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STATEMENT BY

DAVID F. HELVEY

ACTING ASSISTANT SECRETARY OF DEFENSE FOR

INDO-PACIFIC SECURITY AFFAIRS

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Opening

Chairman Smith, Ranking Member Rogers, distinguished members of the Committee, thank you for the opportunity to appear before you today to testify on the Department's efforts in the Indo-Pacific region. Upfront, I would like to express my appreciation for the continued support from Congress and this Committee in shaping and resourcing our strategy in this critical region. I am also pleased to be here alongside the Commander of U.S. Indo-Pacific Command, Admiral Philip Davidson, and General Robert Abrams, Commander of U.S. Forces Korea, the Combined Forces Command, and the United Nations Command.

A Free and Open Indo-Pacific

As a Pacific nation, the future of the United States is inextricably linked to that of the Indo-Pacific region. From the earliest days of our nation, our leaders and diplomats have been committed to preserving an Indo-Pacific region that would remain free and open for all nations – a commitment made evident through the repeated investment of America's blood and treasure. From the ashes of the Second World War, the United States led the construction of international institutions and order that ultimately set the conditions for the more than 70 years of relative peace and rising prosperity the region currently enjoys.

As our Department's priority theater, we are committed to upholding a free and open Indo-Pacific region where all nations, large and small, are secure in their sovereignty, can pursue economic opportunity, resolve disputes without coercion, and can exercise the freedoms of navigation and overflight consistent with an open and stable international order. It is an order that places all nations on a level playing field and holds them responsible for preserving the principles that have benefited us all.

Today, this framework is being challenged. The People's Republic of China seeks to use all elements of its national power to reshape the world order into one that is consistent with its authoritarian model and national goals. In pursuing this vision, Beijing seeks to fundamentally alter the region in a way that will erode democratic values and human rights, and refashion its relationships in a manner that subordinates other states to Beijing rather than treat them as partners or equals. This long-term strategic competition is not a choice between the People's Republic of China and the United States. Rather, it is between preserving the existing global

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system or allowing the Beijing to weaken and reshape it in ways that do not align with shared values and interests of the international community.

To advance our vision, the Department has been implementing an Indo-Pacific strategy, which comprises three lines of effort:

1. ***Preparedness*** – bolstering our ability to compete across all domains and, if necessary, fight and win a conflict with a near-peer competitor;
2. ***Partnerships*** – strengthening our alliances and partnerships by increasing our interoperability and leveraging our combined resources for a common goal; and
3. ***Promoting a Networked Region*** – promoting an inter-connected network of allies and partners that can serve as a force multiplier to advance our shared interests.

These lines of effort have been the baseline for our efforts in the Indo-Pacific and guide our relationships and defense cooperation, with allies and partners – translating into concrete actions that are advancing our shared vision for the region.

Line of Effort 1: Preparedness

The Indo-Pacific region is home to some of the most pressing national security issues of our time, with four of the five challenges outlined in the most recent National Defense Strategy (the People’s Republic of China, Russia, North Korea, and countering violent extremism) demanding that the Department of Defense be prepared at all times. The Department is driven to meet the challenge of preparing for long-term strategic competition with the People’s Republic of China, for North Korea’s continued development of weapons that threaten the United States and our allies, and for a wide variety of transnational threats that could impact the region at any time.

Competition with the People’s Republic of China

The People’s Republic of China remains the Department’s number one security priority. Secretary Austin has made clear that “the Department of Defense views China as our primary pacing challenge.” The Indo-Pacific region increasingly is confronted with a more confident and assertive China that undermines the international system from within by exploiting its benefits while simultaneously eroding the values and principles of the rules-based order. China’s

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provocative activities and abuses at home and abroad reinforce that we are in an era of new great power competition. And, the ultimately global nature of its ambitions underscores the need for the United States to be prepared to compete long-term, in with a constellation of allies and partners, to uphold a system of shared values.

As documented in the Department's annual report to Congress on Military and Security Developments Involving the People's Republic of China, Beijing's rapid, robust military modernization is the backbone of the its efforts to regain regional preeminence and establish conditions that best serve its interests. Beijing has more than doubled its defense spending over the past decade, while at the same time conducting intellectual property theft and subsidizing its companies to advance its military and economic objectives to erode the United States' technological advantage. These efforts and investments have resulted in the People's Liberation Army fielding an increasingly formidable array of ballistic and cruise missiles, a nuclear warhead stockpile projected to at least double in size over the next decade, modernized fighter and bomber aircraft, autonomous systems, and a suite of cyber and space capabilities –intended to increase its ability to project power and deny the U.S. military access to the Indo-Pacific theater.

The People's Republic of China's One-Belt One-Road initiative leverages its extensive financial ties to conduct economic coercion, eroding sovereignty while compromising security and serving as a conduit for Beijing to increase its military presence abroad. Beijing's utilization of One-Belt One-Road-financed projects to facilitate military access points has been an increasing concern to the Department. In Sri Lanka, China Merchants Group, a State-owned enterprise, secured a 99-year lease to Hambantota Port in 2017 for a \$1.12 billion cash infusion to its national government. This past September, another People's Republic of China State-owned enterprise, China Southern Power Grid Company, secured majority control of the Laotian power grid after Laos was in danger of sovereign default. In conjunction with the People's Republic of China's provocative construction of artificial features in the South China Sea, these investments and others strategic access points could provide the People's Liberation Army a much-needed logistics network to support military operations throughout the entire Indo-Pacific region and beyond. In addition, we have seen the People's Liberation Army increasing its

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engagement in multilateral fora in an attempt to alter the rules-based international order, to enhance its warfighting capabilities, and to elevate its military diplomacy.

Consistent with the President's priorities, we are taking a concerted approach to position the Department to compete with the People's Republic of China long-term. With the support of Congress, we are establishing a Pacific Deterrence Initiative to highlight the significant investments the Department is making to maintain a credible deterrent in the Indo-Pacific region. We are doing this by investing in capabilities that increase our lethality, maintain readiness, and ensure we retain the technological advantage across the Joint Force. Such investments in the Department's Fiscal Year 2021 (FY 2021) budget include \$3.2B for hypersonic weapon systems, \$1.7B in autonomous systems, \$1.5B for microelectronics and 5G technologies, and more than \$841M for research and development for artificial intelligence capabilities. The Department also seeks to enhance exercises, promote experimentation and innovation, and develop the Joint Warfighting Concept further, incorporating new capabilities to ensure the U.S. military remains agile, lethal, and adaptable. Finally, we are working with our allies and partners to establish a more resilient and distributed force posture in the region, and to provide them with the interoperable capabilities they need to defend their sovereignty and maintain deterrence.

North Korea

The new Administration has begun a thorough review of North Korea policy in close coordination with the Republic of Korea, Japan, and other allies and partners. We will focus on reducing the threat to the United States and our allies, strengthening our extended deterrence commitments to the Republic of Korea and Japan, as well as improving the lives of the Korean people on the Peninsula. North Korea's weapons of mass destruction and ballistic missile programs constitute an extraordinary threat to the United States and our allies and partners. Pyongyang's proliferation of weapons and advanced technology is a threat to international peace and security, and undermines the global nonproliferation regime. We remain committed to the denuclearization of North Korea and to the maintenance of peace and stability on the Korean Peninsula. In the near term, the United States, in close coordination with allies and partners, will seek to limit provocative behavior from North Korea and will remain ready to deter and, if necessary, defeat any threats to our nations.

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The Department of Defense helps to mitigate threats from North Korea by fielding a ready and capable force that ensures the United States maintains effective deterrence and response capabilities. One of the Department's most visible lines of effort is enforcing United Nations Security Council resolutions against North Korea. The Department continues to work closely with the Departments of State, Treasury, and Justice, as well as the Intelligence Community, to identify and interdict illicit North Korean trade.

The United States will continue to work closely with all countries and jurisdictions to promote the full implementation of all North-Korea related sanctions. Specifically, the Department appreciates Japan's leading role in the United Nations Security Council resolutions enforcement efforts in hosting the Enforcement Coordination Cell in Yokosuka, Japan. In addition to Japan, Australia, Canada, France, New Zealand, the Republic of Korea, and the United Kingdom have all contributed resources and assets to track and disrupt North Korea's illicit ship-to-ship transfers of refined petroleum. Much of this illicit trade, however, occurs in waters near China's coast. The People's Republic of China approved adoption of the North Korea-related United Nations Security Council resolutions and must play an active role in holding North Korea accountable. We continue to call upon Beijing to uphold its obligations under multiple United Nations Security Council resolutions related to North Korea. Failure to do so would mean that the People's Republic of China would continue to serve as a shield, protecting North Korea from the international consequences of its dangerous and destabilizing behavior.

Transnational Threats

The Indo-Pacific region is home to a variety of transitional threats including terrorism, illicit arms, drug and human trafficking, piracy, and natural disasters. Multiple terrorist organizations, including branches of the Islamic State of Iraq and Syria, operate in countries throughout the region. The heavily traveled Indo-Pacific sea lanes present prime opportunities for pirates seeking to steal goods or hold ships for ransom, and illegal and unregulated fishing.. Further, drug production and trafficking are sources of growing concern among our partners in the Indo-Pacific region and have led to increased demand for counter-narcotics assistance. Lastly, the Indo-Pacific region frequently suffers from natural disasters such as earthquakes and volcanic eruptions, in addition to monsoons and hurricanes that trigger widespread flooding.

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These are all threats that the Department regularly works to address alongside allies and partners throughout the region to prepare for and, when the time comes – which it will – respond to, quickly and effectively.

The spread of COVID-19 has presented a new challenge and serves as a reminder of the transnational impact threats can have on the health and security of the region. The Department continues to take the steps necessary to protect our men and women overseas, and also to support our allies and partners. In coordination with USAID and the State Department, the Department has provided through several departmental programs the provision and transport of immediate relief commodities, life-saving medical equipment, capacity building humanitarian aid, and biosurveillance so that together we can better track and stop the spread of the virus to protect the force. Over the last year, the U.S. Government provided more than \$87M in funding for pandemic response across Southeast Asia alone. We also launched the U.S.-Association of South East Asian Nations (ASEAN) Health Futures initiative to strengthen a regional approach to public health support. Additionally, the Department of Defense has transported thousands of U.S.-donated ventilators around the world, delivered thousands of cots to the Philippines to increase hospital bed capacity, and assisted with testing and vaccine development in Thailand. We will continue to take steps to ensure our force remains ready and capable, not allowing our adversaries to take advantage of the current crisis, while at the same time furthering opportunities that allow us to deepen our cooperation and interoperability with our partners in the region.

Line of Effort 2: Partnerships

By working alongside our allies and partners in the region, we have best positioned ourselves to maintain a favorable balance of power, deter aggression, and support conditions that encourage economic growth. Our allies and partners play a critical role in our strategy in the Indo-Pacific region as they provide valuable access for U.S. forces in the region, enabling a forward defense and support during crisis response operations, and contributing to deterrence during steady-state activities. We also continue to seek out new opportunities to pool our resources and share responsibility for our common defense so that the security burden is lighter for us all. We invest in our alliances and partnerships not out of nostalgia but out of a purposeful sense of what is required to advance and protect our common interests,

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Strengthening Alliances

U.S. engagement in the Indo-Pacific region is rooted in our long-standing security alliances. Our mutually-beneficial alliances are critical, as they provide an asymmetric advantage that our adversaries do not have – and cannot hope to match. We are strengthening our alliances with Australia, Japan, the Philippines, South Korea, and Thailand.

Maintaining the force posture necessary to deter our adversaries, protect our allies, and, if necessary, win a conflict is a fundamental component of the Department's efforts in the Indo-Pacific region. We will do this by continuing to deploy our most advanced assets to the region in a way that ensures our forces are geographically distributed, operationally resilient, and politically sustainable both at home and abroad – and consistent with our evolving warfighting concepts and plans. The realignment of U.S. forces in Japan is core to this effort, in addition to maintaining our relationship with other allies in the region where U.S. forces are present or would require access during a contingency scenario.

The Department is also actively seeking opportunities to modernize our alliances in ways that strengthen our combined abilities to promote our shared vision for the Indo-Pacific. One of the top ways to do this is by deepening our interoperability so our combined forces can act together coherently and effectively to achieve shared military objectives. Specific initiatives the Department has taken to support this effort include expanding the scope and complexity of our bilateral military exercises, streamlining the Foreign Military Sales process, and identifying technologies of mutual interest that could be co-developed or co-produced.

Our allies, however, must also increase their contributions so that we are sharing the burden in a way that is fair and equitable. That is why the Department is committed to working with our allies and partners to find new ways to leverage our combined capabilities and expand our allies' regional roles to share the weight of our common challenges.

The commitment the United States has made to defend allies is not something the Department takes lightly. To ensure the United States can fulfill all of its treaty obligations, the Department continues to prioritize and invest in, as outlined in the 2019 Missile Defense Review and 2018 Nuclear Posture Review, the capabilities needed to defend our allies and deter regional aggression. For fiscal year 2021, the Department has allocated more than \$20B in Missile

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Defeat and Defense and almost \$30B to sustain, operate, and modernize all three legs of the U.S. nuclear Triad – reassurance to our allies and partners that the U.S. ability to deter and defend is more than credible.

Deepening Relationships with Like-Minded Partners

The Department also has taken steps to deepen our relationships with like-minded partners throughout the Indo-Pacific region. In East and Southeast Asia, we have been working to improve capabilities and interoperability with partners such as Taiwan, Singapore, Vietnam, Indonesia, Malaysia, and Timor-Leste. With Taiwan, we continue to strengthen our defense cooperation in a manner that is consistent with our One China Policy which is based on the Taiwan Relations Act, the three joint U.S.-China communiqués, and the Six Assurances. We will continue to provide Taiwan defense articles and services in a manner commensurate with the threat that Taiwan faces. We provided Vietnam with a second Excess Defense Articles high-endurance cutter last year, and will provide Vietnam with unmanned aerial systems and trainer aircraft over the next several years. In addition, in 2019 the Secretary signed a Memorandum of Understanding with Singapore establishing a Singapore Air Force fighter training detachment in Guam. And, we continue to support the modernization of Mongolia's armed forces.

In South Asia, our Major Defense Partnership with India continues to deepen as the United States and India build interoperability through increasingly complex exercises and growing defense trade, and through expanded information sharing and secure communications to address issues of shared concern. With the completion of all foundational agreements, the partnership is now poised to accelerate. We also are pursuing emerging partnerships with Sri Lanka, Nepal, Bangladesh, and the Maldives to work cooperatively to ensure the region remains free and open.

Building Maritime Security Capacity

The Department's Indo-Pacific Maritime Security Initiative, with continued congressional support for which we are grateful, represents the primary way in which we are working with our partners in South and Southeast Asia, as well as the Pacific Islands, to develop a collaborative regional maritime security architecture and to encourage interoperability. Through this initiative, we continue to work with our partners to improve maritime domain

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awareness and to develop a common operational picture for enhanced information-sharing among regional stakeholders. For example, we have made available SeaVision, a maritime domain awareness tool used by the United States, to Indonesia, Malaysia, Thailand, Vietnam, the Philippines, Sri Lanka, and Bangladesh. We are currently in the process of upgrading maritime patrol aircraft and providing unmanned aerial systems for Malaysia and Thailand, to increase maritime awareness and enhance their ability to act in our common interest. We seek to do the same for Sri Lanka. By the end of fiscal year 2021, the Department of Defense will have invested more than \$389M in Maritime Security Initiative programs since the authority was established in 2016.

Competing with China

One of the Department's most far-reaching objectives is to set the military relationship between the United States and the People's Republic of China on a long-term path of transparency and non-aggression. Competition with the People's Republic of China does not mean confrontation, nor must it lead to conflict. We seek to maintain a constructive, stable, and results-oriented defense relationship with the People's Liberation Army. The United States maintains defense relations with the People's Republic of China to prevent and manage crisis; to reduce risk to forces operating in proximity; and to cooperate where interests align. The Department of Defense prioritizes maintaining constructive dialogue with the People's Republic of China that is responsive to evolving global conditions. Our efforts seek to encourage the People's Republic of China to act in a manner consistent with the free and open international order and adhere to international laws and rules. Consistent with statutory limitations, the Department avoids contacts or exchanges that enhance the Beijing's ability to coerce its neighbors, gain greater understanding of U.S. tactics and capabilities and those of our allies and partners, restrict access to the space, cyber, and maritime domains, or violate the human rights of its own citizens.

Line of Effort 3: Promote a Networked Region

Shared security in the Indo-Pacific region continues to rest on a robust U.S. military presence and a growing network of alliances and close partnerships to increase coordination and uphold a rules-based international order. As the security dynamic in the Indo-Pacific region changes, the Department is working to expand our bilateral initiatives through trilateral and

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multilateral frameworks, and encouraging greater linkages between and among regional partners. In a large and interconnected region, especially one with so many strong, capable, and dedicated partners, it is prudent to network and link relationships to produce gains for all.

Reinforcing Multilateral Partnerships

The importance of trilateral partnerships, with some of our closest allies, is something the Department is emphasizing in order to maximize the individual contributions each nation makes to regional peace and security. Recently, the United States' trilateral partnership with Japan and South Korea has experienced some turbulence as bilateral tensions between Japan and South Korea have taken a toll on our trilateral defense cooperation. Despite these tensions, we continue to find ways to enhance our military cooperation, as such divisions only benefit our adversaries. We are pleased that South Korea took the bold and prudent step not to terminate the South Korea-Japan General Security of Military Information Agreement. Preserving the United States-Japan-Republic of Korea trilateral partnership is a priority for the United States, and we stand ready to resume our full range of activities.

Additionally, the United States continues to develop its multilateral partnerships with Japan and Australia by conducting military exercises in Southeast Asia and the Pacific Islands areas to strengthen military-to-military cooperation and promote interoperability in the region. The 2020 MALBABAR maritime exercise with Japan and India also included Australia, making it the first exercise among Quad countries since 2007.

The Quad is emerging as an important regional mechanism to advance a free and open Indo-Pacific region, working in support of the Association of Southeast Asian Nations' centrality. Quad partners all maintain security cooperation programs in South and Southeast Asia, and there are growing opportunities to advance a more networked approach to capacity-building efforts in the region. Humanitarian assistance and disaster relief efforts, including in response to climate-related natural disasters, also present early opportunities for expanded cooperation in the region.

Strengthening Regional Institutions

The United States supports ASEAN centrality in the regional security architecture and supports its ability to make decisions by consensus without the influence of external powers and

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organizations. Our shared vision for a free and open Indo-Pacific region, and our desire to uphold the principles that have benefited the entire region, underscore the importance of our engagement with ASEAN and its member states. The ASEAN-U.S. Maritime Exercise stressed information-sharing and identified gaps in capabilities and interoperability. The exercise, conducted in international waters in the Gulf of Thailand and the South China Sea, built on decades of U.S. Navy exercises in the Indo-Pacific region, demonstrated our collective resolve to fly, sail, and operate wherever and whenever international law allows. This was an opportunity for our competitors and outside observers to see a multi-national task force with a shared set of values operating freely in international waters – an act that highlighted the principles that underpin our Indo-Pacific framework. Now the United States and Thailand are co-chairing the Maritime Security Experts Working Group under the ASEAN Defense Ministers' Meeting Plus for the next three years. This forum serves as an opportunity to improve multilateral maritime cooperation and inculcate international rules and norms.

Emerging Intra-Regional Security Relationships

Just as the security challenges span the Indo-Pacific region, so should the security relationships of our allies and partners. We will continue to encourage our allies and partners to develop intra-regional connections to strengthen their own bilateral, trilateral, and multilateral security relationships to improve their ability to sense, share, and contribute to addressing transnational challenges. Singapore's Information Fusion Center and India's Information Fusion Centre for the Indian Ocean Region are regional maritime information hubs that are intended to contribute actionable information to regional and global navies and coast guards to cue timely operational responses to maritime threats such as piracy and drug smuggling. We applaud these examples of regional leadership in taking action to address transnational threats. The Foreign Minister Quad meeting between the United States, Japan, India, and Australia underscored the growing appreciation for intra-regional cooperation in support of a free and open Indo-Pacific and set the stage for higher level engagements later this year.

Conclusion

The United States is an Indo-Pacific power, by history and tradition; by our present commitments and political, economic, socio-cultural, and security engagements; and by our future aspirations. As such, the United States will continue to take an active role in the region by

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ensuring we maintain a ready and capable force, strengthening our alliances and relationships with like-minded partners, and promoting a regional network that spans the Indo-Pacific region. We will remain engaged in this dynamic and rapidly growing region. The Department of Defense, in conjunction with other U.S. Government departments and agencies, regional institutions, and regional allies and partners, and in close consultation with Congress, will continue to ensure that the rule of law – not coercion and force – dictates the future of the Indo-Pacific region. We will build upon the success of the past seven decades to ensure that the region remains peaceful, prosperous, and secure for decades to come.

Thank you.