. But I also think that we are in a very good position to be able to counter them because we have this advantage, and that advantage is the partnerships of the allies and partners in the region. So, when we can bring them together as a counterweight to the thing that they try to fragment and fracture every day is our network of allies and partners.

In summary, what I would say is our organic industrial base and defense industrial base, we need your help to get those things moving much faster, but that is not going to get us out of the problem because China is still moving with great speed. Therefore, we have to put capabilities forward, gain positional advantage forward in the region, and we have to do that with our allies and partners, the thing that we enjoy most.

And I will make the point, on the ground -- on the ground -- where people live, out in these countries, out in these districts, out in these various interior lands in the country, that is where Army forces, along with special operations, along with marines, along with sizable armies that are in this region. I mean, one statistic that I want to put on the table right now, the Philippines is seven and a half thousand islands. It is an archipelagic nation; 70 percent of its military is its Army. They have more divisions than the U.S. Army does. They turn to their armies; they turn to their land powers to be able to protect their territorial integrity and protect their national sovereignty. And what I am saying is, if we match up with them, we are going to be in a much different place in terms of assurance and deterrence because those things are going to have to happen on the ground.

And, back to the organic industrial base, the more we bring systems forward, the more that they become closer by way of interoperability.

I just read yesterday that the Taiwanese did their first live fire with HIMARS.

They just bought 29 HIMARS. You all know where we are going with HIMARS. I had that comment in my opening. That is an incredibly important system. The Japanese, the Philippines, they are each buying long-range anti-ship missiles. So the point being that that is the connection between technology, the organic and defense industrial base, and the work that we actually have to do on the ground to have hard power forward. Thank you.

Chairman Moolenaar. Thank you.

And, just quickly, Admiral Montgomery, you talked a little bit about cyber and resilience for our cybersecurity. What two or three things could we be doing to help with that?

Admiral Montgomery. So the most important thing for us is to get our rail, aviation, and port systems secure, and the way we do that is through legislation, and that legislation will need to address appropriations. It will need to address the centrist management agencies. That is the U.S. Coast Guard, Transportation and Security Agency, and FAA. These are not normally what you think about in a war with China, but they are going to be the front line in the war with China. They have to be properly resourced in order to build the partnerships with the critical infrastructures.

And the other problem that we have is these ports, rail systems, and aviation, we're not talking about -- these are county executive -- county- and State-run authorities. They don't have two wood nickels to rub together. They are going to need access to grant programs to fix the problems. As long as they do an assessment according to a government standard, find that flaw and fix it, but the government is going to have to get involved in this because the military needs these systems to function so that we can get, as I said, from the forts to the ports and overseas.

Chairman Moolenaar. Thank you.

Now I recognize Ranking Member Krishnamoorthi.

Mr. Krishnamoorthi. Thank you, Mr. Chair.

I think people in my district and across the country are a little bit on edge economically today. They are worried about access to Social Security and Medicare, Medicaid. They are also worried about rising costs and a potential recession. But, Secretary Campbell, I feel that U.S. economic ties with Taiwan are one of the few bright spots in an otherwise economically uncertain world. Wouldn't you agree with that?

Mr. <u>Campbell.</u> Very much so. And I would just underscore, as you yourself mentioned, what Taiwan provides to us technologically is unique globally. They are the most important ingredient in the global economy with respect to TSMC, but unlike other countries that would hoard those capabilities, as you well understand, they are building FABS now as we speak in the United States to help with that supply. They are really an outstanding partner. I think they believe fundamentally in the partnership with the United States. I completely agree that their role in the global economy should not be underestimated.

Mr. <u>Krishnamoorthi.</u> Let me show this graph. It shows the remarkable increase in Taiwan's investment in America in recent years, which, as I mentioned before, spiked to \$14 billion last year, but this is just the beginning. Apparently, the numbers are going to skyrocket mostly helping my colleague Greg Stanton in Arizona, but basically they just announced \$100 billion in further investments, TSMC did, in the U.S., which will allow us to produce 30 percent of the world's most advanced semiconductors shortly.

Let me turn to my next topic.

[Video played.]

Mr. <u>Krishnamoorthi.</u> This is a sound of an air raid siren. It goes off three times a day in Taiwan when Chinese warplanes fly dangerously close to the island. Imagine

Russian planes approaching American air space. Last year, Russia flew warplanes into Alaska's air defense zone 36 times. In contrast, last year, Chinese warplanes flew into Taiwan's air defense zone more than 3,000 times. This is what it looks like. These red lines around the island are basically the path of Chinese warplanes as they traversed the air defense zones surrounding Taiwan. Admiral Montgomery, by doing this, the CCP is trying to wear down Taiwan's defenders and probe Taiwan for weaknesses, right?

Admiral Montgomery. Exactly. This is what we would call a maximum pressure campaign. They use these military tools, cyber tools, and other financial and energy tools to put a constant pressure on Taiwan's societal resilience, and then, at some later date, they can just dial that up when they see that there is no Western response.

Mr. <u>Krishnamoorthi.</u> Let me turn to my last topic. While these -- while these air crossings happen almost daily, making invasions seem possible, a more likely scenario is a CCP-led blockade of the island. And here is how it can unfold. Step one, the PLA calls snap exercises, like those after Speaker Pelosi's 2022 visit. You see all these ships surrounding the island.

Step two, instead of leaving, PLA warships stay in place, and then Chinese Coast Guard and militia vessels fill the gaps, creating a de facto blockade, which, of course, is an act of war.

Step three, the real test comes when imports, like corn and soy from Illinois, Michigan, and of course, South Dakota, try to reach Taiwan, as you see here, but they are stopped by the CCP. In that moment, we are on the brink of war. In the Cuban missile crisis, we were famously, quote/unquote, eyeball to eyeball with the Soviets, and the Soviets blinked first, but we don't want to get to that point where we need to be eyeball to eyeball with the CCP.

So, General Flynn, you would agree with me that one way Taiwan can deter a

blockade is by stockpiling, for instance, corn, soy, natural gas, and so forth, right?

General Flynn. Yes, ranking member, absolutely.

Mr. <u>Krishnamoorthi.</u> What more, Secretary Campbell, do we need to do to show Xi Jinping that he should never think about trying to blockade Taiwan because it would fail?

Mr. <u>Campbell.</u> Thanks. It is a multipronged strategy, frankly, Congressman. I completely agree with my colleagues about the things that we need to step up both Taiwan and our capabilities. I will say that deterrence comes with a recognition that, if such steps were taken, that China would face the most brutal financial steps taken against it, not just by the United States, but by other countries as well.

We also need more stepped-up military capabilities. I think the scenario that you paint, Congressman, is the most likely. Our answer to that, frankly, is our submarine force more than anything else. It is our jewel in the crown. What you all have done recommending that more steps be taken here, I am a huge supporter of AUKUS. I believe, if the United States, Australia, and Great Britain can step up our joint capabilities, that is a major deterrent. We need to keep that area of advantage where we are still 10, 15, 20 years ahead of Beijing in operating in the undersea domain. As long as we have that, it would be very difficult to effect a successful blockade against Taiwan with those capabilities. That is the area that we need to double down on.

Admiral Montgomery. Sir, if I could add one cost-free idea, we need to begin practicing escorts and reflaggings with Taiwan. The other -- you didn't mention it, but LNG, liquid natural gas, is the real -- I think that is the first thing that is going to tighten them up during this, and we need to, ahead of the event, do reflagging and convoy escorts with the Taiwan Navy practicing with LNGs and even try to pull the Japanese into that as well, who are equally vulnerable to this. To me, that is a good cost-free way of

signaling to China we are not going to let this happen.

General Flynn. I would add that the picture you paint also is why it is so important for training on the ground in Taiwan for them to be able to see that picture and then be able to paint what they can do by way of countermeasures. Again, this is not just a U.S. problem. This has to be a Taiwan problem, a Japanese problem, a Philippine problem. It has got to be the entire First Island Chain, to include South Korea, and there are angles and things that we can do from areas to counter what you were just outlining there with the air and the maritime pressure from Taiwan, and that is why that training on island and the technology integration with those forces is so important.

And, again, I will just remind people that, at the end, the objective is to invade it, and that is the most dangerous scenario. So you can't get that force across 100 miles without us seeing it. My point would be that we have to have the indications and warnings of what is actually happening in China with the invasion force, so we watch a lot of the air, and we watch a lot of the sea, and I agree with the submarine force of the United States is -- there is nothing close to it.

However, to be able to extend our indications and warnings, we have to collect on the very thing that they need to actually invade, and that is the forces that are in the eastern theater command. I am just saying, if we want to increase our indications and warnings and buy time for diplomacy and political intervention, then we need to be watching the thing that they need to actually invade, because they are not going to invade with the Air Force, and they are not going to invade with the Navy. You need a gun on the ground to be able to subjugate those people, and that is the most difficult thing that they can do, and my point is we need to be watching that and putting the technology against watching that so we buy more time for the United States and others to say, "Please, what are we doing here? We don't want another war."

Chairman Moolenaar. Thank you.

Representative Barr.

Mr. Barr. Thank you, Mr. Chairman.

And, General Flynn, you do make a powerful case for land power and collecting intel on the invasion force in advance. As part of enhancing deterrents in the Indo-Pacific, I am particularly interested in your testimony and the operations to place systems like Typhon and HIMARS to deter PLA planning, deployment in the Philippines, shifting the Chinese calculus.

I have read about the bellicose response from Beijing related to deployment of these systems in the theater. So we have got them rattled on that. That is a piece of deterrence. I am curious to know your thoughts on cooperation from our partners in the Philippines and Japan on prepositioning those assets at the EDCA sites in Japan -- I mean, in the Philippines. And then, given -- I know we were just in Tokyo. The bipartisan group, their cooperation is spectacular, but with potential relocation of the Marines from Okinawa to Guam, what is the cooperation we need on these systems in the south of Japan and in the Philippines?

General Flynn. Thanks, sir. Let me start in the Philippines. First of all, the benefit of having nine EDCA sites is exponential, and I will use another example. In Agila Harbor in Subic Bay, we lease 3 million square feet of warehouses. And so we were trying to establish a joint theater logistics center there to be able to have commodities that we could use often. That is one location. And it is not an EDCA site, but it is certainly benefits the United States, benefits the Philippine Government, and benefits really the network of allies and partners to be able to have those capabilities there on the ground.

On the ground, you can do coproduction. You can do maintenance forward.

You can fix forward. You can arm forward, and then you can distribute to the nine EDCA sites in the Philippines. So you can see how valuable that port -- and it is a deep water port -- and the warehouses are.

You know, you mentioned Tokyo. I am going to go to Japan for a minute. Last year, I was down in the -- outside of the metropolitan Hiroshima area. There is two Army ports down there and five different small installations that were built by the Japanese after the Second World War under the U.S. leadership that we are only using about 40 percent of the storage on the ground in those facilities -- never mind Sagami Depot outside of Tokyo, never mind the storage that we have in Kadena and Okinawa and, of course, the prepositioned equipment that we have in Korea.

I guess the point I am making is that we have physical access right now. What we don't have, and what I mentioned in my testimony, is that we are not putting the equipment on the ground fast enough.

One example: There are seven vessels that were loaded with prepositioned equipment afloat in the Pacific. We were taking those vessels and just having the equipment float out there. My point was let's get it on the ground and keep it distributed and give the ships back to the Navy to recap them.

Mr. <u>Barr.</u> General, thanks for your service, and I represent the Blue Grass Army Depot, part of the Army Materiel Command. We need to do exactly what you suggest and preposition over in the theater.

Let me ask a quick question to Deputy Secretary Campbell. Strategic ambiguity, this has been a diplomatic debate. Should we abandon strategic ambiguity? Would deterrence be served by shifting to clarity as a policy of deterrence?

Mr. <u>Campbell.</u> Congressman, my own view would be that the policy that we have adopted over the last 40 years of -- which I believe has substantial elements of

clarity within it, but our declaratory position that you describe I believe has served our strategic interests, and I believe there is still elements of that that can and should be sustained going forward. So I am more focused on the steps that we are talking about here in terms of preparation, but I also believe we have been unmistakable strategically in our public declarations about what we stand for and what --

Mr. <u>Barr.</u> Let me drill down on a detail of that. As you know, the PRC uses U.N. General Assembly resolution 2758 to isolate Taiwan by misinterpreting the resolution to justify its fraudulent One China Principle, although the resolution makes no mention of Taiwan, does not authorize the PRC to represent Taiwan in the U.N. system, and certainly does not state that Taiwan is part of the PRC. What should be the U.S. position on China using 2758 to claim that Taiwan is part of China?

Mr. <u>Campbell</u>. We should resist that at every possible effort, both in New York, in Geneva, and all the other U.N. activities that we are undertaking. Look, the truth is that the U.N. is a pretty important battleground for hearts and minds in the global south. We are frankly hurting our ability to operate in many of those capacities. I think one of the reasons to engage here is that it is essential that we get all these other countries in Latin America, Africa, and elsewhere that are buying into this approach to understand that it is contrary to their interests as well.

Mr. Barr. Thank you. I yield back.

Chairman Moolenaar. Thank you.

Representative Moulton.

Mr. <u>Moulton.</u> Thank you very much, Mr. Chairman, and I want to thank the distinguished witnesses for your years of service to our country.

And I tell you, we have had -- I certainly have had a lot of interactions, especially with General Flynn and Mr. Campbell, and you have always been incredibly bipartisan and

thoughtful and really focused on the national security concerns at stake here, so thank you for that.

The Senator -- I am sorry, I mean the ranking member is right that many

Americans don't know where Taiwan is, but what is most dangerous is how many don't

understand why Taiwan is so important, don't understand how many chips they carry

with them every day that can only be produced on this tiny island.

Now, sitting on the Armed Services Committee and the China Committee, I can tell you I am confident that, if Xi Jinping and the Chinese Communist Party do what they have promised to do and try to take over this island, try to start this war, we will win it. We will defeat them. But hundreds of thousands will die. We could lose the satellites that enable GPS. So no more Google Maps to get home. And it would be a horrific worldwide economic calamity. So the point is that we have to succeed at deterrence.

Now, General Flynn, you said that deterrence is the sum of posture, capability, messaging, and will. I would posit that you can win without posture. Armies have won throughout history without the best capability, and we don't often have the right messaging, but my concern is will. I don't think it is helpful to have a President equivocate on whether we would defend Taiwan as President Trump has. Given where we are today, how do we ensure that Xi Jinping and the Chinese Communist Party understand America and Taiwan's will to fight?

General Flynn. Sir, I think we -- this is why we have to have positional advantage forward. There is no substitute for hard power being forward. And, as cited earlier, the Typhon system and others that are in the Philippines, they get the attention of President Xi.

Mr. Moulton. That is a good answer.

General Flynn. And I think what we are trying to do is sow doubt and feed

paranoia there because they did not calculate for those systems being brought in there.

Mr. Moulton. Admiral Montgomery, what do you think?

Admiral Montgomery. I agree with your assumption that -- your presumption that we need to deter them. What I would say is that I do think that it -- the real deterrence would be -- is us and Taiwan becoming more integrated. I don't share General Flynn's optimism about Japan, Philippines, Australia actually contributing. They may give us access during combat. I am not sure they will contribute. The one country I know will contribute to the defense of Taiwan is Taiwan, and currently our military coordination is that -- our military interoperability is done at a deconflicted level, the lowest level. We have to raise it to coordinate, integrate it, and eventually unify it. This normally takes 10 to 15 years.

Mr. Moulton. That is very helpful.

Admiral Montgomery. We need to do this in the next 2 to 3.

Mr. Moulton. Thank you.

Secretary Campbell?

Mr. <u>Campbell.</u> Frankly, I am much more optimistic about the role of our allies.

I have seen over years countries like Japan, Australia, South Korea, even --

Mr. Moulton. Okay. But how do we reinforce this will?

Mr. <u>Campbell.</u> Are you talking about the will domestically?

Mr. Moulton. Yes.

Mr. <u>Campbell.</u> Frankly, hearings like this. We need much more discussion. Frankly, just having people understand that our economy grounds to a halt without our access to the key technologies of Taiwan. This is an educational effort. I will also say I think that the real strength of what we have seen in our engagement in the Indo-Pacific, it has been largely bipartisan. It needs to stay that way. And major policy things need to

be debated and discussed and not sort of decided from on high without appropriate consultation.

Mr. <u>Moulton.</u> Thank you. Just a quick diversion to Rear Admiral Montgomery, your comment on Golden Dome, because I think it is really important that we are investing in the right things here. How long will it take us to design, build, and deploy this capability?

Admiral Montgomery. Look, if we do it right, we are going for the long term.

The worst thing we can do right now is go buy --

Mr. Moulton. It has been estimated 15 years. How long do you think it will take our adversaries to get around?

Admiral Montgomery. A space-based system is now 5 to 8 years away.

Mr. <u>Moulton.</u> Okay. So where would these space-based satellites reside?

Admiral <u>Montgomery.</u> In LEO.

Mr. Moulton. LEO, right.

Admiral Montgomery. And they would be both search and tracking.

Mr. <u>Moulton</u>. So, if one of our adversaries is willing to launch a massive attack against us, which this system is designed to stop thousands of intercontinental ballistic missiles, don't you think they would be willing to detonate just a single missile to take out every LEO satellite, to take out that defense system?

Admiral Montgomery. This is not about stopping a nuclear exchange. What will stop a nuclear exchange is mutual assured destruction. What we need Golden Dome for is the hypersonic missiles, cruise missiles, and conventionally armed ballistic missiles that China and Russia are now building.

Mr. <u>Moulton.</u> What you just said I think is incredibly important, and it is lost on a lot of people in understanding Golden Dome, so thank you for that.

Mr. Chairman, thank you. I yield back.

Chairman Moolenaar. Thank you.

Representative Dunn.

Mr. <u>Dunn.</u> Thank you very much, Mr. Chairman.

I want to thank the witnesses as well for the testimony today.

And let me just say, Mr. Chairman, you have put together an incredibly distinguished panel this morning. It is a real pleasure to drag myself out of bed just for -- just to talk to these gentlemen.

It is incumbent upon us in Congress to decisively put a stop to the PRC's plans to forcefully annex Taiwan. Taiwan is our strategic partner, shares similar commitment to democratic values, and we cannot allow the PLA, PRC to continue to run amuck bullying and jeopardizing the security of our allies throughout the world. To accomplish this, we have to optimize and revitalize America's defense industrial base and the defense workforce to maintain competitive military readiness, and America has to close the gap in defense production capacity. Otherwise, our enemies -- China, Iran, Russia -- will continue to threaten our allies throughout the world. As policymakers, we must continue efforts to establish comprehensive security strategies that prioritizes our ready military posture.

I am a member of the NATO Parliamentary Assembly. I will present a report on the need for defense industrial base shifts in America, Canada, and in Europe at the upcoming NATO PA Summit next week in Dayton, Ohio. The U.S. has to lead these global efforts, I think, including in cyber deterrence, strengthening partnerships, and I mean beyond the Five Eyes intelligence alliance, to build collective defensive alliances.

We have heard through our previous work in this committee that the PRC will stop at nothing to control, dominate, and exacerbate any and every vulnerability to carve out a strategic advantage for itself, and it remains critical that we establish comprehensive security strategy to respond to that. I look forward to continuing this work with my colleagues and with our allies. And I -- let me say I think this panel exemplifies the American commitment to that goal.

General Flynn, good to see you again, sir. First, could you talk about the critical infrastructure challenges in the Indo-Pacific and how they impact the military's ability to operate throughout the region.

General Flynn. Admiral Montgomery mentioned the -- I will just refer to them as power projection platforms. They are vulnerable. They are vulnerable to cyber attacks and infections essentially that are on those networks. I would also say that, as I mentioned in my remarks, because it is tied to the comment you are making, our ability to have the raw materials of steel, aluminum, magnets, batteries, even the microchips. As he held the phone up, Representative Moulton, right, those come from the rare earth elements that we need. So we are not going to be able to get this organic industrial base back on its feet until we can gain access into those markets and make sure that we have those here. So the combination of our ability to project power is vulnerable from cyber, and then our ability to actually move the power is tied to our organic --

Mr. <u>Dunn.</u> Thank you for calling attention to the basics. I mean, it really is blocking and tackling sometimes. It is not just high tech. I do want to say also, Admiral Paparo, I am sure you know, commander USINDOPACOM gave China's armed forces last month high marks for their ability to prevent U.S. Forces from achieving air superiority in the First Island Chain. Do you think that is true?

General Flynn. Yes, I do.

Mr. <u>Dunn.</u> Ouch.

Admiral Montgomery. Can I add to that? I think that is true for the first two

weeks. Our goal -- and maybe only one week. Our goal, our plan is to roll back

Chinese aircraft. If we can't roll it back in under 7 to 10 days in my mind, the ground
forces that Charlie's been talking about, the Taiwan ground forces will get overrun by a

Chinese lodgment. So I think we really have to get it back pretty rapidly.

RPTR DETLOFF

EDTR ZAMORA

[10:01 a.m.]

General <u>Flynn.</u> We have to get it back, but the challenge that we are talking about is getting it back at what cost.

Mr. <u>Dunn.</u> We have work to do.

I do want to get to the Honorable Kurt Campbell, the one man who may have spent more time in the Indo-Pacific than everybody else in the room put together. It is good to see you again, sir.

Could you speak about how investing in our allies, partners, and particularly through infrastructure projects, impacts America's competition with China, specifically in the Indo-Pacific?

Mr. <u>Campbell.</u> Great. Thank you. And I very much appreciate the comments that you have made, Congressman.

I do want to just underscore one other point that was just made about investment in the United States. If you look over the last 5 years, the countries by and large that have dramatically increased their investment in our infrastructure in the United States -- enhanced battery projects, semiconductors, just down the list -- it is Taiwan, South Korea -- largest investor of any country in the world in the United States -- Japan, and Australia. So those trends are very positive. That work is well underway.

I do want to just point out something that you, I think, alluded to but something that we have to take seriously in this forum. If you ask me what is the most formidable partnership militarily, strategically on the planet today, it is not the United States with any of our allies. It is Russia with China.

And the fact is, what Russia -- what China is doing to help Russia on the battlefield

in Ukraine is truly concerning, but, remember, it is the reverse that is going to affect us as well. Russia has capabilities, hypersonic capabilities, silencing of their submarines, things that they are going to provide to China that are going to provide a real threat to us. And so understanding that this relationship is affecting not only peace and stability in Europe but in the Indo-Pacific as well.

The only thing I would say -- look, I understand what we are doing trying to balance the books on some of our trade engagements. Frankly, I am more focused on that relationship with Beijing than I am going around and hitting some of our allies really hard. I would be much more focused on seeing what we can do in partnership with them -- infrastructure, technology, military. I am more ambitious and more bullish about what we can do together. I think we have turned a corner with many of these countries who see the threats on the horizon, and, frankly, they want to be with the United States, and I want us to be up to that challenge.

Mr. <u>Dunn.</u> You have given us sobering thoughts to leave with. I look forward to continuing this conversation.

I yield back.

Chairman Moolenaar. Thank you.

Representative Tokuda.

Ms. Tokuda. Thank you, Mr. Chair.

General Flynn, aloha. Good to see you here.

So I sit on the Armed Services Committee, so I understand the need to be hawkish in this particular environment. But I have a basic question for the panel. Does China even need to invade Taiwan to achieve its reunification goals? I mean, could they just economically isolate Taiwan as the U.S. imposes and threatens it with 32 percent tariffs? Could they undermine Taiwan's democracy through intensive disinformation campaigns?

We know that China is using generative AI to ramp up their disinformation campaign and conduct what is ultimately -- I think as you said, General Flynn -- psychological warfare that divides Taiwan's people. We also recently shut down the State Department's Foreign Information Manipulation and Interference Hub, which was key for us to coordinate with allies and expose disinformation. We have also eliminated the U.S. Agency for Global Media that was our counter-messaging arm to get at this disinformation.

Could they literally force Taiwan into submission by causing Taiwan to question its -- you know, the U.S.' commitment to its defense as a result of our actions and words in the region and in places like Ukraine? Simply without even firing a bullet, as a result of our action and inaction in this particular case, could China achieve its goal?

Admiral Montgomery. That was in my testimony. I agree with you completely.

That is what I laid out.

In my mind, the most likely scenario is they are going to try this cyber-enabled economic warfare campaign, abet it and facilitate it with cyber malicious activity and with military fakes, and what they do is just drive the pressure up on Taiwan and try to break their societal resilience.

President Lai and his team feel this is the most likely scenario as well, and they have set up a task force on societal resilience to deal with it. It includes information operations, cyber, financial, communications, and energy. We have run tabletop exercises in Taiwan and with the Senate Foreign Relations Committee looking exactly at this issue -- we are happy to run them with you -- to show you exactly what will happen in an energy driven, cyber-enabled economic warfare campaign. You are exactly right.

General <u>Flynn.</u> What I would say is that -- yes. However, the threat is very real. So from a military perspective, we have to take the actual military instrument that they

have built and what they do with it, and we have to counter that.

So the ultimate -- you know, the goal would be to subjugate Taiwan without invading. However, we cannot discount the threat that they pose by what they do with their air, maritime, and ground forces, or cyber, space, et cetera. So that has to be countered in a very real way, and that is -- my position is forward positional advantage gives us hard power to deter that.

Ms. Tokuda. Absolutely.

Maybe, Dr. Campbell, if you can elaborate briefly. You mentioned the China-Russia relationship. In this area in particular, are we underestimating that particular bond and their ability to use their joint assets to really come at Taiwan and create this divide?

Mr. <u>Campbell.</u> Yeah. At the same time that Russia is deeply and actively engaged in this brutal, illegitimate campaign in Ukraine, they are also increasing their operational dynamics with China in the western Pacific, operating around Japan, in the Taiwan Strait. You have seen statements from Russia indicating that they would be prepared to potentially participate with China in actions there.

Look, I agree, ultimately, we have got to step up our deterrent capability, but I would also say the real challenge that we face -- if we have a faltering of our will, if we have statements that somehow, gee, we are not as interested in this, or, gee, let's figure out how to get along with Xi Jinping -- ultimately, what that will lead to are questions in Taiwan about the United States, about our role and our commitment, and that is what China wants. That is what China wants, is not to cut a deal with us but to have us signal somehow that we are waning in our commitment. And they will then use that to go to Taiwan and say, see, your backer has lost its will. That is why the work of this committee is so important.

Ms. <u>Tokuda.</u> Well, you set me up for my next quick question, because I know I am running short on time.

I mean, clearly, we know this. The CCP is the single greatest threat to global peace and security. We all agree on that. But across the world, we also know right now our allies and our partners are increasingly worried about us.

A poll this spring in Japan showed that 48 percent of Japanese respondents believe that the international community cannot rely on the U.S. A shocking 77 percent doubted that they would come to Japan's defense in an emergency. In Taiwan, a poll showed similar trends. Over 57 percent of Taiwanese respondents felt that the U.S. was no longer dependable, and a Brookings poll showed similar declines in perception in trustworthiness, dependability, and favorability in South Korea towards the United States just in the last few months.

Given this lack of trust, given the talk we had about the willingness to fight that Representative Moulton talked about in our allies and partners and in Taiwan, does this concern you that these perceptions are there in the first, second, and third island chain?

Mr. Campbell. Is that to me?

Ms. Tokuda. Whoever wants to answer. I know I am short on time.

General Flynn. What I would say is, on the military side, that is not what I have seen. I have seen nothing but strengthening in our partnerships. The fact that we are actually there and that confidence that is gained by us being in those locations, I have seen nothing but a tightening of that, at least the military-to-military partnerships. And in a period of time when diplomacy is fractured or there is political fracturing, this is the power of having a mil-to-mil relationship and being able to overcome some of those, you know, rough waters.

Ms. Tokuda. Yeah. Mr. Chair, I know I am out of time, but I will just say again,

this is public perception, not the military action. It is what I am getting at. The war will be fought on multiple fronts. We are secure on the defense side -- we know that -- but it is the war of the mind and it is the war of the people and their will.

Mr. <u>Campbell.</u> I would just say, right now, I think the biggest challenge we face in terms of maintaining peace and stability is if our allies and partners lose confidence that we are the America, with all of our warts and flaws, that they have known for the last 40 or 50 years, and that we are backing away from our commitments to the maintenance of peace and stability. If we lose that edge, then I think the global circumstances will be very dangerous, yes, indeed, Congresswoman.

Ms. <u>Tokuda.</u> Thank you. It is about trust.

Thank you, Mr. Chair. I yield back.

Chairman Moolenaar. Thank you.

Representative Johnson.

Mr. <u>Johnson</u>. When the ranking member and the chairman and I were in Taiwan more than a year ago, I had the sense -- I mean, I was hearing all the right things. It seemed as though the government had taken major changes with regard to the compulsory service, moving it back to a 12-month period, lots of, I think, important conversation about increasing defense spending. We have had some conversations about that today. I had the sense that the likelihood of an invasion was moving down and that maybe the window of opportunity was being pushed further into the future.

I think the last 6 or 12 months, maybe, has brought that window of opportunity a little closer. And, in fact, last week when I was reading The Economist, there was an article that, in essence, said that. The quote that struck my eye was, "If America weakens its commitment to defending Taiwan, then Taiwan may lose the resolve to resist. And if Taiwan is not prepared to defend itself, America will be less likely to come

to its aid."

I think that, in my mind, that really brought forth this idea that the will of our country and theirs interacts with one another, and we can get kind of a dismal feedback loop if there isn't the will to fight and, of course, the capability to fight.

So, General Flynn, I know you are not an expert on politics, but you talked about President Lai understanding the importance of mobile, survivable systems. Of course, Taiwan is a split government. It is always a little harder to get things done in that environment. What is your assessment? I mean, is there broad consensus around that idea?

General Flynn. Thanks for the question. The way I would frame it is this way.

I get asked the question a lot about their will to fight. I actually -- I don't know, because until somebody puts a bullet through the person next to you, you are not sure if they are going to fight.

But what I can tell you is this. In my view over the last 3.5 to 4 years, their will to prepare -- like to go to practice every day and to train and to get better -- from the political side and the military side, in my view, that is moving in a very, very positive direction. We have momentum, and we can ill afford to lose the momentum.

And, therefore, being able to give them a system -- like HIMARS that I mentioned -- that is interoperable with our systems, then we have a much easier way of being able to network these forces together so that they can do the things that they must do enabled by the United States.

Mr. <u>Johnson.</u> But is everybody on board with that? I mean, I know in years past there was a sense that maybe the military and the government was more interested in exquisite systems, right, really expensive, shiny platforms. Is there a broad consensus around your recommendation?

General Flynn. I think it is getting there. I will use this example. We can give them 400 harpoon systems, but if they don't have 400 crews that actually know how to man them, use them, employ them, site them, and have a primary, ultimate, and supplementary firing position, it doesn't matter how many things they have.

So my point is training and training and more training allows them to understand how to actually do a defense in depth, and this is where our value as a training body is so important.

Admiral Montgomery. Let me add to that that we absolutely have to grow the joint training team in Taiwan so they can do -- that is a U.S. team there. It is about 500 people now. It needs to be a thousand.

If we are going to give them billions of dollars in assistance, sell them tens of billions of dollars' worth of U.S. gear, it makes sense that we would be over there training and working. Your Taiwan Enhanced Resilience Act directed the Department to do it. I would say gently they have been slow.

So the answer to the question is we can drive their preparations. We can help their preparations, but it is going to take U.S. engagement and involvement in this to kind of get them to the point where they really have a true counter-intervention force.

Mr. <u>Johnson.</u> So, Admiral, you talked in your testimony about the importance of siege proofing and how that is really tied to being properly resourced. You talked about 3 percent. Again, in divided government, it doesn't look like maybe everybody is on the same page there yet in Taiwan. Then you talked about stepping up to 5 percent.

Did you choose that number because you think that is what is politically possible or does that number actually get siege proofing accomplished?

Admiral Montgomery. It is based on three things. One, it does get siege proofing accomplished. That kind of budget will do it. It will buy them not just the

systems they need but readiness. They will get to 3 percent this year. They are going to spend several billion dollars on readiness. That is actually small arms equipment, things like that, the training ranges Charlie mentioned and that he advocated for in his last job.

And the other thing about the 5 percent is, historically, looking at democracies, that is about where a democracy can end up. The only one that has been above that is Israel, and, in fact, it went below it before October 7.

Mr. <u>Johnson.</u> I mean, it is aggressive, though, right? I mean, the United States is there. Poland, I think, is now there. But is kind of anybody else at 5 percent?

Admiral Montgomery. We are not there. We are at 3.4 percent.

Mr. Johnson. Oh, yeah. Right. Sure.

Mr. <u>Campbell.</u> South Korea, in some respect, is.

Admiral <u>Montgomery.</u> South Korea is 3.5 percent. Five percent is going to be the three Baltic states, Poland, Israel, and Taiwan when they get there.

One last thing I will say is I keep hearing, like, people in the administration say 10 percent. Ten percent would mean they would have to buy \$40 billion worth of FMF from us every year. I think you all are well aware we can't crap out \$3.5 billion worth of FMF a year. So unless our FM -- excuse me. FMS. Unless our Foreign Military Sales program gets absolutely, you know, revitalized and improves 1,000 percent, they are not going to be buying -- they are not going to be at 10 percent of GDP.

Mr. Johnson. Thank you. I yield back.

General Flynn. I will add one thing about -- so part of that lift in their investment is also there is some indigenous capability that they need to get up and running right now in Taiwan. So it is not just about bringing stuff in from outside. It is also about them creating the capabilities inside to be able to feed their stocks and stockpiles and stores

and have some reproduction and manufacturing capability forward.

Chairman Moolenaar. Representative Brown.

Ms. <u>Brown.</u> Thank you, Chairman Moolenaar and Ranking Member

Krishnamoorthi, for holding today's hearing. And thank you to our witnesses for being here today.

The topic of today's hearing could not be more timely or consequential. With President Xi Jinping directing the People's Liberation Army, or PLA, to be prepared for a Taiwan contingency by 2027, the window for strategic investment and deterrence is narrowing fast. As a member of this committee and as someone committed to strong Federal oversight and forward-thinking technology policy, I want to focus today on how we align policy, posture, and planning to meet this pivotal moment.

I represent Ohio's 11th District, where families, workers, and veterans believe in the promise of democracy, the value of peace, and the need for safety. And they deserve to know that their communities and this country are protected, not just from the threats they can see, but from those they may not often think about, threats that advance online, in infrastructure, or across the Pacific. Today's threats go beyond missiles and military drills. They include cyber attacks, disinformation, and gray zone coercion by the Chinese Communist Party. These efforts are designed to disable our networks, divide our alliances, and destabilize democracies like Taiwan, all without firing a single shot.

We have seen what the CCP is capable of in cyberspace. The FBI recently disrupted Chinese state-sponsored malware planted inside American routers and infrastructure. The malware is prepositioned to disrupt U.S. logistics and communications in a crisis. We cannot afford to ignore that. Our digital defenses must be as strong as our physical ones.

At the same time, we have passed \$8 billion in new Indo-Pacific security

investments. I supported that funding, but money alone isn't enough. We need urgency in implementation. Taiwan still faces a years-long backlog in arms deliveries, and if our own systems remain exposed to cyber attacks, then our deterrences could be derailed before it ever gets started.

At its core, this is about defending freedom. Taiwan is a vibrant, self-governing democracy, and the CCP's aggressive posture -- military, economic, and digital -- isn't just a threat to Taiwan's autonomy. It is a challenge to the idea that free people have the right to choose their own future. That principle is worth standing up for, and that is why today's hearing matters.

So, General Flynn, you have spoken about the role of Army forces in the Indo-Pacific. Given growing cyber threats to our logistics and communication systems, how should Congress support efforts to harden military infrastructure and enforce -- and ensure our forces and our allies can operate even under cyber duress?

General Flynn. So a couple of ways. First of all, having cyber support teams forward, again, as part of the multidomain task forces that I mentioned. Each one of these countries also -- including Taiwan -- they are looking for how to organize their forces to do that and then also how to, say, improve their tactics and techniques on how to operate in the cyber domain. Just the simple act of being able to perform forward to be able to do that is incredibly important.

And then, of course, being able to share information, intelligence, and some of the nefarious activities that are going on on their networks with these countries is incredibly important. And it also shows the value of what we offer them by being able to see a broader landscape of what is actually happening against their vulnerable networks and those vulnerable points with which they are attacking.

Ms. <u>Brown.</u> Thank you.

Deputy Secretary Campbell, what more can the United States do, either through diplomacy and regional coordination or otherwise, to counter cyber-enabled coercion and disinformation from the CCP, and how are we working with allies in the region, like Japan, the Philippines, and Taiwan, to ensure gray zone attacks result in real consequences?

Mr. <u>Campbell.</u> Great. Congresswoman, can I just commend you on focusing on this critical dimension. My colleagues have already mentioned that the cyber dimension is the area that, frankly, we have not been as attentive to. I think we have doubled down, with the support of this committee and others, on working on our own defenses.

The challenges that -- as you point out, some of the areas where we are most vulnerable requires a partnership between, frankly, the U.S. Government and private entities. Some of that work is, frankly, yet to be done. It is also the case that some of our closest allies face similar cyber challenges from the PRC and other actors. We have increased our ability to work with those countries. I think we have been able to address some of the challenges, rebuild systems with greater resilience in them.

But at the same time, I would just have to say that this is a work that is barely in progress, that needs much more effort over time. And you are absolutely correct, we can take all of the steps that we are discussing here, but a few flips of a few switches in a couple of places in Beijing can basically disable some of the things -- the critical infrastructure in the United States which is, frankly, central to our ability to respond.

Ms. <u>Brown.</u> And, Mr. Chairman, I have a question for the admiral that I would like to submit for the record, and thank you for the extension. My time has expired. Thank you.

Mr. Campbell. Thank you.

Chairman Moolenaar. Thank you.

Representative Gimenez.

Mr. <u>Gimenez.</u> Thank you, Mr. Chairman, and it has been a really interesting hearing.

I don't really care to fight China's war or fight them in their own neighborhood.

And please correct me if I am wrong, but would you say that China's weaknesses are food, energy, and exports? Somebody want to debate that?

General Flynn. I would.

Mr. <u>Gimenez.</u> Okay. You think they are capable of producing all the food they need?

General <u>Flynn.</u> No, they are not.

Mr. <u>Gimenez.</u> Are they capable of producing all the energy that they need? General Flynn. No.

Mr. <u>Gimenez.</u> And the export, they have a full -- a totally dependent economy based on exports, because their capacity to produce far exceeds their capacity to consume. Is that correct?

General Flynn. I would agree.

Mr. <u>Gimenez.</u> So would it behoove us to take the fight further out? In other words, you talk about blockading Taiwan. What if we blockade them, but not right next to them but blockade them way out, all right, so they can't get their food supply and they can't get their energy supply? And what if we develop partnerships -- mainly with Europe, I mean -- and say, if you indeed attack Taiwan, then we will put an embargo on your exports and wreck their economy? Would that be a deterrent?

Admiral Montgomery. Yeah, I think it would be. I think we have been looking at what kind of economic security authorities we should pass ahead of time. In other words, I think it is incumbent on Congress to say to the President, if these things happen, this is what we expect. These are triggered. If you do that, that is that strong

deterrent effect that says to China, if you attack, we will -- you will feel this economic pain. And I do believe that we could use legislation to then pull in our allies and partners to agree to that and create the kind of deterrent effect that gets at exactly what you want, which is pre-boom.

General Flynn. If you don't mind, that is why I think these relationships that I am talking about -- like, we are talking a lot about Taiwan. Maybe because the hockey playoffs are going on. Like, Taiwan is like the puck, but there is a whole game going on around and the movement elsewhere in South Asia. The work we are doing with India, Thailand, Vietnam, the work that we are doing with ASEAN countries, the work that we are doing out in Oceania, the work that we are doing in Northeast Asia -- all of these areas are having massive pressure put on them by China.

And so our partnerships -- and, again, geography and partnerships matter, and that is why having those forces out there to stay engaged -- you know, again, this is where the Department of Defense and the Department of State have to be hand-in-glove with these different areas, because we can put pressure on China by that network of allies and partners and then countering them in each one of these areas where they are absolutely putting their thumb on the scale, trying to disrupt and fragment and fracture our network of allies and partners that we enjoy.

Mr. <u>Gimenez.</u> If Xi Jinping wakes up one day and says, hey, the math doesn't work; I mean, even if I take over Taiwan, the impact on China as a whole is much greater than the gain that I get from China, then, you know, maybe, you know -- it is not just about, you know, treasure or, you know, blood, okay? It is about -- and the number of men they are going to lose and the assets they are going to lose. It is about, hey, this is really going to hurt China.

I mean, right now, just with the threat of high tariffs, you know, order ceased and

China was looking at full warehouses and then people getting out of work, right. So the pain inside of China is going to be much worse. Hey, all right, I got Taiwan. What is the gain to that? Versus what is going to be the pain inside China if the world stands up and says, no, we won't tolerate that.

Yes.

Mr. <u>Campbell.</u> Could I just give you one other way to think about this, Congressman? I appreciate the approach.

For 30 years since China's opening, the logic of global economics was a massive investment in China. And so, as a result, until a couple of years ago, the greatest interdependence economically between any two nations is, frankly, probably between the United States and China. And if you ask what two countries are more interdependent but more uncomfortable with that interdependence, it is both the United States and China.

And the only thing I would say, Congressman -- you know, we often discuss among ourselves, can you take this act and hurt them and put them under pressure. I have a different reading of what played out over the course of the last couple of days. I don't think it was just China that reevaluated. I think both countries blinked. Because the truth is, if we take dramatic steps to distance ourselves economically, it will have consequences in both countries.

The way I think we have got to go about doing this, we need to invest more in capacities in the United States. We need to work more with allies and partners. We have to diversify these supply chains. But that is not an easy process because we built up this interdependence for 30 years, and it will take more than just a couple of days to separate us. That is the direction that we are going, but it is going to be harder than we realize, Congressman.

Mr. <u>Gimenez.</u> I know my time is up. Just my one comment is this. It took us 30 years to become addicts, all right. And we are not going to, you know, wean ourselves off this drug, you know, really quickly, but wean ourselves we must.

Thank you, and I yield back.

Chairman Moolenaar. Thank you.

Representative Stanton.

Mr. Stanton. Thank you very much, Mr. Chairman.

Chinese aggression can come militarily or economically. We have heard a lot about military threat today, but the second coercion without violence should also be of great concern to this committee.

American commitment to Taiwan's security is a commitment to defending

American economic and national security interest. Taiwan has a special relationship

with the United States, especially with my home State of Arizona. Taiwan is Arizona's

third largest trading partner and, for decades, the two democracies have collaborated in

key sectors like technology and defense. America has depended on Taiwan, the world's

top manufacturer of semiconductors, to power everything from consumer electronics to

our weapons systems.

Now, Americans' overreliance on Taiwanese chips has long been a bipartisan concern, one this Congress has sought to address, especially through our bipartisan CHIPS and Science Act, which encouraged chipmakers, like the Taiwanese Semiconductor Manufacturing Company, to build more in the U.S., more specifically in Phoenix, Arizona.

TSMC's investment in Arizona, \$165 billion under construction and announced in total, is the single largest direct foreign investment in American history. They have broken ground on three fabs that are poised to make some of the most cutting-edge chips in the world, chips that will propel advancements in century defining technology like AI,

and make sure American defense systems remain the most sophisticated in the world.

This much is clear. The strong economic ties between our two nations has been a boom to Arizona's economy and to American national security.

As Ranking Member Krishnamoorthi pointed out, a war over Taiwan would drop global GDP by \$10 trillion, and losing access to Taiwan semiconductors would put the United States into an immediate Great Depression. The strong economic ties also act as a deterrent to Chinese aggression, whatever form they take.

We can take a step now to strengthen that economic relationship between the U.S. and Taiwan by getting rid of double taxation. The House passed bipartisan legislation to do just that in an overwhelmingly bipartisan vote in January, and now we call on the Senate to act immediately. Taiwan is the United States' largest partner without tax treaty. This limits TSMC suppliers' ability to easily invest in the United States and, with it, limiting the strength of the U.S. conductor ecosystem.

Secretary Campbell, can you expand upon this a little bit, why are economic ties between the U.S. and Taiwan so critical to curbing Chinese aggression?

Mr. <u>Campbell.</u> Great. First of all, let me commend you and this committee and this group on the work you did on the double taxation treaty. I think as you probably understand, you had allies inside the U.S. Government that thought that this work is long overdue. We have certain agencies in the U.S. Government that were reluctant to take this on. Through your support, I think we have seen the wheels start moving. I also join with you in calling on the Senate to take these actions.

To be clear, this should just take place no matter what, because we have every possible interest in increasing and deepening the economic integration between the United States and Taiwan. I think what we saw for years is Taiwan's primary engagement economically and commercially was with China. And those ties continue,

but what we want to see is a diversification, not just with the United States, with other allies and partners, and that is taking place. If there is only one source of engagement economically and commercially, that creates the ability for another country to put a stranglehold on Taiwan. That is not in our strategic interests.

I also want to just commend you, Congressman. I know the work that you have played in Arizona. We have faced some challenges over the course of the last couple of years. It has been your intervention, carefully building bridges with Taiwan both on the industrial side and the political side, that has helped us overcome some of the challenges. I commend you on that.

Mr. <u>Stanton.</u> I appreciate you saying that, but it was a bipartisan effort in Arizona --

Mr. <u>Campbell.</u> No, but I -- you can take a compliment.

Mr. Stanton. Thank you.

I believe that this administration's tariff policy has really hurt trust in the United States around the globe, sending unnecessary shocks through the markets, creating whiplash with each declaration, pause, and hike, and they stick a fork in the eye of our allies, the very allies we need to work with to compete against the Chinese Communist Party.

That is not speculation. According to a recent poll in Morning Consult, tragically, China's global standing has surpassed that of the United States in 47 of leading nations across the globe. As America retreats from our alliances, we leave open a void that CCP is all too happy to fill.

Secretary Campbell, how does damage from the tariffs lower Taiwan's economic resilience to the PRC propaganda and economic coercion?

Mr. <u>Campbell.</u> Look, there has been some other discussion, Congressman, about

public sentiment globally. I think we are all concerned by that. But it is important that I think the world understands that Americans believe in these partnerships and these relationships, and they hear voices like yours and others that speak out about how this is, frankly, a bipartisan commitment in the United States and has been for decades.

Ultimately, my own concern is, countries, particularly in the Indo-Pacific, they are going to be prepared to make steps -- to take steps if we put forward a predictable policy. And they may not like all the tariff stuff, but if they have an understanding of what is to be expected, they will respond accordingly, even our closest allies. The challenge is the changes.

So the administration in the last 3 months, about 55 to 60 different tariff actions, changes sometimes announced in the morning, changed in the afternoon. That is not the way. If you had business people here, they would say the same things. We need greater predictability.

I commend the administration on the steps they are trying to take in a number of venues to try to reestablish a careful dialogue. We should see that through in the next couple of months. But we have got to get out of this, like, you know, we are going to raise it in the morning and then we are going to change it tomorrow. That creates an environment where it is impossible for both governments and businesses to plan.

Chairman Moolenaar. Thank you.

Mr. Stanton. Thank you. I yield back.

Chairman Moolenaar. Representative Moran.

Mr. Moran. Thank you, Mr. Chairman. And thank you to the witnesses today.

Mr. Secretary, Admiral, and General, thanks for your important conversation.

Our strategic partnership with Taiwan is, in my opinion, one of the most important, and it is one that we must strengthen in the face of the threat of invasion and,

frankly, because China is trying to isolate the United States and exclude us from influence in that region across the board. The U.S. has to take steps to stop that and to bolster our ally.

In January, as Representative Stanton mentioned, we took a really important step in the House by passing the U.S.-Taiwan Expedited Double-Tax Relief Act. I would join his call for the Senate to take action on that matter, to pass it, and to get it to the President's desk. This legislation stops the double taxation of American workers, reduces dependency on China, and provides a pathway for a more robust economic partnership by establishing a tax treaty with Taiwan.

But this is just the first of many steps. I know admiral and I have had lots of conversations. It is a multifaceted approach. As you know, it is not just economic but it is diplomatic. It is a military approach. It is a holistic approach that we have to take to push back on the CCP's malign influence across the world.

I am really glad that Ranking Member Krishnamoorthi emphasized the importance of the longstanding trade partnership that we have between the U.S. and Taiwan, which is mutually beneficial. Over 90 percent of Taiwan's energy needs and approximately 70 percent of its food are imported, as you know, and a lot of that happens in and out of Texas.

I want to ask Dr. Campbell, Secretary Campbell, other than importing more LNG from places like Alaska and Texas, how can Taiwan increase their energy resiliency?

Mr. <u>Campbell.</u> So what I would really like you to do is ask the admiral the question. One of the things that he has worked on is efforts to strengthen energy independence and capacity inside Taiwan. There are challenges on nuclear energy, but I believe some of the work that the admiral has done in deep engagement with our colleagues in Taiwan have opened the door for certain new areas of cooperation.

I think there are plans underway to think about major new investments in natural gas in Alaska that could be important for Taiwan, but, ultimately, they are facing some urgent needs over the next 5 to 10 years. Maybe if I could --

Mr. Moran. Yeah. Admiral, pick up the ball from there and talk more about the work that you have done because it is critically important.

Admiral Montgomery. So I agree that there are three sectors: telecommunications, energy, and finance. I think the one that is most vulnerable and will break their societal resilience is energy. They have, I think, one LNG ship a day. Once they have missed five LNG ships, they are going to be out of LNG, right. That is a problem. That is liquid natural gas.

From my point of view, they need to bring their two nuclear power plants back.

They are shutting down their final one today, in fact. They need to bring them back.

That will bring back about 8 or 9 percent of their grid.

And then we need to figure out how to protect LNG. That means we need to set up, as I mentioned earlier, convoy schemes, reflagging schemes. We need to work with Australia and we need to work with Alaska, because, right now, they are heavily dependent on Qatar. And despite, you know, whether we get a 747 from them or not, I think in the middle of a crisis, China is going to turn to Qatar and say, we buy 15 times more LNG than Taiwan. You need to stop delivering to one country. And Qatar is going to choose very quickly to stop delivering to Taiwan. So we need to get them secure in LNG.

Mr. Moran. General, I am going to come to you because this idea of partnerships and collaboration around the world with our allies is a theme that I am hearing from each one of you. So let's talk about it militarily.

We know we need to strategically partner with folks that were mentioned

earlier -- like Australia, Japan, Korea, India, Vietnam -- in the economic world, but talk about the military world and how important our alliances are with Australia in particular but also Japan and Korea and what we need to do to strengthen those partnerships.

General <u>Flynn.</u> Well, since they have not been talked about much, I will talk about Korea and Australia. I will start with Australia.

First of all, the AUKUS Pillar 1 and Pillar 2 were really important. I think we need to be paying more attention to Pillar 2 sometimes. It is AI, robotics, quantum computing, machine learning. By the way, the Australian military in the last number of years has basically decided to buy the ground and air systems of the United States Army as well. So it is not just the subs that are working together. That interoperability is strong.

And I will just jump to Korea very quickly. In my time out there here recently,

I -- in my time previously, I never saw Korea -- South Korea allow us to use equipment and capabilities from the Korean peninsula into the region, but last year and the year before that they did. And that is a sizable step forward, because South Korea needs to be seen in the region because of the strength of the alliance that we have between the United States and South Korea.

And South Korea's presence out there in the region -- again, when you look at South Korea, Japan, Taiwan, the Philippines, and Australia, that right there is the connection of a couple of continents, okay? But, more importantly, the militaries there all share interoperability, and those interoperabilities are both human, technical, and procedural.

So the value of that as a counterweight to what the Chinese are doing, in my view, that slows this trajectory down that they are on of their, you know, sort of irresponsible, insidious, and incremental path that they have been following for the last number of

years. So it is incredibly important.

Mr. Moran. And I think Secretary Campbell has one more comment to make, and I will let you have the last word.

But I will say I love what you guys are saying today because it is not just a check-the-box on any one specific action that will do everything we need. It is not just an economic act or it is a military act or diplomatic, but it is a continuous, multifaceted, multiregional approach across the board to box China in and to keep ourselves from being boxed in.

Secretary Campbell, I am going to give you the last word. Quickly.

Mr. <u>Campbell.</u> Yes. I was just going to say what the general described is, I think, a process underway in each of the countries, but what he underscored what happened in the last couple of years in Korea -- allowing U.S. Forces to be used in regional contingencies or training -- extraordinarily important. So I am more bullish about what is possible if we continue to build.

I do want to just make one last point.

Mr. <u>LaHood.</u> [Presiding.] Can you make it quickly? We want to get to everyone else.

Mr. <u>Campbell.</u> I will. Very quickly. I will make it very quickly on energy and the importance of natural gas.

In the immediate aftermath of the attack on Ukraine from Russia in which there were huge shortfalls in natural gas, heating in a desperately cold winter in Ukraine, what countries stepped up immediately to provide and defer their shipments of natural gas from the United States? Japan, South Korea, and Taiwan. And so don't underestimate this linkage between the Indo-Pacific and Europe. They understand what happens in Ukraine is going to have significant long-term implications about what happens in Taiwan.

Mr. LaHood. Thank you, Mr. Campbell.

Mr. Khanna, you are recognized.

Mr. Khanna. Thank you, Mr. Chair.

Secretary Campbell, the big news today is Walmart's CEO saying that they will have price hikes that are unprecedented in Walmart's history. Basically,

Americans -- Walmart is saying -- are going to pay more for their groceries, their toys, and ordinary products. And Walmart's CEO is saying these blanket tariffs are hurting ordinary Americans. Do you agree with Walmart's CEO?

Mr. <u>Campbell</u>. I agree with what he has said and his statement, and this is going to happen. And so I think everyone has pointed out, the tariff efforts are like a wave on the horizon. Like, we have seen it coming, and then now it is going to hit. And we are going to see it in a variety of different things. Last couple years, we had problems with eggs and baby formula. This is going to be across the board. We are going to see price hikes in a number of areas.

Mr. <u>Khanna.</u> Secretary Campbell, you have seen a lot of Presidents. Other Presidents have faced external shocks. OPEC does something that causes inflation. Pandemics cause inflation. Have you ever seen, Republican or Democrat, a modern President implement a policy that ends up causing inflation and hurting ordinary working-class Americans?

Mr. <u>Campbell.</u> You know, I am personally -- look, there were problems, the economy that President Biden handed over in terms of inflation, but, overall, the engines of the American economy were humming pretty well. I am concerned about some of the steps that have been taken, the erratic nature, the start and stop, and I do think it is going to have impacts on our economy. And if you are going to take some of these steps, you have got to make preparations. You have got to have stockpiles and stuff.

We have done none of that. And so, yes, I am concerned about the next couple of months.

And what I am also concerned about -- you didn't mention this, but the people that are going to be hurt are the poorest in our country. And that is something that we have to be really concerned by.

Mr. <u>Khanna.</u> It is going to be people who shop at Walmart and work at Walmart, for example.

Mr. <u>Campbell.</u> I shop at Walmart. I like Walmart. But it is going to be -- it is going to affect people who have the least, you know, ability to absorb even small changes in food bills and the like. And so, yeah, I think, you know --

Mr. Khanna. This would be a fair distinction between President Biden and President Trump's policy. President Biden said we are going to build manufacturing by taxing wealthy people in my district and having funding for new steel and new manufacturing. President Trump is saying, no, don't have the wealthy people in Ro's district pay for it; let's have the poorest working-class Americans pay for it. Would you say that that is a fair distinction?

Mr. <u>Campbell.</u> Look, I will just stand by what I am saying. I don't think these steps are being undertaken in a carefully, orderly way. And, look, I have worked on the transition. There are some very able economic folks. I think --

Mr. Khanna. Where are they?

Mr. <u>Campbell.</u> No. Secretary Bessent, I think, understands some of the challenges and is responsive to --

Mr. Khanna. But you would agree that this has been a destructive policy so far?

Mr. <u>Campbell.</u> I think elements of this have been erratic and they have hurt the United States and hurt our people, yes.

Mr. <u>Khanna.</u> What do you think of some of those folks -- and I am not taking the President out of context. I think his real view when he said, okay, we can only have three or four dolls, three or four toys. You know, when I used to have people visit the United States, relatives, they used to go in the grocery store, and you know what they loved to see? Forty-five cereal boxes. That is American exceptionalism, that we have got 45 cereal boxes.

Do you know any American who only wants three toys or four toys?

Mr. <u>Campbell.</u> Look, my daughters love dolls. And so I would like them to have as many as they want.

Mr. <u>Khanna.</u> It surprises me that it is President Trump, of all people. I mean, he put up the Taj Mahal in Atlantic City.

Mr. Campbell. Okay. Yes.

Mr. Khanna. I mean, come on.

Mr. <u>Campbell.</u> Look, I think we can all agree that some of these steps have been hard to follow, they have been a bit erratic, and I do think they are going to have some concerns for --

Mr. <u>Khanna.</u> And let me ask the last question. There is a way to have strategic tariffs to protect American industry in a way that wasn't as erratic as this, correct, in a much more rational way of doing them with China?

Mr. <u>Campbell.</u> I would agree. And I am still not exactly clear, if you listen to various voices in the administration, what this is meant for. Are we trying to increase more capacity in the United States? Are we looking to be able to export more better deals? I don't really see a clear statement about what we are looking for.

And, frankly, it concerns me that every one of our allies and partners comes to the United States, we meet with them in advance, they are all nervous about what is going

on. And so I understand a little bit more on the China stuff. I have less comfort and patience with what is going on with our closest allies who are investing in the United States and that count on us for being a bolster of peace and stability. Yes, I agree with that.

Mr. Khanna. I appreciate your service and your perspective.

Mr. <u>Campbell.</u> Thank you.

Mr. LaHood. Mr. Bilirakis.

Mr. <u>Bilirakis.</u> Thank you, Mr. Chairman. I appreciate it very much.

And I want to thank all of you for your service. We appreciate you.

Admiral Montgomery, on May 7, 2021, a ransomware attack on Colonial Pipeline captured headlines around the world. In Florida specifically -- I represent the 12th Congressional District, the Tampa Bay Area -- our port and airport operations were severely impacted, both of which are critical to the economic health of my State. Since China has so heavily prepositioned itself in our critical infrastructure, I shutter at the thought of such attacks across the country beyond the current frequency of China's recent wave of cyber attacks.

In your testimony, you mentioned the National Guard's role in cyber capacity to defend our infrastructure. Do you believe the National Guard could adequately respond to numerous nationwide cyber attacks on the scale of the Colonial Pipeline attack, and what can we do now to develop that capability?

Admiral Montgomery. Thank you for the question. And you are absolutely right. Tampa, about 9 months later, was hit with a water attack as well that turned out to be an insider -- I think an insider job.

Mr. Bilirakis. Yes.

Admiral Montgomery. Look, what China is doing is operational preparation to

the battlefield. They are putting in this malware, are gaining access so they can come back at a later time and disrupt or destroy systems.

And, by the way, if they did the same thing with, like, a thousand satchels of explosives and put them in the same port, you know, electrical power water systems, the American people would be going crazy right now, but because it was cyber, we have kind of backed off.

You know, you are right, to get at it, the National Guard is our best -- I think our best asset. I don't think we have enough offensive cyber operators in the active service. We can't use the intelligence agencies. We can't use the FBI. The natural guard is the natural -- is the natural place, the National Guard is.

And I think the National Guard -- we would have to develop a little more capacity in it. It is at about half the capacity it should be for this. It should go for about 4-, 5,000 on that, operators to about 9- or 10,000. So a little bit of investment. But they have unbelievable authorities -- not just DOD but Homeland Security -- and, most importantly, State Governors' authorities, which are significant.

So I absolutely believe they are the right people, and the best part is they know who they are working with because they come from the community. They will have the relationships. So, to me, you all should be pushing hard for a National Guard solution to becoming more offensive in the defense of our networks.

Mr. <u>Bilirakis.</u> Excellent. Thank you very much.

General Flynn. Sir, if you don't mind, I think the connection with the governors that the admiral mentions is really important about the Guard. And we have teams in there, but they -- you know, to be next to first responders and know those relationships, you know, in a timely manner, they can respond to those attacks. Because often you find out about them after they have already happened, and that is the unfortunate part.

Whereas if you are in a defensive, protective posture, then you can respond a hell of a lot quicker or you can do things to counter that before it even gets in there and disrupts your IT backbone or your electrical grid or your water system or what have you.

Mr. Bilirakis. Agreed. Thank you, General. Appreciate it.

Admiral Montgomery, I also wanted to ask you about the cyber sonic missiles and American leverage regarding the semiconductor production and export controls. Do you believe, if the U.S. were to adopt stronger controls, including controls over Taiwanese semiconductor producers, that we would mitigate the strategic imbalance, or should the U.S. be more focused on cyber sonic defense?

Admiral Montgomery. So I think it is going to have to be both. First, I will tell you what worries me most are the Chinese parts in our own missile systems. And your committee is doing a great job looking at this, and there is some legislation I think you need to push through to just get China out of our systems.

But, second, you are right, Taiwan -- we need to monitor what is being transferred to Taiwan. And I would say that it is the chips that actually come from U.S. companies that I am most worried about in those export controls.

I will be honest, though. Most weapon systems are based on chips that are from the 15 to 20 nanometers, you know, 5-, 7-year-old chip systems. Believe it or not, it is your phone that has those -- the really wham-a-dime chips in them. So we really do need to get hypersonic defense.

This is crazy. We are allowing an adversary to field a conventional weapon system for which we have no defense. No one believes we are going to nuke them if they send a couple of conventional warheads against our systems in Guam, in Japan, or even Hawaii. Therefore, we need a conventional defense against this conventional weapon system.

And the last administration took a busman's holiday on this. They passed on having the right system which was ready to go in 2029 to meet your congressional direction. They defunded that system and then funded a system that will come in 2036. They did it because it would have less cost over the fiscal year defense plan. They did it for financial reasons. Our children -- my son who is out on a ship out there -- needs to have actual hypersonic defense today, or at least by 2027, 2028, 2029. And we need to review that system and have the Missile Defense Agency go back and begin to procure both hypersonic defense systems so we can have a viable system in a few years and an exquisite system that they had pushed for 6 or 10 years from now.

General Flynn. Can I just add one point on this quickly?

Mr. LaHood. Yeah.

General Flynn. The chip packaging that has to be done in the United

States -- when those chips are made in the U.S., the packaging is different from ones that are made overseas. So to Mark's point, we really have to make sure that we are able to bring those in and do the packaging so that we don't find chips that are made from a foreign country inside of one of our systems.

Mr. <u>Bilirakis.</u> Thank you, General. I appreciate it.

I yield back, Mr. Chairman.

Mr. LaHood. Ms. Castor.

Ms. <u>Castor.</u> Well, thank you, Mr. Chairman.

Thank you, gentlemen, for your service to the country and helping us to -- on a strategy to deter aggression from the Chinese Communist Party. And I hear you loud and clear; it has to be militarily and economically.

Over the past few years, it hasn't just been bipartisan in this committee, but we have had a real strategic focus, and I am a little concerned that we are viewed around the

world as not maintaining that strategic focus right now. I saw it in Australia. I watched some of the Malabar exercises with -- and then AUKUS, the ASEAN, everything we have done to bring the Philippines in. Thank you all for your work on that.

We have done it domestically. There was a strategy to invest in our industrial base. China wants to control all of the future clean tech. And they were doing a pretty good job, but we decided we were going to invest, and we saw 380 new clean technology factories, a manufacturing boom across the country. But we are having a policy debate here in Congress on receiving that. And that is a gift to China, giving those jobs back to China as the world moves to clean energy over time.

So now these tariffs come down, and even a tariff on Taiwan. And I wonder what you have seen economically and militarily. Go a little deeper, Secretary Campbell. It was distressing to see, right after these arbitrary tariffs were announced, boy, China rushed to meet with South Korea and Japan in that. So what is happening? Go a little deeper on some of our most important partners. Are they hedging? And what do we need to do to get the upper hand back?

Mr. <u>Campbell.</u> So thank you for the question, and it is a hard one. I agree with the general that our military contacts are ballast in our boat. They sustain us in difficult times. But, ultimately, they will not be able to operate unless there is strong support in both countries, and we have seen that time after time.

I would say, right now, you are absolutely correct that China is determined to try to pick off countries that are wavering or alienated or worried. They are having their best luck, probably, in Southeast Asia, which is their own backyard, and in places in the global south. Most of our allies desperately want to have a close relationship with the United States for a variety of reasons.

It is a little bit like, you know -- it is a little older for me. You probably don't even

know this movie. There is a great scene in "An Officer and a Gentleman" in which Lou Gossett Jr. has got the hose and Richard Gere -- he is trying to get him to quit, and he says, I have got nowhere else to go.

Many of these countries recognize that their best and, frankly, only strong partner in the maintenance of peace and stability and sort of a steady, stable world is that partnership with the United States. They are disoriented right now about what is taking place, but they are trying to do everything possible to maintain a good relationship with the United States, try to, you know, kind of fend off the most dangerous steps economically that would hurt them, try to figure out a way forward. I commend them on that. The truth is we just don't know how hard it is going to be for them in the next couple of months.

Ms. <u>Castor.</u> Okay. And, militarily, General, do -- point us to any areas that you recommend that we need to focus on. Have you seen a change in behavior among some of our partners and allies that we need to be aware of and focus on?

General Flynn. Well, I would say that South Asia is an area that we need to pay more attention to, from -- I would say it is from the India-Pak border all the way to Vietnam. I mean, I think the challenges in there are extraordinary. I think what China has done along the line of actual control in the last -- at least the last 5 years that I have been watching it -- by putting rail and road and surface-to-air missile sites and heliports, and then the damming that they do along the Mekong Delta to choke water to these countries. The smaller ones are challenged in there. You can see the situation in Miramar. You can see the situation in Bangladesh and Nepal and Bhutan, Laos, Cambodia.

So, you know, that soft land underbelly of China gives them access to the Andaman Sea. It gives them access out into the Indian Ocean. They need those access

points as a means to diversify the challenge that they have with the Malacca Strait in the South China Sea. And so, I mean, I think the countries there are incredibly important. We need to pay attention to it.

I think there are things that have gone on in Southeast Asia -- mostly ASEAN -- that have gone quite well, but, you know, it is every day, ma'am. You have to be out there every day. This persistence is what really brings the leadership of the United States to bear. And the security partner of choice has always been the United States, and we can never cede that.

The challenge in the region is the economic partner of necessity sometimes because in the neighborhood is China. And so the countries out there are trying to balance all of this, and that is why it is so important that we are present.

RPTR MCGHEE

EDTR SECKMAN

[11:02 a.m.]

Ms. <u>Castor.</u> Thank you.

Mr. LaHood. Thank you. I want to thank the witnesses for being here today, for your valuable testimony on this important topic. I also serve on our House Intelligence Committee -- and are heavily focused on this issue. The title of today's hearing, "Deterrence Amid Rising Tensions: Preventing CCP Aggression on Taiwan," when I explain to my constituents back home the issue of Taiwan, I think back, over the last 25 years with China, and there is a narrative there that goes like this: You know, 25 years ago, 20 years ago, Tibet was the big issue in China. Everybody talked about Tibet, human rights, sovereignty, the Dalai Lama. We don't talk about Tibet anymore. CCP has won in Tibet. They've suppressed all human rights. They have used forced labor in education camps, and so, in many ways, they have won in Tibet. It is not even in our vernacular anymore that we talk about Tibet.

Fast forward to Hong Kong and what has happened in Hong Kong. We all see it. We have all observed it. You know, we talked about oh, a democratic movement in Hong Kong, and it was going to be different. It is a surveillance state, and there is a reason why everybody has left -- or lots of people have left Hong Kong to Singapore and other places because of what the Chinese have done in Hong Kong. But they have essentially won in Hong Kong in terms of what we were supposedly going to do or what our allies were going to do didn't work out.

Now, in Xinjiang, little bit different story, but they are using the same tactics that they have used in Tibet and in Hong Kong. As I think about Taiwan, they seem more emboldened than ever based on what they have been able to do through nonmilitary

efforts in Tibet and Hong Kong and in Xinjiang. And so there is that narrative there.

My question is, as we look at Taiwan, it doesn't seem like there has been any type of deterrence that worked in Tibet or Hong Kong or Xinjiang. Walk me -- I know Taiwan is a little bit different than those other two in many different aspects, but the narrative that I just laid out, talk to me about the Chinese thinking as they -- as it relates to what they have done there and what they are going to do in Taiwan.

Admiral, I will start with you.

Admiral Montgomery. So, first, I do think it is a different scenario. It is a scenario whereby the Taiwan Relations Act and by actions we have taken over the last 30 years we are committed to ensuring that China does not impose a nonconsensual solution on Taiwan. We have made a lot of investments in that. So I do believe that there is an opportunity for deterrence here, but your implication is right: Deterrence is not just a capability or capacity to do something, but a belief that you are willing to do it.

So I think what is really critical for us is a lot of the recommendations all three of us have pushed out here are about either building capacity to do something and prevent a Chinese coercive action and then a credible belief that you are going to do it. You know, it has been brought up here, our withdrawal from Afghanistan or how we have supported Ukraine. Both those factors kind of make allies nervous about equipment. They should make Taiwan nervous.

So our job, Congress' job, is to be out there aggressively pushing legislation that makes the proper investments, both in weapon systems, munitions, but also diplomatically and economically to signal to Taiwan that we are willing to fight and die with them. That is a tough signal, but it is one I believe in. I think it is one General Flynn believes in, and we spent our careers pushing. So I do believe we can do this deterrence, sir.

Mr. LaHood. General Flynn.

General Flynn. What I would say is there has been some stops and starts, even though the Taiwan Relations Act, you know, created that, but I will just tell you, from a military perspective, when I looked at and sized up their forces a couple of years ago, it was apparent to me that there was -- it was a two-prong problem. There was a part Taiwan problem; there was a part U.S. problem. And -- but I do think, as I mentioned in my earlier testimony, that that has changed, and I think that that has changed dramatically because of the introduction of being able to train those forces. And so it gives them a degree of confidence that the United States is going to be there and that the importance of them defending themselves and protecting their national sovereignty and their territorial integrity with their forces, and it is a whole-of-government effort on their part. I mean, their first responders, their military police command are incredibly important to protecting their people, and so I just think that, in answer to your question, I think this momentum that we have right now has to be sustained. Otherwise, it will create doubt in the minds of the Taiwanese, and I don't think that is what we need there.

And, by the way, that will also go to the other countries in the region. If there is doubt there, there will be doubt elsewhere, and I don't think that we can afford that as a country. We certainly can't afford it in the region.

Mr. <u>LaHood</u>. Thank you.

Mr. Torres.

Mr. <u>Torres.</u> Thank you. You know, America to me is the greatest country on Earth, and there is no challenge that American ingenuity cannot overcome. But, when it comes to the strategic competition with China, America is in a far more fragile position than most Americans realize, and China is a far more formidable rival than most realize. And so there is a sense in which we have been lulled by our super power status into a

false sense of security. And I want to ask about a few years starting with critical minerals.

Dr. Campbell, do you agree that critical minerals and rare earths are central to the defense and decarbonization of the United States?

Mr. <u>Campbell.</u> Yes.

Mr. Torres. Which country controls almost all of the world's rare earth mining?

Mr. <u>Campbell.</u> China. And, as you understand that, it is not just the --

Mr. <u>Torres.</u> Well, I am going to -- you are anticipating my next question. Which country controls almost all of the critical mineral processing and refining?

Mr. <u>Campbell.</u> China.

Mr. <u>Torres.</u> Yes. Do you think the United States is in a position to deter a foreign adversary who has a chokehold on the core components of our military defense?

Mr. <u>Campbell</u>. Makes it that much more challenging at this moment.

Mr. <u>Torres.</u> Let's speak about the future of war. Do you agree that the future of warfare is autonomous?

Mr. <u>Campbell</u>. I believe that will be an important element, yes.

Mr. Torres. Which country is leading when it comes to drones?

Mr. <u>Campbell.</u> China is formidable. The United States also has capabilities as well.

Mr. <u>Torres.</u> Who can manufacture at scale?

Mr. Campbell. China.

Mr. Torres. And scale matters in a war.

Mr. Campbell. It does.

Mr. <u>Torres.</u> Which country is leading when it comes to robotics?

Mr. Campbell. China, again, has formidable advantages here.

Mr. <u>Torres.</u> The U.S. has spent trillions of dollars on large legacy systems. Can you imagine a world where those large legacy systems are easily shot down by a swarm of autonomous systems?

Mr. Campbell. Yes.

Mr. <u>Torres.</u> Let's go to shipbuilding. During World War II, the United States emerged as the arsenal of democracy building a total 270,000 vessels, including 2,700 liberty ships, in just 4 years. Which country is leading at the moment when it comes to shipbuilding?

Mr. <u>Campbell.</u> China dwarfs us both in commercial and military shipbuilding.

Mr. <u>Torres.</u> And the former Secretary of the Navy would agree with you. He said that one Chinese shipyard has more capacity than all of our ships combined. China's shipbuilding capacity is over 23 million dead weight tons. United States, less than 100,000 dead weight tons. The difference is a multiple of 230. Do you think the United States is in a position to deter a country that has 230 times more shipbuilding capacity than we do?

Mr. <u>Campbell</u>. I think, over the long term, that becomes more challenging, yes.

Mr. <u>Torres.</u> Energy, the future of energy, solar is emerging as the dominant driver of new energy generation. Who is the leader in solar?

Mr. Campbell. China.

Mr. <u>Torres.</u> And China not only has an advantage in a single stage of production. It dominates the whole supply chain for solar energy. Is that correct?

Mr. <u>Campbell.</u> That is correct. I am not really sure if my role here is just to say yes. All right. But that is, I think, the point that you are making --

Mr. <u>Torres.</u> But I am going to summarize, and then I am going to ask each of you, because I think it is important. The depth of America's vulnerability is poorly

understood, even here in Congress I feel, but China controls the critical minerals core to America's defense and decarbonization. It has 230 times more shipbuilding capacity than we do. It is so far dominating the autonomous future of warfare and it is so far dominating the future of energy, you can give a much longer answer now. Is it fair to say -- and I will ask this question of each of you -- is it fair to say that we are catastrophically unprepared for a strategic competition with China?

Mr. <u>Campbell.</u> So I think the point that you made, in any comparison between the United States and China, China has substantial advantages in a number of areas.

You didn't talk as much about technology, which I think is the key area that we have to worry about. You also touched a little bit on manufacturing.

Mr. <u>Torres.</u> We are slightly ahead in Al.

Mr. <u>Campbell.</u> I would just simply say, if you look at the critical technologies, AI, 5G, synthetic biology, and robotics, and look at where they came from 10 or 15 years ago and where we are today, I think even if we have a couple of months lead in a few areas, you have got to be concerned. And so I think the general picture that you are painting is accurate.

What we often hear right now are folks that point to a couple of weaknesses in China's overall approach, aging economy, indebtedness. The truth is China has substantial capacities that we are going to have to deal with, and ultimately they do have significant advantages in a number of areas that are going to be critical. So I am completely aligned with you.

Mr. <u>Torres.</u> Speaking of indebtedness, we, the United States, are presently spending more on debt service than we are on our national defense.

Mr. Campbell. Yeah.

Mr. Torres. I don't know if you have any further thoughts.

General Flynn. I will make a couple -- I mentioned earlier steel, aluminum, battery, magnets, microchips, and rare earth elements. These are things that we are -- we are way behind on. And the processing and manufacturing has left the United States. So we have to get it back so we can be able to protect the very things that we have to protect in order to build the things that you are alluding to: ships, satellites, airplanes, ground sensors, you name it.

One other point not mentioned here today, though, but I would like to make a comment is that, you know, in order to diversify our supply chains, we also have to prevent tech piracy. And we have over 300,000 Chinese students that are doing Ph.D., research and they are in our graduate programs. And, if even 10 percent or 5 percent of those were stealing, because the research they are doing is being sent back to China, puts a huge -- puts us at a huge disadvantage in trying to regain some of that space. So I think it is not just the industrial strength of the organic industrial base with raw materials and rare earth elements; it is also preventing the tech piracy that is going on widely across our country, and that has to be addressed at the same time that we are talking about industrial strength.

Admiral Montgomery. I would just -- let me add one quick thing. I do agree.

Actually, our greatest strength to counter everything you said is our academia, is our research. I would limit -- I would not ban any one country's students from being here, but I would put strict procedural controls to make sure we don't lose intellectual property, but we need everyone as we have had to come in, share their ideas, think with us. Our entrepreneurship is our biggest strength alongside that academia, and I think we should fully exploit that, and any foreigner that wants to come in here, get their Ph.D. here, and make money here for the United States tax base, I am all for. We just need to have strict controls.

Mr. Torres. Yet we are defunding academia at the moment.

Mr. Campbell. Yeah. Can I just say that ultimately our --

Mr. <u>Nunn.</u> [Presiding.] Thank you very much. The gentleman's time has expired. Thank you, Mr. Torres. Very good line of questioning.

With that, I now recognize myself for 5 minutes.

Gentlemen, thank you for being here, your decades of service. I will begin with a story. It starts with a pineapple in Taiwan: 90 percent of Taiwan's pineapples go to mainland China. When mainland China decided they wanted to change prefecture races in local elections, they sent a massive dictate that they would be embargoing local farmers in Taiwan. I am from a farm State in Iowa. That makes a real impact. As a result, the Chinese effectively turned multiple prefectures across Taiwan against their own government in Taipei by electing Communist-Leaning local leaders.

Admiral Montgomery, you are a senior director at the Center for Cyber and Technology. You have spoken about CCP propaganda, false flag operations in the digital domain. This is an opportunity for the CCP to change leadership in Taiwan, like the Taiwanese pineapple, without a shot being fired. Do you believe the CCP is capable of setting off a false flag invasion in Taiwan itself?

Admiral Montgomery. I do, sir. I do think that -- I don't know that they could overthrow the government with it, but I do believe that information operations and deception run by the Chinese Communist Party will absolutely weaken Taiwan's societal resilience. When you combine it with the other tools, cyber attacks, economic pressures, energy pressures, cutting off communications with magical anchor drops on cables, when you combine that all together, it is that cohesive comprehensive attack that breaks societal resilience. So I think it will take more than just the one thing, but everything contributes to a weakened Taiwan.

Mr. <u>Nunn.</u> That is just in Taiwan. Let's talk about the rest of the world. The Chinese have a dedicated campaign plan in the information warfare space to influence other allies not just in the INDOPACOM area but the entire region -- or the entire world.

Admiral Montgomery. They do, yes, and they are running it aggressively. If you want to read Chinese language products in the United States, 92 to 95 percent come from the Chinese Communist Party. This is a real problem for us. We need to absolutely push back. I do feel like we need some of our tools back, like Radio Free Asia and others, to push back in to get the truth out, the truth about American exceptionalism, the truth about what we are pushing forward, the truth about our allies and partners in Japan, Korea, and Taiwan. So you are absolutely right, sir. We are competing with a monolith in China, and we are going to need every tool possible.

General Flynn. Could I tell you a story?

Mr. Nunn. General Flynn, yeah.

General Flynn. This is happening not just in the United States. It is happening in other counties. Land is purchased. Land is purchased near critical infrastructure. On that land, there is a Chinese company where the majority shareholders own a telecommunications company. On that land, they put towers. From those towers, they disseminate information. They go and purchase a media company, and then they buy bot farms that spread that disinformation and misinformation throughout all these countries. We know it is going on. We are watching it. We don't have enough capacity to go into each of these countries and counter it, but it is so pervasive out there in each one of these countries, it is damaging to the credibility of the United States.

Mr. Nunn. General Flynn, Admiral Montgomery, and certainly Secretary

Campbell, I propose this committee look at a subcommittee specifically on Chinese

propaganda and the way that it is softening the battle space for what will surely become a

kinetic conflict if we don't stop it early.

Very briefly, General Flynn, I want to talk to you about the need for large quantities of low-cost strike vehicles if it does become a kinetic conflict in Taiwan.

Specifically, is there value in diversifying the types of missile capabilities on hand during an invasion to repel China's attack?

General Flynn. Absolutely. I mean, again, the midrange capability that we have, the PrSM systems that are coming on board -- I am aware of another missile that is aside from the PrSM that is lighter weight, longer distance, greater lethality. Again, we have the HIMARS system. I mean, in the reorganization of what the Army is going through right now, I would have it 97, 97 HIMARS launchers just in the U.S. Army Pacific. Add that to containers that are out there for deception, and you can create a mosaic of a challenge that the Chinese did not calculate in to when they built their A2/AD arsenal. Add to that type 12s and type 88s that the Japanese have. Add to that BrahMos, which is what the Philippines have. I mean, you can create this ring of fire there that prevents them from even deciding to load up these row rows and start going across this strait.

By the way, you know, the most high-risk, highly complex operation is a multimode assault into a country across a 100-mile strait. I mean, I get the 27 window. But, honestly, I mean, I see they are rehearsing and preparing for it, but doggone, that is one hell of a complex operation.

Mr. Nunn. You are absolutely right.

General <u>Flynn.</u> So, for them to be able to pull that off, that is why we have to slow them down.

Mr. <u>Nunn.</u> And, General Flynn, I think you opened the window here that this cannot be America alone. This has to be an integrated operation both what we do on the ground, in our communications, also in our kinetic response here using a diversity of

weapon systems.

Very briefly, I want to thank the Secretary for being here. You know, we have led on the Six Assurances to Taiwan Act. I am leading the Fortifying U.S. Markets from Chinese Military Aggression Act. We have seen the shortcomings of the foreign military sales just at scope there. Could there be an opportunity to increase partnership in the defense of Taiwan by expanding our direct commercial sales, our licensing for dual technologies, to facilitate a rapid transfer of critical needs to Taiwan from both us and our allies?

Mr. <u>Campbell.</u> I believe that is entirely what is possible, and I think with your leadership from the committee, it helps push the executive branch. One of the things that both my colleagues have underscored is that the limitations bureaucratically that have existed for decades that make it difficult to fulfill some of our defense commitments to Taiwan, slowly but surely, those are being pushed away in favor of greater efficiencies and the like. I think it is, in fact, the case that the executive branch responds best when it hears from this committee on these issues.

And I just, again, thank you for your guys' commitment and service on these issues.

Mr. <u>Nunn.</u> I want to thank both my colleagues on both sides of the aisle, very focused not only just on national security but on pragmatic ways that we can get ahead of this problem so we don't end up in these kinetic situations that this team has so articulately displayed in a situation where we do not want to be in if we can prevent it on the front end.

With that, seeing no other members wishing to speak, I would like to add any documents that have been presented to the record.

Without objection, it will be added to the hearing for the record.

[The information follows:]

****** COMMITTEE INSERT ******

Mr. <u>Nunn.</u> I want to thank all of our witnesses today for your service, continued service to this country and what you do. Questions for the record are due one week from today. Seeing no objections, the committee is adjourned.

[Whereupon, at 11:22 a.m., the committee was adjourned.]