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**THE DEPARTMENT OF DEFENSE'S ROLE
IN LONG-TERM MAJOR STATE
COMPETITION**

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THE DEPARTMENT OF DEFENSE'S ROLE IN LONG-TERM MAJOR STATE COMPETITION

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, DC, Tuesday, February 11, 2020.

The committee met, pursuant to call, at 10:00 a.m., in room 2118, Rayburn House Office Building, Hon. Adam Smith (chairman of the committee) presiding.

OPENING STATEMENT OF HON. ADAM SMITH, A REPRESENTATIVE FROM WASHINGTON, CHAIRMAN, COMMITTEE ON ARMED SERVICES

The CHAIRMAN. We will call the meeting to order. Good morning, everyone. This morning we are meeting to have a hearing and discussion on great power competition, is the way it has been phrased; the way we chose to put it in our hearing book, is "The Department of Defense's Role in Long-Term Major State Competition," which is a complicated way of saying great power competition.

We have three excellent witnesses this morning: Dr. Alina Polyakova, who is the President and CEO [chief executive officer] on the Center for European Policy Analysis; Abraham Denmark, Director of the Asia Program at the Woodrow Wilson International Center for Scholars; and Dr. Thomas Mahnken, President and Chief Executive Officer at the Center for Strategic and Budgetary Assessments.

This is something that has been talked about for a long time, is this so-called shift to great power competition. Supposedly from our focus on counterterrorism, transnational terrorist threats in primarily the Middle East and Africa to worrying more about what Russia and China are up to. What I hope we can accomplish this morning is to get a better idea of what that means in terms of policy.

Now, it is easy to say but what do you do? What exactly is it that Russia and China are doing that is contrary to our interests, and what interests are we trying to pursue? And I don't feel to this point that that has been adequately explained. We have heard a lot of talk recently about how we need to draw down in Africa. And a big part of the conversation there is the notion that we have a finite amount of resources within DOD [Department of Defense]. And if, in fact, Russia and China are becoming more important, then we have to find someplace else where we can do less, which I agree with and makes sense. But a lot of the great power competition is going on in Africa. Russia and China are very active in that part of the world. So what do we do there to sort of counter their activities?

But laying over the top of all of it is to have a better understanding of what is it that Russia and China are doing that we wish to oppose? What basically is in our interest in this case? Put most directly, Russia and China are now aggressively pushing an alternative view of the world, and of governance. And that alternative view is based on autocracy, the idea that democracy doesn't work, freedom doesn't work, you need to have a strong man.

And, yes, it is always a man in their vision to control things, that their government works better. And I think that is a very core threat to freedom and democracy, which are important to our interests and to global stability. Beyond that, their economic model, I think, can best be described as kleptocracy, basically the folks at the top control all the money, and should not be subject to rules. And basically they can do whatever they want, whenever they want, and that any sort of international norms are simply inconvenient. I think we need to do a better job of explaining how that is contrary to our interests and contrary to the interests of the world.

Lastly, I am concerned that from the Armed Services Committee perspective, we tend to have a myopic view of great power competition, and that is, well, whatever they have militarily, we have to have more in order to beat them. I believe that competing with Russia and China is about a lot more than military might. There are a lot better, I believe, more cost-effective ways to deter their interests than by simply trying to engage in an arms race that we hope to win. Alliances are crucial in containing these countries. Alliances certainly in Asia will help us deal with China, but alliances in Africa, and Latin America, and elsewhere, will also help us.

Then diplomacy and development are crucially important. A big part of what China is doing is spreading money around. Now, they are spreading it around in a very selfish way that is beginning to create problems for them, but those development dollars are crucial to building the relationships necessary to win this ideological battle that we are engaged in. And I think we need to focus on that.

You can't put out a budget that cuts the State Department and cuts USAID [United States Agency for International Development] by 30 percent, and then say that you care about great power competition, because you don't at that point. You are ceding the field to our opponents. And the last little piece of that point is, I know there are some who look at what Russia and China are doing, they are concerned militarily if we go head to head with them in a war, we are no longer guaranteed to win.

Well, just for a simple math problem, if our mission is we have to be able to simultaneously defeat Russia and China in a war, as most of the war games are fought on their territory, while at the same time dealing with North Korea, Iran, and transnational terrorism, well, there is not enough money in the entire world to build a military that could do all of that.

So, we better come up with a strategy that doesn't require us to do all of that in order to meet our interests, or we are simply spinning our wheels. So I hope we can focus that. This is the first, actually, in a series of hearings that I am going to try—not try to do, I am going to do, on what is our strategy? How do we review our strategy? The three big broad categories there are: great power

competition; rogue states, primarily Iran and North Korea; and containing transnational terrorism. There are other pieces, but how does that fit together into a coherent strategy?

I look forward to hearing from our witnesses and also the Q&A [question and answer] back and forth with our members as we grow in our understanding of how to approach this crucially important issue.

And with that, I will yield to Mr. Wilson for any opening statement he has.

STATEMENT OF HON. JOE WILSON, A REPRESENTATIVE FROM SOUTH CAROLINA, COMMITTEE ON ARMED SERVICES

Mr. WILSON. Thank you, Chairman Adam Smith. And Dr. Polyakova, Mr. Denmark, Dr. Mahnken, on behalf of Ranking Member Mac Thornberry and myself and colleagues, thank you for being with us today to discuss the Department of Defense's role in the long-term major state competition. We know that the Department of Defense has an enduring mission to provide capable, credible military forces needed to deter war and protect the security of our Nation, peace through strength. Furthermore, we understand that the Department of Defense supplements a number of national capabilities to deter antagonistic behavior from our adversaries and strategic competitors.

I am grateful that President Donald Trump's budget submitted yesterday reinforces our efforts to support our troops and military families. As we transition to a great power competition in line with the National Defense Strategy, this hearing topic is of crucial importance, and we appreciate the leadership of Chairman Smith to have this as a beginning of several hearings. We look forward to your testimony today.

I yield back to the chairman.

The CHAIRMAN. Thank you, Mr. Wilson.

With that, I will yield to Dr.—well, with one comment, You're not limited to 5 minutes. We put the clock on just because we can't have you going 20, for instance. So I don't want to cut you off, but we have a lot of people here, a lot to get through. So if you can be as concise as possible that would be much appreciated.

Dr. Polyakova.

STATEMENT OF ALINA POLYAKOVA, PRESIDENT AND CHIEF EXECUTIVE OFFICER, CENTER FOR EUROPEAN POLICY ANALYSIS

Dr. POLYAKOVA. Chairman Smith, Ranking Member Thornberry, Congressman Wilson, and distinguished members of the committee, it is an honor and privilege to address you today on this critical issue for United States national security. Thank you for inviting me to speak and address you.

Great power competition has already shaped our world. Now its outcome will determine our future. As the 2017 National Defense and National Security Strategies correctly assess, Russia and China are actively undermining U.S. power, influence, and interests.

Since 2017, these activities have become even more pervasive. Most notably, Russian-Chinese military, economic, and political co-

operation has grown, intensifying challenges to the United States. Both countries have increased investment in and development of new technologies, particularly artificial intelligence, with potentially dramatic effects on our national security and the nature of geopolitical competition.

Both countries are also engaged in developing [and] exporting their own models of digital authoritarianism, challenging U.S. national security interests in various parts of the world. As new digital technologies advance at an increasingly rapid pace, and our adversaries subvert and weaponize these technologies, the gap between the threats they present and our ability to respond will only widen. The outcome of the new era of geopolitical competition will be determined in the digital domain.

Today, I will focus on the medium- and long-term threats emanating from Russia specifically. Russia presents a unique challenge to the United States. It is simultaneously a country in decline and a global power with proven ability and determination to undermine U.S. interests in multiple military and nonmilitary arenas. Our resolve to respond must be commensurate to Russia's ambition and deliberate intent to chip away U.S. leadership in the world and undermine the security of the United States and our core allies. Doing so means that the United States Government should continue to invest not only in conventional, but also nonconventional deterrence capabilities.

I will briefly summarize the challenge Russia poses and how the U.S. should respond, which I elaborate in my written testimony. First, we must have a sober assessment of how Russia's domestic forces shape its foreign policy. Moscow faces serious security challenges, and financial and political constraints at home. Russia faces a stagnant economic forecast, but due to low debt and high reserves, its economy has proven to be quite resilient to U.S. and European sanctions, and fluctuations in the oil and gas markets.

Politically, recently proposed constitutional changes from the Kremlin will likely, *de facto*, keep Putin in power for life, while the Kremlin will continue to repress dissent at home. In terms of Russia's military posture, the Russian military modernization plan has led to significant improvements in Russia's ability to carry out targeted attacks in air campaigns. Some estimates suggest that Russia's actual military spending is closer to \$200 billion annually, versus the \$60 billion we usually see cited in official Russian documents.

On the whole, however, Russia cannot out-compete the United States and our allies militarily, economically, or politically in terms of its lack of alliances to support its political agenda. But its ambition for great power status and Putin's tolerance for risk means that Moscow will continue to invest, seek out, and develop tools of asymmetric warfare as a low-cost, high-impact avenue for contesting U.S. interests across the world.

In addition, we should not expect a change of course from Putin, who will continue to drive Russian foreign policy, and, of course, that will contest U.S. interest and seek to fill power vacuums across the world. To that end, Russia has intensified its global activities beyond its immediate neighborhood, since Russia's illegal annexation of Crimea and invasion of Ukraine in 2014. In the

Black Sea region specifically, Russia has de facto turned Ukraine's Crimea into a military base stationing at least five known S-400 air defense systems there, adding troops and other weapons to fortify its position. This buildup has intensified over the last 2 years allowing Russia to establish security dominance over the Black Sea.

The culmination of these activities has produced a new iron curtain across the entire Black Sea region. But Russia seeks to contest U.S. interests not just in Ukraine and the Black Sea, but also in Syria, where its 2015 intervention have decisively shifted the trajectory of the conflict in Bashar al-Assad's favor. And in parts of Africa and South America, Russian proxy military forces such as the Wagner Group are increasing operations and exporting the Syria model of protection and support to authoritarian leaders in exchange for access to strategic assets and military bases.

The lesson we should take from Syria, where Russia has now established itself as the key power broker for the region, is that where the U.S. disengages, Moscow steps in to fill the void. In Africa, the Kremlin is positioning itself to do the same. Thanks to the Congress and the work of this committee especially, since 2017, the U.S. has invested in both military and nonmilitary deterrence and containment measures, with a renewed commitment to the European Deterrence Initiative, EDI, support for counter disinformation efforts via the U.S. State Department and the Global Engagement Center, and a new and assertive cyber strategy. The 2020 NDAA [National Defense Authorization Act], in particular, took important steps to counter Russian malign activities in the non-kinetic domain. But there are places where we still need to do more.

The U.S. should support Europe's efforts to do more for its own defense, and particularly the EDF [European Defence Fund] fund and PESCO [Permanent Structured Cooperation], and to ensure that these efforts are complementary and not duplicative of NATO [North Atlantic Treaty Organization] efforts in the European space. The U.S. should continue to strengthen its efforts to counter Russian political warfare of which information operations are only part of the toolbox. It also includes cyber operations, influence through organized crime, bribery, subversion, and PSYOPS, or psychological operations.

The Russian toolkit has already gone global. The U.S. must also develop a comprehensive strategy for countering what I call digital authoritarianism. Russia, like China, is actively exploiting surveillance technologies across the world while tightening controls at home. The digital space, including the information ecosystem, is the new battleground in the coming decades.

The Russian region of warfare is multi-spectrum and multi-vector. Moscow has proven itself adept at using nonconventional means to challenge U.S. interests. And our response must be commensurate with the challenge we face if we are to win in the era of geostrategic contestation.

Thank you.

[The prepared statement of Dr. Polyakova can be found in the Appendix on page 49.]

The CHAIRMAN. Mr. Denmark.

STATEMENT OF ABRAHAM M. DENMARK, DIRECTOR, ASIA PROGRAM, WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

Mr. DENMARK. Chairman Smith, Ranking Member Thornberry, Congressman Wilson, distinguished members of the committee, it is an honor to testify before you today. As I begin, I want to make clear that these are my opinions alone, and not those of the Wilson Center, U.S. Government, or any other organizations.

I would like to make four main points on U.S.-China military competition. Given the short amount of time I have, I will discuss each briefly.

First: United States and China are engaged in a long-term competition over the relative distribution of geopolitical power in the Indo-Pacific, and over the future of the liberal order that for decades has been critical to the region's stability and prosperity. This competition involves all aspects of national power, including military, technology, politics, economics, and ideology.

In a multifaceted competition with China, the United States cannot afford to ignore any dimension of national power. This competition is primarily over two interrelated, foundational elements of American strategy toward the Indo-Pacific. First, a central theme of American strategy towards the region has been to prevent the establishment of exclusive geopolitical dominance of the region by any other power. A risen China represents a significant challenge to this fundamental principle of American strategy. Additionally, a risen China represents a challenge to the long-term success of the liberal regional order. Although China does not seek to explicitly overthrow the established order, Beijing has sought to carve out exceptions in established rules and norms it finds contrary to the interest of the Chinese Communist Party.

Second main point: China seeks to establish itself as a dominant power in the Indo-Pacific, and has developed a tailored military capability designed to undermine the ability of the U.S. military to operate and project power into regions associated with key contingencies along China's periphery.

Beijing's ultimate vision for the future envisages a revitalized China that is stable and prosperous at home, dominant in the Indo-Pacific, and able to shape events around the world through an informal hierarchical system with China at the center.

Xi Jinping has established the goal of fully transforming the PLA [People's Liberation Army] into a world-class force by the middle of the 21st century. The PLA's objective is to be capable of fighting and winning so-called informatized local wars, and seeks to erode the ability of the United States to intervene in a conflict and successfully uphold U.S. security commitments in the Indo-Pacific.

Yet, China does not seek war. Instead China has employed so-called gray-zone tactics that are calculated to avoid an armed conflict while still advancing China's broader political ambitions.

Third main point: The Department of Defense can play a critical role in supporting U.S. geopolitical competition with China, by pursuing a range of initiatives that sustain conventional deterrence, build resilience against Chinese coercion, and assure the ability of the U.S. military to respond decisively in a conflict or crisis.

And the fourth main point: To achieve these ends, the United States should pursue a broad array of initiatives that empower U.S. allies and partners, change how we fight, build on U.S. technological advantages, update regional force posture, and make difficult choices that prioritize competition with China over other challenges around the world.

I won't go into depth of each of these in my presentation this morning, but just touch on a few critical issues. First, a unique and critical advantage for the United States in the Indo-Pacific is its network of alliance and partnerships. As competition with China intensifies, the United States should strengthen these relationships.

Moreover, to sustain the ability of the U.S. military to maintain credible deterrence in the Indo-Pacific, the United States must change how it goes to war. This will require renewed emphasis on dispersion, unpredictability, resilience, and mobility.

Additionally, the United States should conduct a review of its regional force posture with an eye to supporting new concepts of operations under development. The United States should establish a significant dedicated fund along the lines of the European Deterrence Initiative to support a renewed and more resilient military posture in INDOPACOM [U.S. Indo-Pacific Command].

Finally, truly prioritizing the Indo-Pacific and competition with China in U.S. foreign policy and national security strategy will inevitably have significant budgetary implications. In an environment of finite resources, this, of course, means making difficult choices and accepting risk in other areas.

In conclusion, there is no doubt that the Indo-Pacific will be a critical region in the 21st century. The issues we confront today are of historic consequence. Ultimately, despite the significant challenges we face, I remain fully confident in the ability of the United States to ultimately succeed in this competition, and maintain regional peace and stability.

Again, thank you very much for inviting me today. I look forward to your questions.

[The prepared statement of Mr. Denmark can be found in the Appendix on page 66.]

The CHAIRMAN. Thank you. Dr. Mahnken.

STATEMENT OF THOMAS G. MAHNKEN, PRESIDENT AND CHIEF EXECUTIVE OFFICER, CENTER FOR STRATEGIC AND BUDGETARY ASSESSMENTS

Dr. MAHNKEN. Thank you, Chairman Smith, Ranking Member Thornberry, Congressman Wilson, members of the committee. Thank you for the opportunity to appear before you today to discuss the vital role of the Department of Defense in competing over the long term with China and Russia. As you know, the top priority accorded to this challenge was acknowledged in the 2018 National Defense Strategy. And as a member of the independent National Defense Strategy Commission, I studied the defense strategy in detail and worked with my colleagues to develop recommendations on how the United States can meet its defense objectives. And one of the most immediate challenges facing the United States is the need to understand the multidimensional challenge posed by China and

Russia, one that includes not only increasingly sophisticated military threats, but also integrated use of political warfare and economic statecraft.

China and Russia are competing with us every day, both around the globe and across the spectrum of functional domains, and their actions do not neatly adhere to our view of peace versus war, nor do the challenges that they pose align neatly with our bureaucratic silos. In some domains, such as space and cyberspace, what they are doing goes far beyond a common notion, our common notion of competition. And most consequently, with the reality of competition with China and Russia comes the increasing possibility that we could face one or both of them in war. However unlikely in the absolute, that contingency is more likely today than it was 5 years ago.

And I would note that this competition, far from being confined to the Western Pacific and Europe, is really increasingly global. And so, there is a mismatch between the nature of the challenge we face and the way that we are organized to deal with it. And certainly, the United States will not be able to counter these threats without close cooperation with partners who share our priorities and our values. And so as we develop a strategy, as we develop our concepts, and as we develop our capabilities, it is imperative that we work closely with our allies and partners. And if we want our allies and partners to do more, we will need to ensure that they have access to the means necessary to do more, including through arms exports.

Now, as a member of the National Defense Strategy Commission, we found that as good as the National Defense Strategy [NDS] is, we believe that the Department needs to rethink some of the assumptions underpinning it, or at least justify how it will account for alternative contingencies. The NDS is built around planning for one major war, thus abandoning the two-war construct that has guided the Department of Defense's planning for decades. It is unclear why the Department has adopted a one-war concept, despite the threats posed by two major power competitors, as well as the regional rogues and transnational terrorism as you, Chairman Smith, mentioned at the outset. But if we are to have a one-war strategy, I think a priority needs to be how we handle other theaters and other contingencies, including through deterrence.

Now, if we hope to meet the challenges posed by China and Russia, we will need to overhaul dramatically many of our capabilities as quickly as possible. We have fallen behind in many areas because of our focus on counterterrorism and counterinsurgency over the past two decades. Each military service clearly confronts its own shortfalls and challenges. And the addition of Space Force, while a good remedy to make sure that space gets the attention that it deserves, also has a bill attached to it. And we should not underestimate the cost that will be associated with standing up a new service and combatant command.

Many of the elements of the U.S. nuclear arsenal are rapidly aging and rapidly approaching the end of their service lives at a time when America's adversaries are modernizing and in some cases expanding their nuclear capabilities.

So in a world where we face competition with China and Russia, in a world where we face North Korea with nuclear capabilities and Iran that is seeking them, and in a world where the Defense Department is planning for one war, I would argue that nuclear deterrence is likely to be more rather than less important.

Other shortfalls need to be addressed as well in terms of power projection, gaining dominance of the electromagnetic spectrum, and in cyberspace. Overall, we have reached a point where doing more of the same is insufficient to the challenges we face. Rather, the Defense Department needs to invest boldly in new concepts of operations and the capabilities to carry them out. Promising approaches, such as DARPA's [Defense Advanced Research Projects Agency's] Mosaic Warfare program with its emphasis on gaining decision superiority over an adversary deserves support, as do the low-cost disaggregated forces that it envisions.

More broadly, developing new concepts and fielding new organizations to deter Chinese and Russian aggression should become the urgent focus of the Defense Department. And in my written testimony, I lay out a couple of points of departure, including a new concept of deterrence that could involve U.S. and allied ISR [intelligence, surveillance, and reconnaissance] networks composed of unmanned systems to help shine the light figuratively and literally on gray-zone aggression and deter acts of greater aggression. A new concept of conventional defense involving the development of mobile land-based conventional anti-ship, anti-air, and land attack missiles; and, we also sorely need new concepts for defending our bases, because however much we want to disperse our forces, we are still going to be reliant, to a large degree, on fixed bases.

Now, the development of new concepts and capabilities should not be ends in and of themselves. Too often in the past, such experiments have been side projects that create a facade of innovation without actually having any substantial impact.

As a result, the forces we have today and many of the forces we are currently procuring are out of alignment with the world of 2020 and beyond. The objective of concept development and experimentation must be to inform major shifts in investment in the size and shape of the U.S. Armed Forces.

Our resources are clearly not limited, and the American taxpayer deserves to know that his dollars are being spent wisely. That having been said, history will ultimately judge our efforts not merely, or mainly, on efficiency, but by their ultimate effectiveness. Current funding levels and processes are not conducive to waging and winning a long-term strategic competition.

The United States defense budget is not keeping pace with inflation or the challenges facing our country. Over the past decade, political dysfunction has led to disruptions in defense spending and weakened America's ability to compete. In particular, defense spending was slashed substantially by the Budget Control Act [BCA] of 2011 to the tune of \$539 billion between 2012 and 2019. BCA cuts led the DOD to rely on overseas contingency operations funding to pay for operations in the Middle East and elsewhere. And it will take years of increased funding to ensure that the U.S. military is prepared to compete with China and Russia. The slight increase in DOD's fiscal year 2020 budget is helpful, but still not

enough to fund U.S. defense strategy with minimal risk. The Commission recommended the elimination of the final year of BCA caps, as well as 3 to 5 percent annual increase in DOD's budget in inflation adjusted terms. This level of growth would help undo the damage inflicted by BCA cuts, and sustain the U.S. military's ability to uphold its commitments and project power.

And to further insulate the Department's spending from political disruptions, Congress should give DOD the authority to spend O&M [operation and maintenance] funds across the current fiscal year and the subsequent one. It should also consider producing 5-year budget agreements for defense in order to enable the Department to safely conduct long-term planning. We need a strategy for the long term, because the threats we face are long term.

Thank you, Chairman, Ranking Member, committee members. I look forward to answering your questions.

[The prepared statement of Dr. Mahnken can be found in the Appendix on page 87.]

The CHAIRMAN. Thank you. Just following up on that one point. I guess what I struggle with is when you look at the size of the challenge, if you presume that we have to have a military that can do everything you just said, that is impossible. And I think you would agree. So what would it look like? I mean, forget the money for the moment. What would our military look like in terms of what more would we have where we would go, Okay, we are adequately meeting the challenge of—I mean, gosh, fighting two major wars to begin with seems like an impossible thing to prepare for, unless you want to, like, just dump everything else in the budget, and everything else in the budget is passingly relevant to our national security and, I would submit, to the great power competition itself.

So, what would it look like? If we were to be sitting here and imagining that, you know, it seems like it is okay, how many more ships would we have, how many more planes would we have, how many more nuclear weapons would we have? What more would we have?

Dr. MAHNKEN. Mr. Chairman, I think there is a lot of room between a one-war strategy and doing everything. And I think we need to explore that space. So historically, the Defense Department has had a two-war construct, not because, I think, we honestly thought that we were—

The CHAIRMAN. I was going to say, do you think that was ever really true? We had the concept, but were we actually in a position to fight two wars?

Dr. MAHNKEN. But those forces for the second war, if you will, I think were vital to deterrence, deterrence of other acts of aggression. So, I think what we have lost in just going to a one-war construct is how we deal with everything else. And to include the role of conventional deterrence, to include the role of nuclear deterrence, to include the role of allies, to include a whole bunch of things. I think that has, historically, been one of the main values of thinking beyond a single war, is it forces you to think about the other contingencies that can arise. And in fact, we have a lot of experience fighting major wars, right? And we have a lot of experience fighting on multiple fronts. And I think we need to continue

that as we go forward, and particularly in an era where we are facing competition with China and Russia.

And as Dr. Polyakova said, where China and Russia are increasingly cooperating, it is not too difficult to envision a situation where we are in a crisis or in a confrontation one place, and another great power decides to try to exploit that. We just need to be prepared, we need to think that through.

The CHAIRMAN. Understood. But you would agree that we are not just preparing for one war right now. We are engaged in a number of efforts, countering terrorism, dealing with Iran and North Korea. It is not like all we are doing is preparing for one war. So I don't think that is really either/or at this point.

Dr. MAHNKEN. I do think there has to be some discipline to that conversation. One of the elements of my written remarks that I didn't get to in my spoken testimony, and it was one of the things that really came out from the National Defense Strategy Commission, is that the Defense Department has really let its analytical capability decline. So the analytical ability to look at different permutations, different scenarios, and judge the adequacy of the defense program really has diminished. And I think that is one of the things, one of the key steps that needs to be undertaken is to regain that analytical capability so that defense leaders can answer your question based on analytical work.

The CHAIRMAN. I have one more quick question before votes. Dr. Polyakova, what role does development play in this competition? How important is it that we have a robust USAID, that we are actively engaged in development policy in the world?

Dr. POLYAKOVA. I thank you for the question, Mr. Chairman. I think it is absolutely critical. As you correctly said, we can't fight all wars with conventional means. The kinds of cuts that have been proposed to the U.S. State Department and USAID that support democracy work, that support independent median organizations that do a whole range of critical services to ensure that we have more allies in the world, not less, is absolutely critical to make sure that we are not spending more blood and treasure in wars.

The CHAIRMAN. Thank you. Mr. Denmark.

Mr. DENMARK. I agree. Just as an initial caveat to my answer, my wife is a contractor with USAID, but with that being said, I haven't discussed this specific issue with her.

I think looking back over the last several administrations, one of the strongest advocates for diplomacy and for development has come from the Department of Defense. I worked for Secretary Gates, and he was a very strong advocate for diplomacy and development, as have subsequent Secretaries of Defense. This was actually my first reaction, Mr. Chairman, when you mentioned emerging competition in Africa, that at least from a China context, while there may be a bit of a military dimension to this, the primary aspect of competition in Africa is much broader and multi-domain. And effective American tools in the developing world, especially in Africa, would probably not be military, but involve development and other acts of diplomacy.

Dr. MAHNKEN. If I could, defense, diplomacy, development are complements to one another. They are ultimately not substitutes, right? U.S. diplomacy is much more effective when backed by cred-

ible military power, and there is only so much you can do to make up for a lack of military power. So I think they are all vital complements to one another.

The CHAIRMAN. Thank you.

Mr. Wilson.

Mr. WILSON. Thank you, Mr. Chairman. And thank each of you for being here today. Your insight has been very positive.

Dr. Mahnken, DOD's policy chief recently said that China poses the greatest threat to the Department of Defense. The National Defense Strategy clearly lays out a framework recognizing that great power competition has returned, particularly in regard to China. Given your role as serving on the National Defense Strategy Commission, what is that competition with China? How does it go beyond economic competition into military competition? What resources does DOD need to ensure that international rules-based order and sovereignty are protected?

Dr. MAHNKEN. Thank you. I would agree that China is the greatest challenge that we face and will face in coming decades. That is not to dismiss the challenge posed by Russia and there are some similarities, but there also are some differences. I think as the other members of this panel have said, the threat posed by China is a multidimensional challenge. And what we have is a competitor that takes a long view, takes an integrated view of economics, politics, information, military affairs, and is using that to forward its interests, its interests in the Western Pacific and beyond the Western Pacific, if the Chinese Communist Party leadership seeks to stay in power, seeks to insulate itself from challenges, and, also, seeks to increase its influence. So, it is increasingly a global challenge and a multidimensional one.

Mr. WILSON. Thank you very much.

Dr. Polyakova, I appreciate very much you citing the actual Russian military expenditures. It is somewhat sad because their prior existence has been to burden the people of Russia with such a military expenditure which reduces the capabilities for the Russian people. Keeping that in mind, many of our European allies are overly dependent on the use of Russian natural gas for their energy needs and the construction of the Nord Stream 2 pipeline has been particularly something we need to observe.

In what ways will Russia use that energy reliance to put pressure on European allies and further their strategic goals? And in what ways can we counter that advantage?

Dr. POLYAKOVA. Well, first, I would commend the work of this committee and the U.S. Congress more broadly for including sanctions on the Nord Stream 2 pipeline in the 2020 NDAA. I think those are long overdue, and I was very glad to see them included. That being said, Russia has a very long history of using energy resources especially as a form of economic warfare. In fact, energy fits quite squarely into Russia's own vision of political warfare more broadly, which includes a whole other set of tactics and tools.

The expectation is, as Russia has done in Ukraine with some of the debates over gas transit fees going through Ukraine to Europe, it will continue to use pipeline projects as a way to basically import corruption, import kleptocracy into these countries, and try to gain a foothold to influence European politics and policy. And last point

is that these projects are also incredibly divisive within the European Union.

Mr. WILSON. Thank you. And as you cited that it was just so recently, the threats against Belarus, and, indeed, the people of Belarus now see—particularly appreciate Secretary Pompeo visiting Minsk, and letting the people of Belarus know that we look forward to working with them in the future.

And Mr. Denmark, since 2004, China has established 100 Confucius Institutes at American universities, and now they are, because of recommendations from the U.S.-China Economic and Security Review Commission, we are setting, by GAO [Government Accountability Office], a request for assessment of the risk of China's efforts to co-opt foreign researchers at U.S. universities to unlawfully appropriate research and other knowledge to benefit the People's Republic of China. From some of these universities hosting Confucius Institute and DOD contracts, what recommendations do you suggest to protect our national intelligence and defense research?

Mr. DENMARK. Thank you, Congressman Wilson, for that question. China's use of Confucius Institutes and other avenues of influence, not only in the United States but around the world, is a central aspect of China's broader strategy for influence around the world, which Chairman Mao actually referred to as magic weapons of the Chinese Communist Party, and we have produced a lot of analysis on this issue in the Wilson Center.

China is seeking access to foreign technology; it requires it both for military and for civilian purposes. And it will employ any means to get them, either legally, illegally, openly, covertly; they will do what it takes to get there. We have seen, unfortunately, several instances in which the Chinese Communist Party—Chinese intelligence—

The CHAIRMAN. I am sorry. The gentleman's time has expired. I should have pointed this out early on. We try to keep it to 5 minutes so as to get to everybody—

Mr. WILSON. Thank you all.

The CHAIRMAN [continuing]. Even if it is in the middle of an answer. I will try not to just cut you off, but if we can try to, close as possible, be done at the 5-minute mark, that would be great.

Mr. Carbajal.

Mr. CARBAJAL. Thank you, Mr. Chairman. There is a growing threat to U.S. national security and space from adversaries, particularly Russia and China.

Dr. Mahnken, you state in your testimony that the two countries have been attempting to replicate U.S. space capabilities, and develop counter-space capabilities to degrade our advantage. How can the DOD be more effective countering Russia and Chinese threats to U.S. assets in space?

Dr. MAHNKEN. Thank you, Congressman. That is an excellent question. I think—you are right, that they are—both Russia and China are building up their own space capabilities, they are also building up the ability to deny us the use of space. I think Space Force is a good first step to have an organization that really is charged with operations in space. I think we also need to think very seriously about deterrence in space, how we deliver messages to competitors when they do things that we see as threatening in

space. And we also need to minimize, diversify our dependence on space.

That is a little bit easier for Russia and China where most of the conflicts that they foresee would be home games, so they have ready alternatives to space. But I think we need to look at space alternatives, like using unmanned aerial systems, using other means to be able to mitigate the risk that we face in space.

Mr. CARBAJAL. Thank you. To all witnesses, how can the DOD improve upon our strategy to counter China's military-civil fusion policy?

Mr. DENMARK. In terms of civil-military fusion, the Chinese when they talk about civil-military relations, it is in a very different context. For them, it is about appropriating civilian resources and technology for military purposes. I think we need to be nuanced in our approach to this. The Department of Defense, I think, has done a very credible job of working on these issues, identifying challenges in terms of Chinese engagement in critical U.S. supply chains, the challenges posed by Chinese investments, but has been a bit—could use a more surgical approach to these things. Instead of cutting with a broad brush, any sort of Chinese investment in any company is seen as a threat, but, rather, digging into these investments, understanding who we're actually talking about, understanding what the technologies are, and finding a way to mitigate risk rather than completely develop a way to have zero risk at all, which, I think, is, unfortunately, impossible.

Dr. MAHNKEN. And I would also add to that, that I think clear communication between government and industry and academia really is vital, that both sides need to be talking to one another, needs to be a free flow of information on both sides.

Mr. CARBAJAL. Thank you.

Dr. Polyakova, how can DOD better work with our allies to counter Russian aggression in Europe, specifically Russia's hybrid warfare tactics?

Dr. POLYAKOVA. Thank you for the question, Congressman. As I outline in some detail in my written testimony, one, we must continue to invest in NATO and EDI. Continued uninterrupted funding for the European Deterrence Initiative is critical to sending a very clear signal to Russia that the United States does stand behind its allies, especially in Europe's eastern flank. One issue that we have to continue to think through is issues of interoperability and military mobility across Europe. The United States will lead one of largest military exercises. Their preparation is starting already in May and June, the Defender 2020 exercises. I think these kind of exercises are critical for showing our ability to respond, but also, for putting the burden of escalation back on Russia versus the United States and our European allies in NATO.

Mr. CARBAJAL. Thank you.

Mr. Chairman, I yield back.

The CHAIRMAN. Thank you. Mr. Turner.

Mr. TURNER. Hi. Dr. Polyakova, I appreciate your testimony and your pointing out the issue of what Russia is doing to advance its nuclear capabilities which, of course, raises the issue of our nuclear capabilities, because in order for us, as Dr. Mahnken says, in order for us to have credible deterrence, we have to have capable and

credible nuclear capabilities. Now, you point out some of the new weapons that Russia has produced. Many times, people throw around the word Russia's nuclear modernization, and that sounds like what we are trying to do. What we are trying to do is modernize nuclear weapons, which is replace the capabilities we currently have with modern capabilities, meaning weapons capable of achieving the exact same goal only with modern components, modern delivery systems.

What they are doing is not modernization. What they are doing is creating whole new capable systems. You have in your testimony, Avangard, which is the hypersonic boost weapon. We have nothing like this. The Kinzhal, which is an air-launched ballistic nuclear-capable missile, brand new. Their ground-launched cruise missile, which is the INF [Intermediate-Range Nuclear Forces] Treaty violator, the SSC-8; the Raduga, KH-101, which is a nuclear-capable air launch cruise missile; there is Skyfall, nuclear-powered, nuclear-armed missile. There has never been anything like Skyfall on the planet. This is not nuclear modernization.

The Poseidon, an underwater, unmanned system, that is like an underwater cruise missile, nothing ever like it on the planet. All of these are incredibly destabilizing weapons. And no matter how much we spend just to try to replace the things that we have, we are not even trying to match these capabilities, which means that it undermines the deterrence.

The New York Times, in just doing an analysis of the President's budget on what the price tag is going to be for nuclear modernization, points out that some of the weapons that the President is actually going to start funding that we have all called for modernization as part of our nuclear weapons and nuclear posture review are 40 years old. I would like each of you, if you could respond to the place that we are in right now as we are facing these new weapons that have never existed before, that, by the way, I would conjecture have first-strike capabilities, regardless of what the intention is on the other side, first-strike capabilities, and we are just trying to be able to maintain what we have. If each of you would comment on what does that do for this near-peer, or power-to-power competition that we have with our adversaries?

Dr. POLYAKOVA. Thank you, Congressman; absolutely important question. I would state just one caveat before I answer, one is that although Russia, and especially Mr. Putin, really like to show off these new capabilities, there still are a lot of questions about their actual operational—

Mr. TURNER. And you have not had classified briefings that we received. So in giving us that caveat, let me assure you that we have received classified briefings that are very concerning and answer that.

Dr. POLYAKOVA. You do have access to information I do not have. I will say that this—the kind of disparity you describe is the direct consequence of the development of Russia's nuclear posture and the U.S. nuclear posture in basically opposite directions, at least for the last decade, but certainly even before. And we do find ourselves in the position where we are far behind in developing the kinds of capabilities that would match what the Russians have been developing over the course of their own military modernization program.

I will say that for Russia nuclear posture is the most important guarantee of its own security because it does lack other capabilities to guarantee its own security in the homeland, and that——

Mr. TURNER. I understand. But you do find the weapons concerning?

Dr. POLYAKOVA. I do find them very concerning.

Mr. TURNER. Dr. Mahnken.

Dr. MAHNKEN. Congressman, the American people have gotten huge value from the past investments in the U.S. nuclear deterrent, maybe too much, in that administrations, Democrat and Republican, have kicked nuclear modernization down the road, so that what we now face is the imperative of nuclear modernization or the alternative of, essentially, unilateral disarmament. And we can talk about how we got here, but we are where we are, unfortunately.

Mr. TURNER. Mr. Denmark, the bill is coming due. What do you have to say?

Mr. DENMARK. Very rapidly, modernization and showing our nuclear weapons are capable, the nuclear deterrence remains effective, is very important. The nuclear dynamic with China is very different than the nuclear dynamic with Russia. I understand we are running out of time, but I would be happy to get into that at a later time, or with you privately.

Mr. TURNER. Thank you. Mr. Chairman.

The CHAIRMAN. Thank you.

Mr. BROWN.

Mr. BROWN. Thank you, Mr. Chairman. I'd like to turn our attention back to Africa. We are seeing rapid economic growth, coupled with a growth in conflict in certain regions around the continent. China has dramatically increased its presence, certainly a military presence, but its economic presence is exploding. Russia has a noticeable presence, the private armies and also an economic presence. The question for each of you, and if you could take maybe no more than a minute and 10 seconds each, or a minute each, what is the great power competition? What does it look like in Africa? What is the role of the DOD, particularly now as Secretary Esper is looking at force optimization, maybe a reduction, maybe a decrease, but also what the role is in addition to the size? And is it time for, in Africa, reassurance initiative that would sort of be a blend of the European Deterrence Initiative, which is heavy military, and the Asia Reassurance Initiative, which is a lot more diplomatic and developmental? Thank you. And we can start with Dr. Polyakova and then work down to the other side. Thank you.

Dr. POLYAKOVA. Thank you, Congressman. In my written testimony, I spent a significant amount of time talking about Russia's engagement in Africa especially. The Russian strategy is very different than the Chinese strategy, mainly because Russia does not have the kinds of resources to commit to development projects. That is more of a long-term game. As elsewhere, Russia tries to fill vacuums, fill power voids, and exploit issues and tensions that are already there on the ground. So basically, in every single conflict in Africa we now see the presence of Russian proxy military forces, most notably the Wagner Group, but there are also others that are active in various arenas in Africa, in Libya, in Sudan, Mozambique,

CAR [Central African Republic], and elsewhere. As we consider our own priorities in the United States, and particularly the pullout or potential reduction of forces in Africa, I would just note that we, as the United States, even maintaining a small force, acts as a deterrent on Russian activities given how relatively small those activities are, so a few hundred proxy military forces. But as soon as we pull away, and this is the lesson from Syria, the Russians will step in relatively low resources that will dramatically shift the various conflicts that it's engaged in on the ground.

Mr. BROWN. Thank you.

Mr. DENMARK. China's strategy with Africa is primarily political and economic. China likes to cast itself as the champion of the developing world and has regular high-level engagements with leaders across Africa, with Chinese officials visiting Africa, African officials visiting China, promoting the trade agreements, gaining access to African resources, attempting to build economic and political connections between Africa and China. But China's objectives are different than how we would see from the United States, or how we've seen even from Russia, in that there is very little interest in providing public goods.

We recently saw China establish a military base in Djibouti. This base is not going to be used to help sustain stability. It is really being used to protect Chinese people, Chinese interest, Chinese shipping. And so, similarly, if we see military expanded footprint by the Chinese in Africa, I expect to see them doing more to protect Chinese people who are operating—Chinese businesspeople who are operating there.

Mr. BROWN. And the U.S. role?

Mr. DENMARK. They see the United States as a competitor in Africa, but I think that the United States role needs to be to sustain, build stability, to enhance robust economic growth across the continent, but also, to ensure that liberal democratic government—

Mr. BROWN. And the role of the DOD in doing that?

Mr. DENMARK. I think the Department of Defense is primarily a supporting role in Africa.

Mr. BROWN. Increase or decrease troop levels?

Mr. DENMARK. I think in terms of troop levels, I would say it is probably at an okay point. I wouldn't want to see too much of an increase, because I don't think that is where the bulk of our military competition—

Mr. BROWN. Thank you. Dr. Mahnken.

Dr. MAHNKEN. Yeah, Congressman, the one thing that I would add is actually a piece of good news, which is we have capable allies whose interests align with ours in Africa, first and foremost, France. And so, to answer the question of DOD posture or U.S. military posture, I think however we move forward, we should be doing it in close consultation with our French allies. They have been bearing part of the burden, they, I believe, are willing to continue to do it, but they need support. They need support in terms of U.S. capabilities, and to a limited extent, U.S. forces as well.

Mr. BROWN. And then just sort of quick. In terms of the initiative, we did the European Deterrence Initiative, reassurance initiative, as the name suggested, to reassure. You didn't have to do an initiative, you could have just done the underlying investments. Is

it time for an initiative to send a signal that we are taking Africa seriously in a coordinated fashion, yes or no?

Dr. POLYAKOVA. I think that will send a strong message, yes.

Mr. DENMARK. I would agree.

Dr. MAHNKEN. Agree.

Mr. BROWN. Thank you.

Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. Thank you. Mr. Wittman.

Mr. WITTMAN. Thank you, Mr. Chairman. I want to go to Mr. Denmark and Dr. Mahnken. If you look at where we are as United States military, and the challenges that we have around the world, we look at having to project power in places like the Pacific, in areas like the North Atlantic, in order to counter what we see today as near-peer adversaries. And what we are seeing is those near-peer adversaries continue to expand their reach. We see the Chinese now having a Chinese naval facility at Djibouti. We see them operating in the North Atlantic. We see them outside the first island chain. So what happens, as you have pointed out in that realm, is our adversaries continue to deny us space to operate in without putting our forces at risk.

They also, too, I think, are pretty intuitive in looking at what we can do within that realm, not only with our capability at sea, which is where we try to push them back and try to deter them, but they also look at some other elements, and that is, something that doesn't always get mentioned, that is, with those forces, how do we support those forces? The logistics of those forces. And the question I have for both of you is, in looking at where we are today, as we talk about advancing our ability to project power, which normally is talk about warships, about capabilities within combat systems, with looking at where we place our forces, those strategic elements.

One of the things that doesn't get mentioned is the atrophying of our support system, the atrophying of being able to sustain those forces. Listen, we have got a great first punch, but the question is, is do we have enough supplies out there prepositioned? Can we get fuel to the fleet? Can we do all the things necessary to sustain that? And if you look at where we are historically, and, of course, folks accuse me of saying, Rob, you are living in the past. But it is a pretty simple formula.

Look at World War II, look at what happened in World War II. Where did our adversaries go to try to inflict the most impact on our forces? They went after our support ships. Eighty percent of the tonnage sunk in World War II were not warships, they were support ships. So give me your perspective on where are we today support-wise and logistics-wise to support our ability to deter our adversaries at distance.

Dr. MAHNKEN. Congressman, that is an excellent point; logistics is a decidedly unsexy topic, but as you point out, it is a vital one. And whether it is our naval logistics fleet, whether it's the logistics supporting our Air Force, our ground forces, we do not have a logistics system that is prepared for great power competition or the prospect of great power conflict. We have been maybe taking too many pages out of the commercial book and focusing on efficiency, and just-in-time logistics, use of commercial hulls, commercial vendors. And in other words, I think we have built our logistical sys-

tem on some assumptions that are poor ones for the era that we are in, let alone the prospect of conflict.

Mr. DENMARK. I would add, in addition to what Dr. Mahnken said, that our experiences over the last almost 20 years of conflict has allowed us to flow logistics in a relatively open and secure way, in a way that if we have conflict with the Chinese, our ability to flow logistics without impediment will be severely challenged.

Now, our posture in the Asia-Pacific, I talked about this in my written testimony, has been historically based on a relatively small number of large bases. And those bases are increasingly under threat by Chinese precision strike capabilities. And so, the ability to rapidly distribute and preposition logistical supplies across the region so that we don't have to wait on the long logistical chain from back home, but rather can distribute and operate from unpredictable places across the Indo-Pacific, I think is especially important, and is one of the issues I talked about in terms of revitalizing and revising American posture in the Indo-Pacific.

Mr. WITTMAN. I have one more question for all the witnesses. In light of the release of yesterday's fiscal year 2021 defense budget, do you believe that we have the proper direction and resources based upon that to counter in multidomain spectrum our adversaries, our near-peer adversaries?

Dr. MAHNKEN. Congressman, I think it is a start, but as I pointed out in my written testimony, I think what is really needed is sustained effort. So, you know, we could look at any President's budget, any budget, and it is just a slice. What we really need is sustained effort.

Particularly, just to take the point of logistics, fixing our logistical system, say, to allow the Air Force to actually conduct distributed operations is not something that is going to be fixed in any given budget. It is going to require sustained effort.

The CHAIRMAN. Dr. Mahnken is going to have to have the last word on that. The other two can submit things for the record if they want.

[The information referred to can be found in the Appendix on page 103.]

The CHAIRMAN. Mr. Keating.

Mr. KEATING. Thank you, Mr. Chairman.

Former Secretary Mattis always emphasized that the military's purpose is to support and bolster the work of U.S. economic and State Department interests. I want to really direct my questions to Dr. Polyakova in this respect.

First of all, I agree with the work of—the support of this committee and the administration with EDI and the rotation of troops in Europe. I think it is important. But let's get into something just as important, if not more important. That is the fact that our economic interests are here. This administration is getting involved in a tariff fight with our allies in Europe instead of working for a free trade agreement with the EU [European Union] as a whole, not just bilateral, and now a separate one with the U.K. [United Kingdom] that parallels that. That is a way to stand up to China because together we have half the world's GDP [gross domestic product] and we are dealing from strength. It is also the strongest thing we can do with Russia to fight back.

But I also want to talk now about the fact that the backup to this military—it is really not backup, but the efforts of the administration with what is going on, there are issues of resolve of the U.S., and there are downright contradictions. There are many. Let me give you some: pulling out of Syria without even notifying our allies when they had troops on the ground; pulling out of the INF Treaty without even consulting in advance with our European allies; getting involved with the JCPOA [Joint Comprehensive Plan of Action] that we went in together, pulling out of that, the conflicts and sanctions that surround that that affect our European allies; and, indeed, some of the actions surrounding Ukraine itself.

Look at the fact that, while the peace talks were going on between Ukraine and Russia, in the shadow of those peace talks the President invited Foreign Minister Lavrov to the White House at that time. And then the July 25, 2019, phone call with the President and President Zelensky; he wanted President Zelensky to investigate his own country, in terms of their interference in the U.S. election, when all our intelligence is saying they were not involved, that it was indeed Russia.

We are sending these contradictory messages. We are undercutting our efforts with our allies. Now, we can sit here and talk about our military work, and that is so important, but this affects everything we are doing, including that military posture, dramatically.

With your experience in Russia disinformation and work at the Atlantic Council, Dr. Polyakova, can you tell us the importance of this and how these contradictions and lack of resolve sometimes can really drastically and profoundly undercut our effort with our most important allies, which is what we are talking about here today?

Dr. POLYAKOVA. Thank you, Congressman. I would agree with you on the point that the administration has been sending very mixed messages to our allies in Europe. On the one hand, we have increased to a great degree our support for EDI, which I think has been a very good thing. Also, the Baltic Reassurance Initiative proposal, which is on the floor of this House, and the increase in rotational forces in Poland. So the security defense issue—

Mr. KEATING. That is fine. I want you to deal with the other issues. I want you to deal with actions like the phone call, asking President Zelensky to investigate his own country. I want to ask you about what message that sends to our allies and to Russia when Lavrov is here in the shadow of those peace talks and we still haven't had President Zelensky to the White House for an official visit.

Dr. POLYAKOVA. Well, my concern is that the message being received is that U.S. support for Ukraine is more tenuous than it actually needs to be and should be to deter further Russian aggression in that country. For that reason, I think it is important, especially for the United States Congress, to take a strong stand and reassure Ukraine through the Stand with Ukraine Act, which was passed some years ago in both Houses of Congress.

I would agree with you that we have seen some fissures in the transatlantic relationship as a result of these kinds of mixed messages from the administration.

Mr. KEATING. Great. I have a resolution that I put in quite some time ago in the Foreign Affairs Committee that will demonstrate our commitment to Ukraine and clear the air on some of these issues.

Mr. Chairman, I am actually going to yield back some time.

The CHAIRMAN. Thank you.

Mrs. Hartzler.

Mrs. HARTZLER. Thank you, Mr. Chairman. And I am very grateful that the President did send Javelins over there whereas the previous administration only sent blankets and MREs [meals, ready-to-eat]. So I appreciate his support for Ukraine.

My question is: Last month, Harvard University Professor Charles Lieber was arrested on charges related to his participation in China's Thousand Talents Program. And, as we know, according to the charges, while Dr. Lieber was receiving over \$15 million in funding from the National Institutes of Health and the Department of Defense, Dr. Lieber was also allegedly being paid hundreds of thousands of dollars per month by the Thousand Talents Program to conduct nanotechnology research beneficial to China and recruiting other scientists to work for China.

So, Dr. Mahnken, what is DOD's role in protecting sensitive research here at home, and what policies should DOD implement to safeguard defense research at universities?

Dr. MAHNKEN. Thank you. Look, I think, at one level, we have a clash of two different worlds, a world of academic research where the idea is free and open exchange of information and the world of national security research where we, rightly, have to protect research.

We have been able to handle that in the past. I grew up around oceanographers who did work both for the National Science Foundation and for the U.S. Department of Defense. They could walk and chew gum at the same time. I think what we need to do is we need to be very clear as to what is permissible, what isn't permissible, and we need to hold people accountable. I think it is an issue now, in part, because the ethic has lapsed, and you have a lot of folks that are willing to accept money either to benefit themselves or to support their research without really thinking about the full consequences.

Mrs. HARTZLER. It is my understanding that currently when they come here to do the research, they are provided with information about what degree they may be going into, but then, as they go through the system and they can change majors, they can go to another program, and the State Department, the visa, and the DOD do not track that.

Do you think there should be more supervision of Chinese students to make sure that they are not getting into areas that could be a threat to our national security?

Dr. MAHNKEN. I think we need to have supervision of students from a whole range of areas to make sure that they are out of sensitive areas. And on the faculty side, there needs to be responsibility as well not to be engaging students from certain countries as research assistants, for example, for their projects.

Mrs. HARTZLER. Great. Shifting gears to both you and Mr. Denmark, what specific U.S. defense investments should the Depart-

ment prioritize for major state competition, and do you agree with the Army's focus on "big six" modernization priorities and the Air Force's plan to increase capability and capacity through the modernization of its fleet and increasing the squadron force structure?

Dr. MAHNKEN. Modernization is an imperative because it has been deferred for far too long in far too many areas. Particularly for the Army, I think one of the challenges the Army faces is sort of a split focus. A lot of the Army is focused on Europe and countering Russia, and I think that is important. I think that the Army also has an important role to play in the Pacific. Navy and the Air Force, just by the nature of maritime and seapower, are more flexible, but I think that poses a particular challenge for Army modernization.

Mrs. HARTZLER. Mr. Denmark.

Mr. DENMARK. I tend to focus more on the types of capabilities that the United States would need rather than specific systems in my testimony. The United States needs the ability to penetrate and operate within denied spaces and eventually degrade China's ability to deny the United States those spaces. So, to me, capabilities that are mobile, unpredictable, unmanned, subsurface to me are the most promising sorts of capabilities. I think each service has an important role to play in this area, but it will require new concepts of operations, new kinds of investments, and a new posture.

Mrs. HARTZLER. Very good. Thank you very much.

Do you have anything to add, Dr. Polyakova? Okay.

Thank you, I yield back.

The CHAIRMAN. Thank you.

Mr. Kim.

Mr. KIM. Thank you so much for taking the time to come on out here. I just want to kind of take a step back a little bit. You know, the last time we were engaged as a nation in real great power competition during the cold war, I think, there was a lot of understanding in the American people what was at stake and the threat that was faced.

But I will tell you, you know, in my district in New Jersey, you know, I feel like we are still not kind of punching together a clear and coherent and kind of pithy explanation of what exactly is at stake and why should people care about it.

So, if you wouldn't mind, I would just like to ask the three of you, how would you explain to people in my district why they should care about this, why they should care about China and Russia and this great power competition as opposed to how we talked about it a couple decades ago?

Doctor.

Dr. POLYAKOVA. I don't know if this will be as pithy as you would like, Congressman, but I think the critical point here is that the reason why the United States has enjoyed relative security and prosperity is because we have had allies across the world to put forward our vision of democracy. And the reason why we have a democratic society here in the United States and in Europe is because of U.S. leadership across the world. And it is exactly this U.S. leadership and our model of democracy, our basic principles of human rights, freedom of speech, freedom of assembly, are actively being undermined and challenged by these countries.

Mr. KIM. Okay.

Mr. Denmark.

Mr. DENMARK. I would add to that very excellent answer, the reason there has not been a major war in Asia since the Korean war between major powers is because of American political and military leadership. And what is at stake is really the future destiny of the 21st century in the Indo-Pacific.

There was an article in FT [Financial Times] last year that pointed out that this year, 2020, is the year when Asian economies will be larger than the rest of the world combined, as measured by PPP [purchasing power parity]. And so America's future is in the Indo-Pacific. In order to sustain that stability, to sustain that prosperity, the United States needs to sustain its leadership and its geopolitical power.

Mr. KIM. Dr. Mahnken, over to you.

Dr. MAHNKEN. Look, I think, as Americans, we tend to see peace as the natural state of things and war as kind of an inconvenient temporary aberration. Because of that, I think—and we also tend to think that our values are universal, that, of course, everybody craves democracy, everybody craves prosperity. And so, because of that, I think it is very easy to overlook the fact that we face increasingly powerful challengers who see the world in a fundamentally different way.

And I think ultimately what is at stake is our way of life, whether it is internationally or even, say, in the classroom, the future of free and open exchange in the classroom when it comes to students that may not be interested in those types of things. So we engage in self-censorship. So that is part of how I would make the case.

Mr. KIM. One part that helps bring that to light is not just about understanding the threat or understanding the challenges, but trying to understand what is our right approach back. You know, I think, for better or worse, you know, you can sum up kind of the cold war with that kind of long telegram approach, the containment side of things, things of that nature.

I feel like, you know, I am struggling to understand, you know, if there is sort of a guiding principle here that you can see, in terms of where we are at now. No longer not just kind of—you can't really not necessarily dust off a neo-containment policy necessarily. And I think there also may be some areas of cooperation that we need to be able to explore with some of these competitors. But I would love to just get your thoughts of just how do we try to condense down and try to, you know, come up with an understandable concept for folks in my district, around this country to understand. What is our guiding principle? What is our actual strategy here besides a big, thick document?

Dr. POLYAKOVA. I think our guiding strategy has to be to promote democratic values and principles across the world because no two democracies have ever gone to war with each other. And I don't think we as a society have direct experience of what it is like to shed blood and treasure for those values and principles, and we are losing that connection.

And one of the narratives and the ideological battles in which Russia and China are involved in is to try to have a false equivalence narrative, that an authoritarian strongman society is the

same as a democratic society. And that is false, and we have to work actively to dispel these kinds of disinformation narratives.

Mr. KIM. Sure. Well, look, my time is up so I will yield back, but I would love to continue this conversation. Thank you.

The CHAIRMAN. Thank you.

Mr. Scott.

Mr. SCOTT. Thank you, Mr. Chairman.

I have a couple of things I would mention. One is with regard to our military, if we doubled the size of our military, we would still have capacity issues when it comes to areas like Africa. And while I think the committee has tried, through things like the ECHO programs, to build those partnerships, I do think we need to redouble those efforts because the only way to combat Russia and China in those areas that are geographically a long way away from us is to strengthen the partnerships with countries that share our values and our interests.

With that said, we have talked about Africa some. We have talked about Europe some. What we haven't talked about much is the Western Hemisphere and South America and Central America. China's Belt and Road Initiative is, to me, effectively the recolonization not just of Africa but the world through lending, where they could intentionally trigger systemic debt-related issues for the solvency of a country.

And so, when we talk about Communist China and we talk about a military buildup, my question gets to the center of gravity of Communist China. Is their center of gravity the Belt and Road Initiative, where they can trigger systemic debt-related crises in countries, or is their center of gravity the military? And why are we not talking about this with regard to the Western Hemisphere?

Mr. DENMARK. Thank you, Congressman.

I think if you look at China's approach to Central and South America in terms of Belt and Road and economic initiatives, I think there is a driver of China's approach that goes beyond the debt trap challenge that you mentioned, which is not ubiquitous in all of China's trade agreements and it is actually something that Beijing has tried to address once it got a lot of public criticism for that.

A key element of Chinese Communist Party political ideology, which is reflected in its trade policy, is that economic alignment will lead to political alignment, either because of greater contact, because of greater sympathy between those two societies, but at the very least, in a more realpolitik sense, that economic dependency gives China more leverage over those countries.

Mr. SCOTT. Would you agree that that leverage could lead to the construction of military bases in the Western Hemisphere very close to the United States?

Mr. DENMARK. I think at some point it could. I think the Chinese are certainly—I expect the Chinese would be looking at that, but I also think that it is an area where the United States is very capable of competing if it is able to leverage not only its military influence with those countries but especially political and economic leverage with those countries so that those countries see that they have a choice, and they don't have to go with the Chinese.

Mr. SCOTT. I want to give the other two a chance to answer, but, you know, is the center of gravity the military, or is the center of gravity the Belt and Road Initiative?

Mr. DENMARK. In Central and South America, I would say it is——

Mr. SCOTT. For China.

Mr. DENMARK. For China? I would say for China, it goes across a lot of different measures of national power. I would say economics is an important piece as well as military.

Mr. SCOTT. Let me let the others answer.

Dr. MAHNKEN. Overall for China, I would actually say it is the Chinese population. That is what keeps the Chinese Communist Party leadership up at night. And, you know, the concern about the allure of democracy, the allure of prosperity. I think that is the ultimate center of gravity for China.

Mr. SCOTT. Ma'am.

Dr. POLYAKOVA. I will just briefly comment that we should not forget the fact that Russia is also involved in the Western Hemisphere in the same way that it is involved in various parts of Africa as well as, most notably, in Venezuela.

Mr. SCOTT. So do you think the center of gravity for China is the military, or is it the economics?

Dr. POLYAKOVA. I am not a China scholar. So I defer to my colleagues on that.

Mr. SCOTT. Well, I want to thank you for being here. I will tell you I am very concerned that we don't pay enough attention to the Western Hemisphere. We have spent trillions of dollars in areas over the last several decades that are a long, long way from the United States, and I am very concerned that we are not watching what is happening in our backyard and that we may wake up one day where the trade relationships with China especially are so strong with some of those countries that China is able to use their influence to build military bases effectively in our backyard.

With that, Mr. Chairman, I yield the remainder of my time.

The CHAIRMAN. Thank you.

Mr. Courtney.

Mr. COURTNEY. Thank you, Mr. Chairman.

Thank you to the witnesses for being here today.

I know Mr. Wittman alluded while I was out of the room, Dr. Mahnken, about your report from last year, "Sustaining the Fight: Resilient Maritime Logistics for a New Era." And, you know, yesterday we had a budget that was released that contained really the smallest request for shipbuilding going back probably about 10 or 11 years. Eight ships, two of them are tugboats. They cut a *Virginia*-class submarine that was part of the program of record going back to 2011.

I just wonder if you could comment, in terms of how does that square with a National Defense Strategy that, clearly, you know, has a huge air and naval requirement if we are going to really be serious about, you know, pursuing it.

Dr. MAHNKEN. Thank you, Congressman. The United States has been from its founding a maritime power, a sea power. A strong Navy is vital. And, you know, our surface fleet is, you know, one of those areas where we have deferred modernization, and there

needs to be a lot more done, not only, you know, to produce newer ships but also more capable and probably more, whether the number is 355 or north of 355 and whatever we count in that. So, yeah, I think substantial effort is needed there.

Mr. COURTNEY. Well, I mean, 8 ships doesn't even probably get you to 305, let alone 355. You were nodding your head, Mr. Denmark. I don't know if you want to comment.

Mr. DENMARK. I was reacting because there was a report at the end of last year that there was one shipyard in China that produced nine ships just last year alone. So, in terms of pace of naval power development, the Chinese are catching up rapidly. And that, combined with advantages they have in terms of geography, in terms of being able to focus on a limited number of contingencies, gives them a lot of room where they can have a distinct advantage in the naval space.

Mr. COURTNEY. Thank you. And, Doctor, you know, Admiral Woody Lewis, who is in charge of the European naval forces, reported this past fall that there were eight Russian submarines actively deployed in the Atlantic region. I mean, this is not just an Indo-Pacific issue, in terms of just, you know, where Putin is focusing his investments in terms of his capital ships.

Dr. POLYAKOVA. Absolutely. Although Russian naval forces pale in comparison to the United States and will not be able to keep up with Chinese development, Russia is aggressively challenging U.S. and NATO allies in the Black Sea and the Baltic Sea on a daily basis.

And I think we have not responded in a way that sends a clear signal to them that these kinds of challenges to our NATO allies are not acceptable.

Mr. COURTNEY. Thank you. I think it was, Mr. Denmark, you talked about, again, the sort of technology edge that the U.S. has, you know, in terms of being a critical sort of asset in terms of dealing with China's rising influence in the Indo-Pacific region. You know, one issue—and it may have come up while I was out—is the whole issue of 5G. And, you know, we obviously saw a pretty impressive stand that was taken by Australia and Europe, Norway, in terms of refusing to go the path of using Huawei as their 5G provider. We are struggling, it looks like, with the U.K. in terms of that.

I just wonder if you could sort of comment in terms of that as being a sort of a real, you know, front and center real-time issue that you alluded to.

Mr. DENMARK. 5G is a very important issue, both because of what it is and also because of what it represents. 5G is an important emerging technology. It is more than just a new cell phone standard that will get us better speeds to watch videos, but, rather, it is going to change a lot about how infrastructure works, about how digital information is passed, and the use of Chinese systems, but also China being able to set standards in 5G is going to be very, very important.

But it is also I think representative of how the United States needs to be able to prioritize competition outside of the military realm, in that the military is not going to convince the Germans or the Brits or whoever about whether or not to allow Huawei into

their 5G networks, but, rather, that is a function of American prioritization, also our diplomatic, economic, and technological capabilities.

Dr. POLYAKOVA. If I may, on the European question, 5G is incredibly divisive at the European level. We see Eastern European countries, Central Eastern European countries like Poland, Romania, and Estonia taking a much more assertive stance on 5G.

I think the biggest concern with 5G technology is the infrastructure question because if we allow Huawei and other Chinese companies to develop the infrastructure, these technologies build on each other. So it sets us on a certain path where it will be much more costly and much more difficult to roll it back, even if we develop competitive technologies in the way that my colleague just suggested.

The CHAIRMAN. Thank you.

Mr. Gallagher.

Mr. GALLAGHER. Thank you, Mr. Chairman.

Mr. Denmark, you worked in the Obama administration. You saw firsthand DOD's response to China. I want to talk a little bit about missiles, specifically missiles with intermediate ranges. I applaud your testimony for recognizing the importance of, quote, "developing and deploying conventionally armed ground-based missiles previously prohibited by the Intermediate-Range Nuclear Forces Treaty." You go on to write that, "this capability will help the United States develop a more dispersed, unpredictable, resilient and mobile force with greater efficiency and fiscal sustainability."

Can you just elaborate a bit on this point and the opportunities that we may be provided now that we are unconstrained by the INF?

Mr. DENMARK. Sure. Thank you for the question. The security situation, the security environment in Asia developed outside of the INF Treaty. China was not a party to it. Really, the only Indo-Pacific country that was a party to it was the United States. So China has developed a significant number of missiles that would violate the INF Treaty. It has been previously said it is something about 90 percent of China's ground-based missiles would violate the INF Treaty, in terms of its range. So it is something that the Chinese see a lot of value in.

So, from an American point of view, I think it gives us options in terms of a more distributed force, but it is also more fiscally sustainable in that a ground-based mobile system would be cheaper, a cheaper way of developing missiles than an expensive Aegis destroyer or F-35, for example, in that it is distributed.

But I do think we need to be a bit nuanced in how we talk about these missiles in that we tend to group together cruise missiles of that range and ballistic missiles of that range. I think they are actually quite different. I think the Chinese see them very differently, and I think they provide very different sorts of military applications.

To me, the anti-ship cruise missiles of those ranges is very clearly advantageous to the United States and something that we should take a look at whereas I think ballistic missiles of that range I think are more complicated in terms of their military use but also their effects in terms of strategic stability in the region.

And it is something that needs to be taken a look at, both internally but also in terms of hopeful, at some point, discussions with the Chinese on regional strategic stability.

Mr. GALLAGHER. And what about the access agreements we would need to negotiate with our allies in order to deploy those missiles? I mean, we were told that this was impossible, but I believe we just announced a sale to the Aussies of a variety of LRASMs [Long Range Anti-Ship Missiles] to the tune of a billion dollars. So there seems to be at least a discussion going on.

Mr. DENMARK. The Japanese are looking at missiles of a similar range, developing those indigenously. There is I think certainly going to be a challenge in terms of these negotiations, but I do think that they would serve some degree of help just having them in Guam, in American territory in Guam, and then gradually expanding from there with exercises for dispersal with our allies and partners, eventually getting to agreements where we could actually forward base. And I think it is achievable, even though right now there is nobody who is welcoming them in with open arms.

Mr. GALLAGHER. And Dr. Mahnken, I would love for you to maybe comment on how INF noncompliant ground-based intermediate-range missiles would fit within the concept of deterrence that you elaborate in your testimony.

Dr. MAHNKEN. So a lot has been made of the threat that China poses to U.S. power projection forces, but China faces vulnerabilities of its own, the fact that its access to the broad Pacific Ocean is constrained by what they call the first island chain, what I like to call our allies and friends.

And so deployment of missiles along that first island chain would force the Chinese leadership to accept a greater degree of uncertainty than it has had to in the success of its operations, whether contemplated against Taiwan, Japan, others.

It would likely force them to shift resources because it would pose them a challenge that they haven't had to deal with before. It would force them to shift resources to the defense, which I think is all to the good. And it would also free up our naval and our air forces to use their greatest attribute, which is their maneuverability, rather than being tied down close to the Asian mainland.

Mr. GALLAGHER. I appreciate that. Finally, I mean, we have a National Defense Strategy that everyone seems to think is kind of in the zone of right, saying INDOPACOM is a priority theater, then EUCOM [U.S. European Command], and then CENTCOM [U.S. Central Command], we need to find a way to operate more efficiently. Our funding priorities are precisely reversed, right? CENTCOM 50× INDOPACOM, EUCOM 2× INDOPACOM. At a broader level, if you believe the Chicago Council's latest poll, most Americans think CENTCOM is the most important theater. So, in 20 seconds, how do we reverse that?

Dr. MAHNKEN. You know, through education, public education, elite education, and just pushing forward.

Mr. GALLAGHER. I appreciate that.

The CHAIRMAN. Thank you.

Ms. Houlahan.

Ms. HOULAHAN. Can I use 20 seconds or a minute of my time to get more of an answer to that question?

Mr. DENMARK. I direct the Asia Program at the Wilson Center, so my whole job is talking about why Asia is so important. I think the economic linkages between the United States and the region are extremely important, but the American public tends to get focused more by threats than by opportunities, I think, unfortunately. So, as the Chinese and the North Koreans, as those threats evolve, I think it will become increasingly more apparent about what is at stake and why the United States needs to retain its leadership role in the region. That is the short version.

Ms. HOULAHAN. Anybody else like to contribute before I get on to my questions?

So my questions have to do with, there was a conversation earlier about the role, the importance and concern about the Western Hemisphere and whether Russia and China were involved there and what were our vulnerabilities. My question is similar, but with the Arctic. And I was wondering if you guys would be able to comment on what we should be thinking about in that area. Should we maybe be thinking about an Ambassador to the Arctic, as an example. Are there other ideas that you can have? I am concerned with Belt and Road issues in that particular area and would love to hear your thoughts on that. Maybe start with Dr. Polyakova and then anybody, Mr. Denmark as well.

Dr. POLYAKOVA. Thank you. So Russia certainly has over the years made considered moves to kind of plant a flag in the Arctic and to claim Arctic resources as its own resources so that it can. It is in this arena that I think we need to work very closely with our allies. We do have quite a few allies in Europe who are Arctic countries in a certain sense of the word.

There are areas I think of some cooperation that we can also explore with Russia and China, particularly scientific cooperation and research, in the way that we used to do during the cold war era with the Soviet Union in terms of space exploration and space-related research activities. But this is a region that will be of critical importance in the coming decades because of its resources, because of the kind of competition that we are going to see play out very directly. I would just once again say that this is an arena that we should be closely cooperating with our allies on.

Ms. HOULAHAN. Mr. Denmark.

Mr. DENMARK. I was able to participate in a conference in Fairbanks, Alaska, a few months ago, supported by the U.S. military, looking at great power competition in the Arctic, which is a new realm for them in that the Arctic traditionally over the last several decades has been more of a venue for cooperation rather than for competition.

I completely agree with the statement about allies. I think the United States needs to enhance its engagement with the Arctic Council, diplomatic power, again, being very important, but also enhancing our infrastructure in the region from a military point of view but also in terms of other economic venues of engagement with the Arctic. The United States does not nearly have the kind of infrastructure in place as other Arctic powers have, and that is an area where we could catch up.

Dr. MAHNKEN. I would just say that there is the Arctic, and there is also Antarctica, right? And I think in both areas and even,

you know, just in the global commons, we really need to be standing up for free and open access whereas our challengers are, you know, increasingly trying to divide things up. And whether it is the Arctic, the Antarctic, as previously has been said, we have a lot of allies, and we need to be working in concert with them to isolate those states that really seek to kind of divide things up and turn this into kind of a land grab or a resource grab.

Ms. HOULAHAN. And is there any value at all to this concept of an Arctic Ambassador? Would you be able to comment on that?

Dr. POLYAKOVA. I think that is an interesting idea that is worthy of exploration.

Mr. DENMARK. Completely agree.

Dr. MAHNKEN. Agree.

Ms. HOULAHAN. Terrific. And then with the last minute of my time, I would like to just talk about the fact that we are withdrawing forces from Africa. And that seems consistent with the NDS, but doesn't seem consistent with the, you know, protection and thoughts about Belt and Road, and we are sort of leaving Africa behind if we take troops out. Can you also comment on that and the vulnerability that you perceive that we have, if any, by removing our troops.

Dr. POLYAKOVA. As I say in my written testimony, where the U.S. disengages, the Russians see an opportunity to step in and fill a power vacuum. What we learned from Syria is that Russia is positioning itself in the same way in Africa as it has in the conflict in Syria, but we can still maintain a relatively small and effective deterrent force in Africa despite that.

Mr. DENMARK. All I would say, in Africa the face of American power should not be primarily military but, rather, economic, development, diplomacy. So, as long we sustain enough of a force to be able to conduct counterterrorism missions, I think whatever troops we pull out of the region would need to be supplemented with greater elements of American development and economic engagement.

Ms. HOULAHAN. Thank you.

And I have run out of time, and I yield back.

The CHAIRMAN. Mr. Banks.

Mr. BANKS. Thank you, Mr. Chairman.

Dr. Mahnken, in your testimony, you write, quote: The United States must invest more in developing artificial intelligence, hypersonic delivery vehicles, autonomous systems and other advanced technologies. It must also accept greater risk in long-term acquisition programs in order to spur innovation and encourage major leaps in technological capabilities rather than slow incremental growth.

I want to focus on that for a moment. I am the co-chair of something called the Future of Defense Task Force with Representative Moulton from Massachusetts, and we have been holding a number of hearings and roundtable discussions about this subject. So I am interested in the investments now that we need to make to invest in the preparation for the future fight. And so my question is, what steps could the Department take to embrace a more risk-tolerant mindset?

Dr. MAHNKEN. Well, Congressman, I think part of that is on the Department, and I think part of that is on Congress. My dad, my late father worked on the Atlas missile program. And if you look at what our Nation was able to accomplish in a handful of years with the Atlas program, it is really staggering.

The only reason, you know, that that was possible was, well, funding, but also a sense of urgency, but also a tolerance of risk, a tolerance of failure early on in programs. And all that, you know, seemed like a real natural thing to do in the early cold war, where we had a sense of vulnerability and a sense of falling behind. I think we need to recapture that sense of urgency today where in a number of critical areas we risk falling behind if we have not already fallen behind.

Mr. BANKS. Could you unpack for us a little bit more about what you mean by accepting greater risk in long-term acquisition programs?

Dr. MAHNKEN. Sure.

Mr. BANKS. What does that look like?

Dr. MAHNKEN. What I would say is hold the Defense Department accountable for the outcome and, you know, set the deadline, but don't micromanage the process getting there. Again, that applies to Congress in its oversight role, but also applies to various parts of the Defense Department. Objective-based targets, time-based targets, performance-based targets, but let them get on with the business of harnessing the innovation, harnessing the skills necessary to get there.

Mr. BANKS. So how can we use that type of thinking to foster and grow more small- to medium-size businesses in the defense technology realm?

Dr. MAHNKEN. Well, there is enormous innovation out there in the economy, right? When I was last working in the Defense Department, I worked with then-Deputy Secretary of Defense Gordon England. And Secretary England liked to say rhetorically, you know, what is a defense contractor?

And his point was a defense contractor is any company that is willing to put up with the mountain of regulations that govern dealing with the Federal Government, and that small fraction is what we get to deal with. Everybody else gets to deal with the rest.

So more opportunities to directly connect those small and midsize businesses that are at the cutting edge. And I know there are, you know, through OTAs [other transaction authorities] and other authorities, there are ways to do that. I think the more of that, the better.

Mr. BANKS. Dr. Polyakova, could you expand a little bit on some of what you have already shared with us about how the Department can better leverage artificial intelligence to support warfare operations?

Dr. POLYAKOVA. As I elaborated in my testimony on the Russia question, Russia has signaled its desire to invest significantly into AI [artificial intelligence] capabilities and technologies. Russia did release just this past fall its AI strategy as well, which I think purposely does not speak of national security because that will remain opaque.

To my mind, it is China, of course, that is the greatest competitor when it comes to technological research and development, particularly in the AI space. While I don't have access to intelligence documents or information, I would hope that the United States is investing significant resources in developing the kinds of autonomous capabilities and AI-powered military capabilities because this is where certainly the Russians and I think the Chinese are investing their resources, and this will be the arena that we will have to contest with in the future.

Mr. BANKS. Dr. Mahnken, do you have anything to expand on that?

Dr. MAHNKEN. I think, you know, just talking about AI as a field, it is a huge field with so many applications. I think the key things—DARPA is doing good work there; the services are doing good work there—is identifying, you know, the key contributions that AI can make. And some may be really kind of glamorous, glitzy, but we were talking about logistics earlier. I mean, some of the more promising applications may be the decidedly unglamorous field of logistics. We need to identify those applications and really push forward with them.

The CHAIRMAN. Ms. Sherrill.

Ms. SHERRILL. Thank you so much for being here this morning. Mr. Denmark, can you talk through the decision of the Philippines to pull out of the Visiting Forces Agreement, how that is going to impact U.S. influence in the region and how it may impact the calculations of other states in the region?

Mr. DENMARK. The decision by Duterte to withdraw from the Visiting Forces Agreement is I think very important, both in terms of its practical applications, but also what it symbolizes. The United States conducts a significant amount of exercises with our Philippine allies. We have access to their military bases, and within 180 days of this announcement, that is going to go away.

And so the Philippine military's ability to react to potential Chinese coercion I think will be damaged dramatically because of that. But, in terms of what it signals geopolitically, it shows that China's efforts to engage Duterte and a key ally is starting to split off an American treaty ally from the American broader sphere of influence, if you will.

And to me, that signals to Japan, to Korea, but even beyond that and, more importantly, to nontreaty allies that China is being very effective in their efforts to undermine the credibility and reliability perceptions of American power and that, for nontreaty allies in the region, countries like India, it shows that the United States is having trouble responding to that challenge.

Now, things may change between there. Duterte has demonstrated himself to be pretty unpredictable, if you will. And so it might not actually be concluded. We will have to wait and see. I expect the United States will be engaging with them heavily to try to stop it.

But, in terms of a geopolitical signal, regardless of what happens over the next 180 days, I think the decision is going to reverberate around the region and signal that the United States, American influence and power is facing significant challenge from Beijing.

Ms. SHERRILL. And somewhat related, can you talk about the Law of the Sea Treaty and whether or not we should ratify it and how that would impact our efforts in the region?

Mr. DENMARK. So I think the U.N. [United Nations] Convention on the Law of the Sea I think is a very important element of established international law. From an American point of view, if the United States is going to be a champion of a liberal order based on established laws and norms, the Convention on the Law of the Sea is an important part of that. It is something that, when the Chinese are further afield from China, they actually adhere to it. When the Chinese sail within 12 nautical miles of an Alaskan island, which they did a few years ago, that is because of the U.N. Convention on the Law of the Sea. And it is what allows the United States to conduct freedom of navigation operations in the South China Sea, for example.

And by having this law, it shows that these norms are not just American assertions, that this is not just a question of—Chinese violations of this law is not just a question of Beijing versus Washington, but, rather, it shows that Beijing is outside of established laws and norms that other countries adhere to as well. And the power of that law, the power of the international community can therefore push against it.

Now, if I could very quickly—I am sorry I am taking so long—when the tribunal ruled against Chinese claims in the South China Sea in 2016, that represented I think a great opportunity for the United States to show that China's claims were outside of established international law. And we have not pushed that finding as much as we could in a political diplomatic sense. But the ruling is still there, and I think that it could be a key attribute of the United States, both to push back against Chinese assertions, but also to buttress international laws and norms.

Ms. SHERRILL. Thank you.

And, Dr. Mahnken, when you mention investment in programs that are no longer effective in our DOD, which programs specifically are you referring to?

Dr. MAHNKEN. Well, I think in particular, you know, we have had a whole string of investment, a whole stream of investment focused on counterterrorism, counterinsurgency. And, you know, I think we need to move away from those investments.

Look, there are other investments that we have made that can be repurposed. So we have invested a lot in unmanned aerial systems, for example, nonstealthy UASes for the Middle East and beyond. I think there are a whole host of roles that they can play going forward.

And I think there is also room, you know, for retirements as long as those retirements—retirements of aircraft, retirements of ships—as long as those retirements are paired with modernization, not replacing something with nothing but replacing something with something. Particularly for systems that are nearing the end of their life, where maintenance costs soar and you are just kind of struggling to keep them online; better to let them go and invest in new capabilities.

Ms. SHERRILL. Thank you.

The CHAIRMAN. Thank you.

Mr. Bergman.

Mr. BERGMAN. Thank you, Mr. Chairman.

Dr. Mahnken, you made a couple of interesting comments that caught my attention. You said we tend to think our values are universal. You know, I would suggest to you I appreciate that comment. I have heard others say it slightly different ways.

We tend to think that other countries share our American values. We tend to think that they share our goals and that they like us. Okay. And I think that that leads to blind spots, especially in the latter piece there about who cares about who and what we value and what we intend to do.

Now, you also made an earlier comment about the analytical capability of DOD lagging. I guess my concern, as a Member of Congress, is that, as we look at voting on, allocating money, authorizing money, appropriating money, and all of that that go into the various departments, in this case DOD, would you care to make any comments on where we might gain advantage, not only in our capability, analytical capability, by not just stovepiping money into in some cases an antiquated view of how we do things going forward? Because Department of Defense doesn't mean necessarily it is the department of analytical capability. So how would you comment on that?

Dr. MAHNKEN. Thank you, Congressman.

I think, you know, first and foremost, analytics within the Department give the Department's leaders and members and congressional staffs assurance that the money is following the strategy. And so the lack of analytical capability or kind of the erosion of analytical capability over time is—

Mr. BERGMAN. But is it time that we begin to leverage as a Federal Government, get rid of the stovepipe? Because we could be missing the forest for the trees, so to speak. And that is kind of where I am driving with this, is that we can't expect departments to be all things to all people.

We have to put them, especially in—you know, it used to be before the digital age, it was the big ate the small. Now it is the fast eat the slow. And whether we are talking warfighting, whether we are talking diplomacy, whether we are talking international aid, you name it, that that intercommunication between different entities trying to do it, but I guess, again, I am concerned that, as Congress, if we just put money into the same way of doing things and we expect different results, we have obviously—

Dr. MAHNKEN. Sure. And if we look back—it is a flawed analogy because I don't think we are headed for a new cold war—but if we go back and look at the cold war and look at the way the national security community was structured, if we look at the way we thought about competing against the Soviet Union, there were a whole host of activities that the U.S. Government, just to take a narrow part of it, because it was much broader than the U.S. Government, thought about competition. So not just in military terms, not just in terms of diplomacy and development, but industrial policy, internal security, development, a whole bunch of areas.

Now, of course, that didn't arise overnight, and it didn't arise, you know, with the—

Mr. BERGMAN. I hate to cut you off because you can talk for a long time, but you got a lot to say. I appreciate that.

Are we at a point where we can make gains by trimming the bureaucracies to reflect the future needs?

Dr. MAHNKEN. I will say yes, and I would say because if we look at the post-cold war world, many of those institutions that grew up over decades are kind of still with us, some still performing their job, some not performing their jobs. So I think both some trimming in some areas but adding in others is warranted.

Mr. BERGMAN. Yes, thank you, because that is managing change. And I would guarantee you, unfortunately, there are still job descriptions within the Federal Government for file clerks. Not that it wasn't a great job when we needed it, but right now that job, that FTE [full-time equivalent] has passed.

But thank you very much, Mr. Chairman. I yield back.

The CHAIRMAN. Thank you.

Ms. Torres Small.

Ms. TORRES SMALL. Thank you. Thank you all for being here and for your testimony.

I know that a lot of the discussion today has been focused on alliances and how do we build and continue to use and leverage our strategic alliances.

And one of the areas that I am deeply interested in is Latin America. We have seen increased investments in China and Russia, trying to create, as I think it has been mentioned before, looking at these power vacuums and how they can take advantage of that.

So would you agree that Russia is using power projection in an attempt to erode U.S. leadership and challenge U.S. influence in the Western Hemisphere?

Dr. POLYAKOVA. Yes, I would agree with that statement.

Ms. TORRES SMALL. And could you expand a little bit upon some of the most challenging ways that they are doing that?

Dr. POLYAKOVA. Again, I think the Russian model is more of a short-term, high-impact approach versus the Chinese model, which is more of a long-term but high impact in the long term approach. Russia is incredibly strapped for its own resources. Increasingly, we are seeing intensifying proxy warfare, whether that be through the use of disinformation campaigns in the digital space, which often are linked to the kinds of proxy military groups that we see operating on the ground there.

Ms. TORRES SMALL. And, Dr. Polyakova, if you can give any specific examples in the Western Hemisphere.

Dr. POLYAKOVA. I will caveat to say that I am not an expert on the Western Hemisphere. However, Russia's involvement in Venezuela—and there have been some mixed reports I would say in the open source in terms of their activities in support of Maduro especially, but I think it is—I can say with some confidence, based on open source reporting, the Russians have exported their model of supporting authoritarian leaders, particularly Maduro in Venezuela, to the Western Hemisphere.

Ms. TORRES SMALL. And how does that influence impact our ability to maintain alliances and also provide humanitarian assistance in the region?

Dr. POLYAKOVA. I am glad you brought up the development question. That has come up several times in this conversation. I think, first and foremost, we have to understand that Russia has been emboldened in recent years. The idea that the Russians would be active at all in what the U.S. considers its, you know, own backyard is quite shocking.

One of the ways in which I think we have dropped the ball in some of these countries is by cutting some of our assistance and development and democracy programs in the region, which I think should be the front face of U.S. power projection there.

Ms. TORRES SMALL. And just, lastly, how should we balance our need to have a global force posture and then comparing that to repositioning forces forward to counter a more direct threat from Russia and China?

Dr. MAHNKEN.

Dr. MAHNKEN. Look, basic fact, we are a global power. We are not a regional power. We are not a superregional power. We are a global power. Fortunately, we are a global power that has allies, and those allied and allied territory is a key component of forward deployment. We forward deploy to deter but also to reassure our allies, both in Europe and Japan—or in Asia, rather, the Western Pacific. And then we also have sovereign territory in the Western Pacific as well.

So it is a balancing act. We need to deter. We need to reassure forward, but we also need the flexibility to be able to operate globally. And I think that is a continuing balance that needs to be struck and it needs to be struck in conversation with our allies.

Ms. TORRES SMALL. And I apologize. I just want to shift very quickly. There has been a lot of discussion on the civil-governmental coordination in China that allows them to leverage a lot of investment. We have talked a lot about how we can support innovation in that same realm, but are there any vulnerabilities that that causes with China when there is such coordination between the civil and governmental?

Mr. DENMARK. In China, it is more civil and party than civil and governmental, but it is the same point.

I think there is tremendous vulnerabilities in China's system, and we are seeing some of those play out with China's response to the coronavirus, in that there are structural impediments to open sharing of information, of giving the central government bad news, of the central government learning what is happening, and then the central government being able to actually implement a change of strategy because of the distribution of power in China. And I think that applies across the board in the economic realm as well.

Beyond that, there are significant bases of power that support inefficient economic models in China, in terms of state-owned enterprises which crowd out financing for small businesses, for more innovative businesses, while at the same time an overreliance on overproduction debt, which is really having problems and showing some of the problems now. As China's economy slows, a lot of these weaknesses are starting to become more and more apparent.

Ms. TORRES SMALL. Thank you. I yield the remainder of my time.

The CHAIRMAN. Mr. Bacon.

Mr. BACON. Thank you, Mr. Chairman.

I want to thank all of you for sharing your expertise and experience today.

My first question is for Dr. Polyakova. I know we have elaborate stealth capabilities in the Indo-Pacific region right now. Do you think we have enough stealth capability in Europe to deter?

Dr. POLYAKOVA. Stealth capability?

Mr. BACON. Stealth like fifth-generation aircraft.

Dr. POLYAKOVA. I think the deterrence posture of the United States is decisively different in Europe than it is in the Indo-Pacific. I will let my colleagues address the Indo-Pacific region.

Mr. BACON. Do we have enough in Europe? I just want to get your perspective.

Dr. POLYAKOVA. My sense of our deterrence capability in Europe is that the investments we are making now must focus on interoperability and military mobility versus investing new capabilities in the region. Because our allies should do more and they can do more, and we should continue to prompt and support their ability to do so versus continuing to supply our own systems and capabilities there.

Mr. BACON. So you feel the same way when it comes to armor as well? Because we used to have 5,000 tanks assigned there in the 1980s. Now we have a rotating brigade. Do you think this is adequate?

Dr. POLYAKOVA. I think that is a point of debate that we need to engage in in a real way. I think the recent increase in rotational forces in Poland has been a positive development. I think the constant balance we have to strike is to what extent we want to take the escalation burden on ourselves versus placing it on Russia. I think right now, the national security strategy in the NDS is strategically trying to shift the burden to Russia versus to our allies and ourselves.

Mr. BACON. Thank you. Mr. Denmark, I appreciate your comments on the intermediate-range missiles that have a conventional missile capability to counter China. I think you are absolutely right. We have a disadvantage there, and they can hold us at risk at our bases.

Switching topics, are we doing enough to engage Taiwan to help deter what China is doing? Can we do more? Because they are a freedom-loving people, and they want to do more with us, and they want to remain independent.

Mr. DENMARK. I am very glad that you raised Taiwan. I agree that Taiwan is a very important if unofficial partner of the United States. I think they show that some values, in terms of an embrace of political and economic liberalism, are not based on culture and history, but, rather, they are more universal than folks in Beijing would like to argue.

I do think that we could be doing more with Taiwan, but likely not in the security military area. I think the security and military cooperation with Taiwan has been very good. There has been continued arms sales across administrations for a long time, and I think those are very helpful in terms of preserving deterrence. I think that cooperation in the military sphere could adjust a bit, emphasizing asymmetry.

But in terms of where we need to build our relationship with Taiwan, I would focus much more on the economic realm, that Taiwan is very vulnerable to China, in part because of its economic reliance on the mainland, and working with Taiwan in terms of enhancing trade both bilaterally with Taiwan but helping Taiwan enhance its trade with the rest of the Indo-Pacific, not just through the mainland, would very much help them sustain their own system and reduce their vulnerability to the mainland.

Mr. BACON. I know the Taiwanese leadership would love to have a trade deal with America. In fact, their senior leadership told me they could do it in one day, and I think we ought to try to get that done. I think that would be important.

Dr. MAHNKEN, I want to ask you about two areas if I have time to do it. Three years ago, I thought we had a very big deficiency in electronic warfare, and I think we have come a long way. How do you think that we have prioritized electronic warfare when you look at the capabilities of China and Russia?

Dr. MAHNKEN. I think we are making strides there, but we are playing from behind, right? Russia and China have had very dedicated approaches to electronic warfare. In the case of the Russians, a lot of battlefield experience. And so, you know, we need to focus on the areas where we can make real gains. And I think we have made some strides, but, again, we are playing from behind on that one.

Mr. BACON. Maybe a question on ISR. I believe that we need the fifth-gen ISR capability in phase IV operation when you are in a mobile fight. But phase zero and phase I, where we are at today, you need your traditional ISR that can really do the job. So I think we need a blend.

Dr. MAHNKEN. Yes.

Mr. BACON. Do you think we are in the right spot, heading the right direction with our ISR blend of fifth-gen, current capabilities in space?

Dr. MAHNKEN. So I think your point is spot on. And in my written testimony, I talk a little bit about that, and we actually have a report that is going to be forthcoming on the topic of ISR in the competition phase. And there I think, yeah, whether it is platforms like Global Hawk or like Reaper, manned platforms, I think there is a strong case to be made for knitting those together to provide 24/7 situational awareness in areas that we are concerned about, first and foremost because that is a deterrent. When others know that we are watching, they tend to be on better behavior.

Mr. BACON. Thank you. Mr. Speaker, I yield.

The CHAIRMAN. Mr. Golden.

Mr. GOLDEN. Thank you, Mr. Chair. So I have been sitting here listening, and I have enjoyed it very much, thank you all for your testimony. I found it very informative. I think I am last, so I thought I had an opportunity to kind of help us clean this thing up. If you could do me a favor and imagine that you were back home with me in Maine, in, like, a townhall setting with some farmers, lobstermen, people working at a paper mill, where they are also selling some products that paper's being made in China in factories over there, or small business owner, children, whoever you can imagine. I think sometimes here we take it for granted that

the American people understand why it is that we ask them to assume these great investments in our military and also in a 2+3 strategy.

And Mr. Mahnken, you stated that we are a global power. So why does that matter to the everyday American citizen? And when we are talking about China, and specifically, what is the scenario that the American people should be most worried about in the future? Is it a Pearl Harbor-like attack? A west coast missile strike on the west coast? Is it a China who continues to pick off our allies, shuts us out of that economic market of the future that you are talking about? What specifically? Why does this hearing matter to my constituents?

Dr. MAHNKEN. So Congressman, when I am back home in San Diego, it is a little bit easier to make that case about the Pacific than perhaps—

Mr. GOLDEN. Make it for anyone, we are one country.

Dr. MAHNKEN. Yeah, absolutely. But I think Americans, you know—small-town America take a lot of things for granted. They take—and they have been allowed to, because it is invisible, right? They take rapid reliable access to the global commons and all that comes with it for granted. That spurred globalization, that spurred economic prosperity from small town America across the globe to include China. All of that has rested, invisibly often, on American power. And it was actually I think Joe Nye said that security is like oxygen, you only notice it when it is running out.

So, in part, the situation you face, we face is a good one, or is a byproduct of a good situation, what was a good situation. I agree with you, though, that we have to make the case going forward, that the things that we care about, whether it is material goods or our values, are worth defending. And either we defend them now, far from our shores, through our allies, through our relationships, through deterrence, or we are going to have to either see them go away, or have to fight them in another way.

Mr. GOLDEN. From an economic standpoint, it is whether or not we continue to be successful and be able to tap into these markets, and continue to see our economy grow, is what you are saying. But I thought you just made a good point. I have heard some very smart generals talk about when it comes to combat, we would rather play an away game than a home game. I think that is absolutely correct. We have been very fortunate.

In thinking about the 2+3 strategy that we have all talked about, a frank question for any one of you, do you think we are being realistic with the size of the military that we have and the capabilities that we have demonstrated? We look at the height of the surge in Iraq, the United States Marine Corps had to become more of a land-based Army type military supplement to the Army. It was very hard for us to maintain those wars in the Middle East.

With what we have today, is it really reasonable to think that we are ready for a conflict in the Pacific while also being able to deter Russian aggression and work with our allies in Europe, plus maintain some kind of operational capability from North Africa to Pakistan in regards—can we do that? Do you all have a degree of confidence that we can do that today?

Dr. MAHNKEN. Just very briefly, the type of war that you are talking about, a great power war, would be much more consequential than Iraq or Afghanistan. And it would require much greater exertion, but the stakes would be much higher. So do I think we, as a Nation, are capable of generating that? Yes, absolutely.

Mr. GOLDEN. With an All-Volunteer Force and at our current budget levels, we are on track to be able to meet—

Dr. MAHNKEN. Well, not current budget levels, right? Again, if we are talking about a big war, historically, we haven't fought big wars with peacetime defense budgets.

Mr. GOLDEN. I appreciate that. It is a weighty issue and a good hearing overall. But like I said, I think the American people have to understand why it is that Congress, and the Pentagon, and the military, the State Department, and others are talking about these things. There is a lot of skepticism out there. I am sure you hear about it and read about it. So thanks for a good hearing.

The CHAIRMAN. Thank you. Mr. Thornberry.

Mr. THORNBERRY. Thank you, Mr. Chairman. And thank you all for being here. I read all your statements, I've listened to nearly all the questions and I've found very little with which I disagree. Let me ask, though, a couple of follow-up things.

Mr. DENMARK. Sure. So the way China approaches nuclear deterrence is very different from how Russia approaches it. China not only faces a nuclear deterrent challenge with the United States, but, also, they have to look at North Korea, they have to look at Russia, they have to look at India, and that is a wicked challenge for them.

Mr. DENMARK. Sure. So the way China approaches nuclear deterrence is very different from how Russia approaches it. China not only faces a nuclear deterrent challenge with the United States, but, also, they have to look at North Korea, they have to look at Russia, they have to look at India, and that is a wicked challenge for them.

So they have adopted a no-first-use policy which they pledged not to be the first to use nuclear weapons. But at the same time, they have also adopted a strategy of having a minimally acceptable deterrent, in that they are not seeking to wipe out an adversary in a nuclear conflict, but rather to be able to hold sufficient threat of a retaliation in place, so that no country would attack them with nuclear weapons.

So their number of nuclear weapons that they have is much smaller than what the United States or Russia have. And so, they approach these things completely differently. There has been—unlike with the relationship with Russia, nuclear dynamics have not—have been very far from the forefront of our relationship with China. There have been very few contacts between our two militaries on issues of nuclear weapons and strategic stability.

Most of those discussions happen between scholars. And so, China's approach to these things is very different, so our approach towards deterrence and strategic stability towards China has to be quite different.

I will make one last point. The Chinese have been enhancing their nuclear capabilities in recent years, both quantitatively and qualitatively. And that is coming out of concern primarily about

American conventional capabilities, specifically ballistic missile defense and other penetrating strike capabilities that they fear could undermine their ability to conduct a retaliatory strike.

And so, as they are expanding it, they are not racing to parity, they are not going to try to meet where the Americans or the Russians are. When we try to reach out to them about signing on to successor to New START [Strategic Arms Reduction Treaty] they say, You are not even close to us, give us a call when you are within the same neighborhood as where we are, but they don't really see that as their problem.

With the potential introduction of American INF missiles into the Indo-Pacific, they may actually start to be seeing this as a problem for them. And my hope is that we can start having these conversations that we have been trying to have.

Mr. THORNBERRY. Okay. That is helpful. Thank you.

Dr. Mahnken, number one, I appreciate your service on the National Strategy Commission. In that report and in your testimony today, is a lot of talk about innovative new operational concepts. My question that I keep asking is what can we in Congress do to foster new operational concepts, not only with regard to China, but other challenges around the world?

Dr. MAHNKEN. I think one of the things that Congress can do is to ask the Defense Department to show its homework. Ask the Defense Department to show how the budget request is taught, and that priorities are tied to operational concepts. How—you know, we need X capability and don't need Y capability. How is that represented in new operational concepts, not just at the service level, because I think the services are doing some good work. But what is lacking is a joint operational concept, or set of joint operational concepts. National Defense Strategy, the classified National Defense Strategy does a nice job of laying out a set of operational challenges that should be driving innovation and should be driving the budget. I think it is incumbent upon Congress to ask the Defense Department, have them show exactly how those challenges, operational concept development, is shaping the budget and shaping the program.

Mr. THORNBERRY. I think that is a fair point. The only thing I would say, and it kind of gets back to a little bit of what General Bergman was talking about—it is also a challenge—I mean, you are talking about matching the operational concepts with the budget, but you have to have the operational concepts to begin with. And so, fostering that sort of intellectual effort, like we have done in the cold war, and that has atrophied to some extent, seems to me to be one of our challenges. You make the point, I think in your testimony, we do all these experimentations and innovation and it just kind of dies, nothing really comes of it. To me, that is one of biggest challenges we face, it is, okay, come up with these ideas but then make something happen from them. And that is particularly true with China, but it is also true with other things.

Again, thank you all. I yield back to Chairman Langevin.

Mr. LANGEVIN [presiding]. Thank you, Mr. Thornberry. I want to thank our witnesses for being here today and taking the time out of your schedules to come and discuss this extremely important topic.

Dr. Polyakova, I will start with you, if I could. In your testimony, you stated Moscow will continue to seek out, develop, and co-opt low-cost but high-impact tools of asymmetric warfare—digital technologies, information warfare and cyber operations—to challenge the U.S. and our allies. So my question is, Russia's hybrid operations in the gray zone are well-documented; are the U.S. and our allies getting better at detecting them and countering them?

Dr. POLYAKOVA. Again, I can't speak to any classified sources of information. What we know from open source is in the malign influence space in the information environment, we are getting much better at understanding how the Russians carry out disinformation operations. And the social media companies are increasingly working more closely with public agencies to coordinate on information sharing but we need to do a lot more of that. I was very happy to see in the NDAA a specific call to establish a coordination center that would allow for more information sharing between the private sector and the United States Government. I think these kinds of efforts are absolutely critical.

I think in the cyberspace is where we face some of the greatest challenges and threats. The Russians, through, again, proxy groups, but also through their military intelligence units and services, have aggressively stepped up their cyber capabilities on the offensive side. And we have just recently basically opened the door for CYBERCOM [U.S. Cyber Command] to explore offensive capabilities. I think we need much more of that. I think we need to think of an offensive posture and a defensive posture when it comes to cyber, especially because this is where I see the greatest threat in whatever kind of conflict we face in the future, whether it be a great power war that we are talking about, or another conflict of the nature we have seen in the past with various kinds of rogue states or terrorist organizations. But cyber will play an absolutely changing role, a dramatically changing role in the nature and outcome of those conflicts.

Mr. LANGEVIN. Beyond that, as a follow-up, what would you say we learned from this ongoing competition and what can we be doing better, any additional thoughts?

Dr. POLYAKOVA. I think we have clearly learned that we cannot think of warfare in binary terms. I think there has been a tendency to think in terms of conventional military power projection and then nonconventional threats is something that the Department of Defense doesn't do, doesn't engage in. And if anything, that is the work of public diplomacy in the State Department. And I think what we see now is that our adversaries do not think of warfare in those binary terms; they think of warfare as a spectrum. And I think the reality that we face is that we need to match our responses also from that spectrum perspective as well. And I do see huge improvements, again, in the 2020 NDAA, I think, is a critical law that has really stepped up our capabilities in nonconventional space. But I think that is our weak underbelly, that is the soft underbelly of our defensive and offensive capabilities.

Mr. LANGEVIN. Dr. Mahnken, I see you nodding. Is there anything you wanted to add?

Dr. MAHNKEN. I couldn't agree more. I think we, as Americans, as Westerners, we view the world in binary terms: either we are

at peace or we are at war. Or if we are planning for military operations—although I know the long-lamented six-phase campaign construct is supposed to have gone by the wayside—we think in terms of we are in phase zero, all the way up to, you know, decisive operations, or post-war operations. But for us, it is kind of like looking at the part of the iceberg that is above the water, whereas whether we are talking about the Russians, we are talking about the Chinese, they think much more in terms of a spectrum of operations. So what concerns me is, yeah, we could lose before we realize or know that we are at war, lose without ever having got to that major conflict phase.

So that, I think that—we do need to realign our thinking. And DOD, as part of its title 10 responsibilities, also probably needs to realign the way it thinks about things.

Mr. LANGEVIN. I think that happened to us in 2016 that we were unprepared and realized only after the fact when our elections were under attack by Russian influence operations.

Let me ask you this: Our greatest strength in the INDOPACOM is our allies, our partnership is a force multiplier that enables a persistent presence in the area. China, as we have discussed today, is attempting to rival our influence through soft and hard power.

Dr. MAHNKEN, you address the necessity to update our force posture in the area in order to sustain deterrence and enhance regional resistance to China. In addition to the current force posture, where should the DOD and the Department of State prioritize?

Dr. MAHNKEN. Well, in addition to our current force posture, one area I would call out is Australia. So as the challenge in the Western Pacific increasingly is a challenge in the Indo-Pacific region, I think Australia's strategic geography becomes all the more important. And so thinking about things that we can do with our Australian allies in terms of joint facilities; the Marines have led the way there with the rotational presence in Darwin, but I think there is room for more cooperation there in terms of air forces, in terms of naval forces, in terms of even Australian test ranges. So areas like that. I think we should also be exploring opportunities, possibilities with Vietnam, with others. That is—those are the ideas that immediately come to mind.

Mr. LANGEVIN. Anyone else want to comment?

Mr. DENMARK. Very briefly, just building off of what Dr. Mahnken said. I think there is opportunities and a necessity to diversify our posture within Japan, from the relatively small number of large bases to a more distributed approach, new airfields, new prepositioning of pieces. I would also take a look at Pacific islands as a potential area for cooperation for building facilities, for building those sort of prepositioning of forces, of logistics, in addition to other places in Southeast Asia that may, at some point, become more amenable to cooperation in this area.

Mr. LANGEVIN. Very good. I want to thank you all for your testimony here today, it has been very helpful and insightful. And obviously, a lot to consider and we have a lot of work to do to follow up. So I appreciate you being here today. Mac, did you have anything else?

With that, the hearing stands adjourned. Thank you.

[Whereupon, at 12:17 p.m., the committee was adjourned.]

A P P E N D I X

FEBRUARY 11, 2020

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

FEBRUARY 11, 2020



United States House Armed Services Committee

Hearing on “The Department of Defense’s Role in Long-Term Major State Competition”

February 11, 2020

Dr. Alina Polyakova
President and Chief Executive Officer
Center for European Policy Analysis (CEPA)

Chairman Smith, Ranking Member Thornberry, Distinguished Members of the Committee:

It is an honor and privilege to address you today on this critical issue for United States national security. Thank you for inviting me to speak.

Great-power competition has already shaped our world. Now its outcome will define our future. US leadership, our allies’ security and the stability of the international order face increasing geopolitical contestation. As the 2017 US National Security Strategy and National Defense Strategy correctly assessed, Russia and China are undermining US power, influence, and interests. Since 2017, these activities have become even more pervasive. Our resolve to respond must be commensurate. Most notably, Russian-Chinese military, economic, and political cooperation has grown, intensifying challenges to the United States. Both countries have increased investment in and development of new technologies, particularly artificial intelligence (AI), with potentially dramatic effects on our national security and the nature of geostrategic contestation.

While both Russia and China seek to position themselves as long-term competitors to the United States and our allies, the nature of the threat presented by each differs. In this testimony, I will focus on the medium and long-term threats emanating from Russia and how the US should respond.

In brief, Russia presents a unique challenge to the United States. It is simultaneously a country in decline and a global power with proven ability and determination to undermine US interests in multiple military and non-military arenas. Russia has been particularly adept in using asymmetric tools of political warfare – information operations and cyber attacks – to project power, undermine democratic institutions, and

influence public opinion. Russia faces a set of serious security challenges and domestic constraints that limit its ability to act on its great power ambitions. In particular, Russia will never be able to outmatch the United States and NATO in conventional military competition. For this reason, Moscow will continue to seek out, develop, and coopt low-cost but high-impact tools of asymmetric warfare – digital technologies, information warfare, and cyber operations – to challenge the United States and our allies.

The United States, in large part due to the work of this Committee, has renewed American commitment to our European allies, particularly in NATO's eastern flank. In deterring Russian political warfare, however, the United States lags. As new digital technologies advance at an increasingly rapid pace, the gap between the threats they present and our ability to respond will only widen. Digital authoritarianism — the use of digital information technology by authoritarian regimes to surveil, repress, and manipulate domestic and foreign populations — is reshaping the power balance between democracies and autocracies.¹ Russia and China are both engaged in developing and exporting their own models of digital authoritarianism, challenging US national security interests in various parts of the world. For this reason, among others, it is critical that the United States government continue to invest not only in conventional but also non-conventional deterrence capabilities.

This testimony proceeds in four parts:

1. **Domestic reality and implications for foreign policy:** Russia's economics and politics both fuel and constrain the Kremlin's foreign policy.
2. **Global activities:** Since Russia's illegal annexation of Ukraine's Crimea and invasion of the Donbas in 2014, the Kremlin has stepped up its global interventions (both military and non-kinetic). Today, Russia seeks to contest US interests not just in Ukraine, but also in Syria, where its 2015 intervention and operations since then have decisively shifted the trajectory of the conflict in Bashar al Assad's favor, and in parts of Africa and South America, where Russian proxy military forces such as the Wagner Group, are increasing operations.
3. **The US response:** Since 2017, the United States has invested in both military and non-military deterrence and containment measures with a renewed commitment to the European Deterrence Initiative (EDI), support for counter-disinformation efforts via the US Department of State, and an assertive cyber strategy. The 2020 NDAA, in particular, took important steps to counter Russian malign activities in the non-kinetic domain.
4. **Where the US should continue to do more:** The US should support Europe's efforts to do more for its defense, such as the UK-led Combined Joint Expeditionary Force and French-led European Intervention Initiative. At the same time, the US should continue uninterrupted funding for EDI. Most notably, to the US should continue to strengthen its efforts to deal with Russian political warfare while developing a comprehensive strategy to counter digital authoritarianism and respond to new threats emanating from emerging technologies.

1. Russia's domestic reality

Economic overview

Russia, the largest country in the world by land area, has disproportionately low economic performance: Russia's \$1.7 trillion GDP is roughly equivalent to that of Spain and it contributes less than 2 percent to the global economy. In 2008, Russia's economy entered a period of stagnation, which continues today,

¹ Polyakova, Alina and Chris Meserole. "Exporting Digital Authoritarianism: The Russian and Chinese Models." The Brookings Institution, August 2019. https://www.brookings.edu/wp-content/uploads/2019/08/FP_20190827_digital_authoritarianism_polyakova_meserole.pdf

with growth projected at 1-2 percent in 2020 and for the foreseeable future. A central reason has been the failure to diversify away from Soviet-era dependence on natural resource exports, most notably hydrocarbons. Gas and oil exports make up approximately 50 percent of the Russian federal budget, making the economy vulnerable to energy-price fluctuations. Small businesses make up merely a fifth of the economy; that share is shrinking.²

Almost every aspect of the Russian economy is in urgent need of reform. But the government's pension and tax reforms, implemented in 2018, led to nationwide protests.³ Fears of further political unrest coupled with endemic corruption have meant that the regime has preferred stability at the cost of faster growth or deregulation. US and European sanctions on Russian financial and energy business sectors have only exacerbated the sluggish growth trajectory.

However, Russia's economic picture is more complex than a narrative of stagnation would suggest. The government maintains a sovereign wealth fund of more than \$125 billion, a government budget surplus that hit almost 3 percent of GDP in 2018 and a low net public debt of 15 percent.⁴ Russia also has a stable and relatively low inflation, a sustainable banking sector and a free-floating exchange rate that leaves the ruble less dependent on oil prices than before.⁵ These measures provide a short-term cushion for weathering price shocks in oil and gas markets. In the face of US and European sanctions, the Russian economy has proven remarkably resilient even if its long-term economic trajectory remains bleak.

Political situation

In his annual state-of-the-nation speech on January 15, Vladimir Putin called for constitutional changes that led to a government reshuffling, including the resignation of Prime Minister Dmitry Medvedev, who was replaced by the politically unknown head of Russia's Tax Service, Mikhail Mishustin. Putin named Medvedev to a newly created post: Deputy Chairman of the Security Council. The changes, still ongoing, will likely solidify Putin's position as the leader of Russia for the foreseeable future while shielding him from the (small) risk associated with presidential elections. The proposed changes weaken the presidency by upgrading the status of the State Council and giving the State Duma a greater role in appointing cabinet ministers. It is likely that once the changes are fully implemented, the State Council would become the country's primary executive authority. Putin would then be named the head of the council, effectively turning him into Russia's supreme ruler for life. The recent changes do little to change the fundamental reality that Putin is in charge. Moreover, "Putinism" – the system of personal power, corruption, authoritarianism, nationalism, and anti-Western (especially anti-US) policies are likely to continue.

Putin's popularity remains high – about 68 percent in the most recent Levada poll.⁶ But it has declined from the astronomical level it reached after the invasion of Ukraine in 2014. 52 percent of Russians think

² "Russia's Small Businesses Contribute Just 20 percent of Economy," The Moscow Times, January 28, 2020. <https://www.themoscowtimes.com/2020/01/28/russias-small-businesses-contribute-20-percent-russia-economy-a69063>

³ Kuzmin, Andrey. "Russian Police Detain Hundreds Protesting Against Pension Reform." Reuters. Thomson Reuters, September 10, 2018. <https://www.reuters.com/article/us-russia-politics/russian-police-detain-hundreds-protesting-against-pension-reform-idUSKCN1LP05A>

⁴ Aris, Ben. "Russia's Net Public Debt Falls to Zero." The Moscow Times. The Moscow Times, September 11, 2019. <https://www.themoscowtimes.com/2019/09/11/russias-net-public-debt-falls-to-zero-a67238>

⁵ Cordell, Jake. "Russian Banks More Stable and Transparent Than Ever, Central Bank Chief Says." The Moscow Times. The Moscow Times, February 9, 2020. <https://www.themoscowtimes.com/2019/11/08/russian-banks-stable-transparent-central-bank-a68103>

⁶ "Indicators." Levada Center, January 1, 2020. <https://www.levada.ru/en/ratings/>

the country is moving in the right direction, according to the same poll. However, they are more interested today in preserving their eroding standard of living and fighting elite corruption than in foreign adventures. At the same time, political and social tensions are rising. Protest over economic and ecological grievances are common. Mass protests over the lack of political freedom took place in many cities last summer and were met with repression. It is not clear that Putin would win a free and fair election in Moscow, where dissatisfaction is high. In the regions, where Moscow's grip is weaker, dissatisfaction is rising, though appear controllable. All these tensions are likely to grow, but they do not pose any threat to the regime.

Military and nuclear posture

Experts usually estimate that Russia spends approximately \$60 billion per year on its military.⁷ A recent analysis, however, finds that Russia's effective military expenditure ranged between \$150 billion and \$180 billion annually over the last five years.⁸ That figure is conservative: taking into account hidden or obfuscated military expenditure, Russia may well be spending \$200 billion a year. In addition, Russia undertook an ambitious military modernization plan in 2009, which has resulted in targeted investments in key capabilities and weapons systems: hypersonic weapons such as Tsirkon⁹ and Avangard,¹⁰ along with next-generation air defense systems such as the S-500.¹¹ Similarly, Russia has made significant investments in electronic warfare systems to disrupt NATO communications.¹² It has also made improvements in its precision strike capabilities, which it has tested extensively in Syria.¹³

The disruption of trade in military parts with Ukraine and Western sanctions on specific technical components has made the Russian military industrial complex more self-sufficient and less dependent on imports than it was before sanctions.¹⁴

Despite these recent improvements, Russia's military cannot compete with that of the United States and our allies. The US alone spends more than three times as much on defense as Russia does. Russia's real advantage is not military might, but its ability to act ruthlessly and decisively across a wide spectrum of kinetic and non-kinetic warfare, and to absorb economic pain as a consequence of its actions. Russia faces serious long-term security challenges, but unlike the United States, Russia does not have an

⁷ "World Military Expenditure Grows to \$1.8 Trillion in 2018." SIPRI, April 29, 2019. <https://www.sipri.org/media/press-release/2019/world-military-expenditure-grows-18-trillion-2018>

⁸ Kofman, Michael, and Richard Connolly. "Why Russian Military Expenditure Is Much Higher Than Commonly Understood (As Is China's)." War on the Rocks, December 15, 2019. <https://warontherocks.com/2019/12/why-russian-military-expenditure-is-much-higher-than-commonly-understood-as-is-chinas/>

⁹ Rei, David. "Putin Confirms Development of Russia's Hypersonic Cruise Missile Called Tsirkon." CNBC, February 20, 2019. <https://www.cnbc.com/2019/02/20/putin-confirms-tsirkon-russian-hypersonic-cruise-missile.html>

¹⁰ "Avangard." Missile Threat. Center for Strategic and International Studies, September 27, 2019. <https://missilethreat.csis.org/missile/avangard/>

¹¹ "S-500 Prometheus." Missile Threat. Center for Strategic and International Studies, January 15, 2018. <https://missilethreat.csis.org/defs/s-500-prometheus/>

¹² Watling, Jack. "The Future of Fires: Maximising the UK's Tactical and Operational Firepower." Royal United Services Institute, November 27, 2019. <https://rusi.org/publication/occasional-papers/future-fires-maximising-uks-tactical-and-operational-firepower>

¹³ Watling, 27

¹⁴ Connolly, Richard. Russia's Response to Sanctions: How Western Economic Statecraft Is Reshaping Political Economy in Russia. Cambridge, United Kingdom: Cambridge University Press, 2018.

alliance structure to mitigate those challenges. As my Brookings colleague Frank Rose, former Assistant Secretary of State for Arms Control, Verification, and Compliance, noted in his testimony to the House Foreign Affairs Committee in June 2018, these factors mean that Russia will have to rely on its nuclear arsenal to guarantee its long-term security. Indeed, Russia has been modernizing its strategic and non-strategic nuclear forces for over a decade. “The most important element of its modernization program has been the development of new land-based intercontinental missiles (ICBMs) armed with multiple independent re-entry vehicles (MIRVs).”¹⁵ The US, however, has been on an opposite trajectory to reduce the role of nuclear weapons in US security strategy.¹⁶

Russian investment in AI and related technologies

Speaking to Russian students on the first day of the school year in September 2017, Putin squarely positioned Russia in the technological arms race for artificial intelligence (AI). Putin’s comment—whoever leads on AI will rule the world¹⁷—signaled that, like China and the United States, Russia sees itself engaged in direct geopolitical competition with the world’s great powers. AI is the currency that Russia is betting on.¹⁸ In October 2019, Russia released its AI strategy, which sets out an ambitious ten-year vision for stepping up research and development, improving data quality and access, and training and recruiting talent.¹⁹ The strategy does not specify goals and a budget, and Russia’s resource limitations mean that it will never be an industry leader in the AI space. The country trails the United States and China in terms of private investment, scientific research, and the number of AI start-ups.²⁰ In 2018, no Russian city entered the top 20 global regional hubs for the AI sector.

While Russia will not be the driver or innovator of these new technologies, it will continue to co-opt existing commercially available technologies to serve as weapons of asymmetric warfare. AI has the potential to hyperpower Russia’s use of disinformation—the intentional spread of false and misleading information to influence politics and societies. And unlike in the conventional military space, where the US and NATO are no match for Russia, the United States and Europe are ill-equipped to respond to AI-driven asymmetric warfare (ADAW) in the information space.

How domestic forces shape Russian foreign policy

First, Russia’s mixed economic picture and recent political changes signal that absent Black Swan events, the Kremlin will be able to muddle through for the medium term by maintaining a stable but sluggish economy, repressing domestic unrest, and ensuring Putin’s continued grip on power. In terms of foreign

¹⁵ Rose, Frank A. “Russian and Chinese Nuclear Arsenals: Posture, Proliferation, and the Future of Arms Control.” The Brookings Institution, June 26, 2018. <https://www.brookings.edu/testimonies/russian-and-chinese-nuclear-arsenals-posture-proliferation-and-the-future-of-arms-control/>

¹⁶ “US Nuclear Posture Review.” 2018. <https://media.defense.gov/2018/Feb/02/2001872886/-1/-1/1/2018-NUCLEAR-POSTURE-REVIEW-FINAL-REPORT.PDF>

¹⁷ Exact quote was: “Artificial intelligence is the future, not only for Russia, but for all humankind. It comes with colossal opportunities, but also threats that are difficult to predict. Whoever becomes the leader in this sphere will become the ruler of the world.” In: “Whoever leads in AI will rule the world”: Putin to Russian children on Knowledge Day,” RT, September 1, 2017, <https://www.rt.com/news/401731-ai-rule-world-putin/>

¹⁸ Polyakova, Alina. “Weapons of the Weak: Russia and AI-Driven Asymmetric Warfare.” The Brookings Institution, October 25, 2019. <https://www.brookings.edu/research/weapons-of-the-weak-russia-and-ai-driven-asymmetric-warfare/>

¹⁹ “On the Development of Artificial Intelligence in the Russian Federation.” Decree of the President of the Russian Federation. Translated October 28, 2019. https://cset.georgetown.edu/wp-content/uploads/t0060_Russia_AI_strategy_EN-1.pdf

²⁰ Asgard and Roland Berger, “The Global Artificial Intelligence Landscape,” Asgard, May 14, 2018, <https://asgard.vc/global-ai/>

policy, this means that we should expect Putin to continue to drive Russian foreign policy on a course that will contest to US interests, seek out power vacuums to exploit, and intensify non-kinetic measures.

Second, the domestic prognosis means that Russia will continue to be a constrained foreign policy actor. Russians, according to surveys, are becoming far less interested in foreign adventures. The invasion of Crimea, which gave Putin approval ratings of 88 percent, is unlikely to be repeated: Russian citizens want their government to focus on domestic issues. Public opinion is also averse to casualties: during the invasion of Ukraine in 2014 and 2015, the Kremlin went to extreme efforts to conceal that Russian soldiers were fighting and dying in the Donbas. Moscow also has limited resources to invest in foreign interventions, and the economic outlook suggests that this is unlikely to change any time soon. Putin has shown himself willing to take risks in his foreign policy decisions, but those risks were calculated to be of a limited nature in terms of blood and treasure due to Russian public opinion and a lack of resources. Third, while improved, the Russian military will not be able to directly contest that of the United States and our NATO allies in conventional warfare. It will, however, increasingly be able to carry out limited operations, and Moscow will seek opportunities to do so to test its capacities in specific theaters.

The military inequities, economic and political constraints, and Russia's assessment of our vulnerabilities clearly suggest that Russia will continue to invest in tools of asymmetric warfare as a low-cost high-impact option for contesting US interests across the world.²¹

2. Russia's global activities

Russia's power projection in the Black Sea

Although Russia increasingly expands its activity into the global arena, the Commonwealth of Independent States (CIS) has remained its key area of influence. The Kremlin seeks to halt Ukraine's rapprochement with the West and return it to the Russian sphere of influence. Russia is trying to realize this strategic goal by putting pressure on Ukraine to give special status to the de facto Russia-occupied areas of Donetsk and Luhansk, negotiate directly with representatives of the so-called "republics" and thereby legitimize them. A near-term breakthrough in the settlement of the Donbas conflict is unlikely. There are no indications that Moscow would be ready to withdraw its troops, stand down its proxies, and hand over border control to Ukraine.

Russia has de facto turned Ukraine's Crimea into a military base, stationing at least five known S-400 air defense systems there, adding troops and other weapons to fortify its position. This build-up has intensified over the last two years, allowing Russia to establish dominance over the Black Sea.²² Russian activities in Moldova, where it remains an active participant in the domestic political process, and in Georgia, where Russian armed forces sustain constant tension, support Russia's broader strategic goal of securing the Black Sea and threatening NATO allies in the region.

As my CEPA colleague, LTG Ben Hodges noted in a recent CEPA report, "the Black Sea is Russia's 'launching pad' for its destabilizing operations in Syria (which have contributed to hundreds of

²¹ Polyakova, Alina. "Weapons of the Weak: Russia and AI-Driven Asymmetric Warfare." The Brookings Institution, October 25, 2019. <https://www.brookings.edu/research/weapons-of-the-weak-russia-and-ai-driven-asymmetric-warfare/>

²² Tucker, Patrick. "EXCLUSIVE: US Intelligence Officials and Satellite Photos Detail Russian Military Buildup on Crimea." Defense One, June 12, 2019. <https://www.defenseone.com/threats/2019/06/exclusive-satellite-photos-detail-russian-military-buildup-crimea/157642/>

thousands of casualties in the Syrian civil war), its naval operations in the Eastern Mediterranean, and its continued occupation of approximately 20 percent of the Republic of Georgia. In many respects, the wider Black Sea region is of even greater strategic value to Moscow than the Baltic region because the Kremlin has shown willingness to use force more readily there than anywhere else along NATO's eastern flank."²³ The culmination of these activities has produced a new iron curtain across the Black Sea.

Russian activities further afield – intensifying proxy warfare

In the Middle East, North Africa, and Latin America, Russia pursues a low-cost strategy, seizing every opportunity to expand its influence. Where the US disengages, the Kremlin sees the opportunity to fill a power vacuum and it has shown itself able to do so with relatively low resources. Syria has become the text-book example of this strategy. The 2015 Russian air campaign turned the trajectory of the conflict in favor of Bashar al-Assad. The Syria intervention also allowed Russia to retain access to the strategic Tartus naval base. Russia then took advantage of the withdrawal of US forces from the Kurdish territories and signed an agreement with Turkey on control of the Syrian border area. Using Ankara's disagreement with the US, Russia began supplying S-400 air defense systems to NATO member Turkey.

Russia has especially stepped up its proxy activities in Africa. Russia exploits unrest in Libya, Sudan, Mozambique, the Central African Republic, and other countries and offers to "export" the Syrian model – protection and support to authoritarian leaders in power. Russia is not only the largest supplier of arms to this continent but is also deepening political cooperation. This gives Moscow access to the natural resources of the countries in the region and provides an opportunity to create the image of Russia as a reliable partner in the fight against terrorism and a "security provider."

Part of that protection includes the deployment of Russian private military contractors (PMCs), of which the Wagner Group is the best known but not only such group active in Africa.²⁴ Wagner is another project of Putin's confidant Yevgeny Prigozhin, who is also the face behind the now infamous Internet Research Agency (IRA). Wagner mercenaries have been pouring into Africa in recent months.²⁵ In Libya, some estimate that up to 2,000 Russian fighters have been deployed to support Khalifa Hifter in the country's civil war.²⁶ In Mozambique, an estimated 200 Russian mercenaries are thought to be active.²⁷ As in Syria, Russia is developing a military port that would provide it with a permanent military presence in Somaliland in the Horn of Africa. Russian PMCs and advisers have also been active in the Central African Republic, where approximately 250 Russian mercenaries are training recruits.²⁸

²³ Hodges, Ben, Janusz Bugajski, and Peter Doran. "Strengthening NATO's Eastern Flank: A Strategy for Black Sea Coherence." Center for European Policy Analysis, 2019. https://1f3d3593-8810-425c-bc7f8988c808b72b.filesusr.com/ugd/644196_8754c3428d9d4da0adb29bef6df2f5b4.pdf.

²⁴ Rondeaux, Candace. "Decoding the Wagner Group: Analyzing the Role of Private Military Security Contractors in Russian Proxy Warfare." New America, 2019. <https://www.newamerica.org/international-security/reports/decoding-wagner-group-analyzing-role-private-military-security-contractors-russian-proxy-warfare/>

²⁵ Sukhankin, Sergey. "Russian Mercenaries Pour into Africa and Suffer More Losses (Part One)." The Jamestown Foundation, January 21, 2020. <https://jamestown.org/program/russian-mercenaries-pour-into-africa-and-suffer-more-losses-part-one/>

²⁶ Sukhankin, Sergey. "Russian Mercenaries Pour into Africa and Suffer More Losses (Part One)." The Jamestown Foundation, January 21, 2020. <https://jamestown.org/program/russian-mercenaries-pour-into-africa-and-suffer-more-losses-part-one/>

²⁷ Schmitt, Eric, and Thomas Gibbons-neff. "Russia Exerts Growing Influence in Africa, Worrying Many in the West." The New York Times, January 28, 2020. <https://www.nytimes.com/2020/01/28/world/africa/russia-africa-troops.html>

²⁸ Lister, Tim, and Clarissa Ward. "Putin's Private Army Is Trying to Increase Russia's Influence in Africa." CNN. Cable News Network. Accessed 2019. <https://edition.cnn.com/interactive/2019/08/africa/putins-private-army-car-intl/>

Prigozhin's two projects – Wagner and the IRA – came together in Africa as well. In October 2019, Facebook took down several disinformation networks that affected Madagascar, the Central African Republic, Mozambique, Congo, Ivory Coast, Cameroon, Sudan, and Libya. The broad disinformation campaign was linked to the Wagner Group, whose members were involved in setting up proxy media groups and contracting disinformation campaigns to local entities to obfuscate the link to Russia.²⁹

The lesson we should take from Syria, where Russia has now established itself as the key power broker for the region, is that where the US disengages, Moscow steps in to fill the void. In Africa, the Kremlin is positioning itself to do the same.

3. The US response to date

Since 2017, the United States has invested in both military and non-military deterrence and containment measures with a renewed commitment to the European Deterrence Initiative (EDI), support for counter-disinformation efforts via the US Department of State, and an assertive cyber strategy.

Support for European allies

ERI/EDI funding: since 2016, the US Congress has significantly increased funding for EDI with the highest authorizations in the 2019 NDAA of \$6.5 billion. The funding for 2020 was reduced by \$624 million to \$5.9 billion. EDI is a critical part of our forward defense in Europe and sign of commitment to our allies. This commitment, along with strong US leadership in NATO, sends a strong signal to Russia that the United States is committed to European security.

- Congress should continue to provide uninterrupted support for EDI, which goes to support the US rotational forces on the ground in Europe.

Baltic security: In the 2020 NDAA, the US Congress allocated \$175 million in military aid to Estonia, Lithuania, and Latvia, including \$50 million to boost air defense capabilities. The Baltic Reassurance Act, introduced in the House of Representatives in June 2019, is also a strong signal of US commitment to the most vulnerable European allies.

- Congress should continue to renew the 2020 support to Baltic security.

US-led NATO exercises: US-led and NATO exercises are taking place at significantly increased tempo and scale. The DEFENDER-Europe 20 exercise will feature the largest US military deployment to Europe in 25 years.³⁰ These exercises play an important role not only in military readiness but in ensuring cohesion of the NATO alliance. The exercises will test Allies' interoperability in a variety of domains.

- It is vitally important that short-term political considerations do not lead to the cancellation, postponement or reduction of these exercises.

US rotational presence in Poland: During his visit to Poland in 2019, President Trump announced that a

²⁹ Timberg, Craig. "Putin's Chef, Architect of Interference in 2016 U.S. Election, Is Now Meddling in African Politics, Facebook Says." The Washington Post. WP Company, October 30, 2019. <https://www.washingtonpost.com/technology/2019/10/30/putins-chef-architect-us-election-interference-now-meddling-politics-across-africa-facebook-says/>

³⁰ The majority of the drills will be in May and June; some 35,000 will take part, including more than 20,000 US troops, more than half of them based outside Europe. Locations include Germany, Poland and the Baltic states of Estonia, Latvia and Lithuania. <https://www.eur.army.mil/DefenderEurope/>

further 1,000 US troops would be deployed in that country, adding to the 4,500 strong rotational force. The United States and Poland signed the Joint Declaration on Advancing Defense Cooperation in September 2019.

- The increased US military footprint in Poland has significant implications not only for that country's security but for neighboring states such as Lithuania.

Countering Russian political warfare

Since 2017, the US Congress, and the defense committees of both Houses, have taken important steps to ramp up US efforts to expose, assess, and counter Russian asymmetric threats.

Social Media Data and Threat Analysis Center: The 2020 NDAA took important steps to counter foreign malign activities by recognizing that the Russian playbook is being adapted and deployed by other state actors by establishing the Social Media Data and Threat Analysis Center within the Director of National Intelligence (DNI). The Center, once operational, will enable better information sharing between social media companies to "institutionalize ongoing robust, independent, and vigorous analysis of data related to foreign threat networks within and across social media platforms will help counter ongoing information warfare operations against the United States, its allies, and its partners."

Responding to AI-driven threats: The 2020 NDAA requires the DNI to report on the national security implications of "deepfake" video and audio manipulation technologies and any potential or actual use of such content as a tool of malign influence, including an analysis of Russian and Chinese state efforts to develop these tools.

Support for counter-disinformation activities: Since 2017, the US Congress via the NDAA has increased funding for the US State Department's efforts to counter state-sponsored disinformation campaigns. The Global Engagement Center (GEC) has taken important steps to provide critical funding to researchers, independent civil society groups, and independent media in frontline European states and elsewhere.

An assertive cyber strategy: The 2019 NDAA provided an important change to US cyber posture by opening up CYBERCOM to explore and develop offensive capabilities. It also established the Cyberspace Solarium Commission – a bipartisan, intergovernmental, and multisector body charged with charting a road map for defending the US and developing a comprehensive cyber strategy.

Nord Stream 2 sanctions: The 2020 NDAA introduced long-overdue sanctions on Russia's Nord Stream 2 pipeline. The sanctions have already caused delays in the construction of the pipeline.³¹

The above efforts are critical steps in the right direction that will begin to posture the United States to effectively compete with Russia and China in the digital domain.

4. Where the US should do more

The US should support European allies' efforts to do more for their own defense. In particular, it should continue to support efforts such as the UK-led Combined Joint Expeditionary Force and French-led European Intervention Initiative. It should also engage with the European Union's Common Security

³¹Kantchev, Georgi. "Russian Gas Pipeline to Europe Faces Delay Due to U.S. Sanctions." The Wall Street Journal, January 11, 2020. <https://www.wsj.com/articles/russian-gas-pipeline-to-europe-faces-delay-due-to-u-s-sanctions-11578778710>

and Defense Policy (CSDP), particularly the Permanent Structured Cooperation (PESCO). It is vitally important that these new structures should complement US efforts, rather than replace, sideline or displace them. They can usefully contribute, for example, to improving the bureaucratic and physical environment for military mobility.

The US should continue to invest in EDI and NATO while prompting allies to do more. The US should recognize the achievements of those countries that have met NATO's 2 percent of GDP target while continuing to pressure those that do not. NATO is not "obsolete;" it is the most successful military alliance in history. Nor is it "brain dead." But US leadership and commitment is critical to sustaining US national security interests.

The US Congress should require the DNI to regularly assess Russian malign activities around the world, including an assessment of US interests and vulnerabilities. This assessment should be closely coordinated with the Department of Defense and Department of State. There should also be a publicly available report to raise awareness among the American public and the broader transatlantic policy community.

The US should continue to strengthen its efforts to deal with Russian political warfare. Information operations are only part of the Russian toolbox. While continuing efforts to monitor and rebut information attacks aimed at the US and its allies, the Administration should broaden its efforts to encompass the full spectrum of Russian "active measures." These include the exercise of political influence through organized crime, bribery, establishing economic bridgeheads, cyber-attacks, subversion, psychological operations ("psy-ops"), abuse of the legal system ("lawfare"), subversion, physical and mental intimidation of groups and individuals, and fostering ethnic, geographical, linguistic, political, religious, social and other divisions.

The US should develop a comprehensive strategy for countering digital authoritarianism. The digital space, including the information ecosystem, is in large part a battleground still fought on territory owned and controlled by the US. But Russia and China are intruding on that space and exporting their own models of digital authoritarianism across the world. Digital authoritarianism — the use of digital information technology by authoritarian regimes to surveil, repress, and manipulate domestic and foreign populations — is reshaping the power balance between democracies and autocracies. To respond to the threat, the US should:³²

- **Designate regimes as "digital authoritarian"** if they routinely and purposefully employ mass surveillance without adequate safeguards and protections. Firms that supply digital authoritarian regimes should be sanctioned heavily—not just those in Russia and the US, but also companies based in the United States and Europe.
- **Tighten export controls.** Although China can match the U.S. in software quality, it has yet to master semiconductor manufacturing. Some of the equipment that China relies on for mass surveillance systems incorporate advanced processors and sensors that are only produced in the west. The U.S. and Europe have already begun restricting the export of such technologies to China and should consider expanding the use of export controls.
- **Work with Europe to produce a digital governance code of conduct.** The U.S. and Europe should work to develop common practices, rules, and systems of digital governance. A coalition

³² Polyakova, Alina and Chris Meserole. "Exporting Digital Authoritarianism: The Russian and Chinese Models." The Brookings Institution, August 2019.
https://www.brookings.edu/wp-content/uploads/2019/08/FP_20190827_digital_authoritarianism_polyakova_meserole.pdf

of democratic governments, tech companies, and civil society should develop a code of conduct which should include an articulation of operating procedures for addressing social media manipulation, common terms of use across platforms, and shared rules on personal data use. Where the export of digital authoritarianism is concerned, sanctions alone will not be enough to check its spread. Ultimately, the West will need to develop a democratic model of digital governance that can outcompete authoritarian ones. To do this, the technology sector and policymaking community in the United States and Europe will need to offer compelling models of digital surveillance that enhance security while still protecting civil liberties and human rights.

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Previously, she served as director of research and senior fellow for Europe and Eurasia at the Atlantic Council, professor of sociology at the University of Bern, and Fulbright Fellow. She serves on the board of the Free Russia Foundation and has held numerous fellowships from the Woodrow Wilson International Center for Scholars, the National Science Foundation, and the Swiss National Science Foundation, among others.

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**DISCLOSURE FORM FOR WITNESSES
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INSTRUCTION TO WITNESSES: Rule 11, clause 2(g)(5), of the Rules of the U.S. House of Representatives for the 116th Congress requires nongovernmental witnesses appearing before House committees to include in their written statements a curriculum vitae and a disclosure of the amount and source of any federal contracts or grants (including subcontracts and subgrants), or contracts or payments originating with a foreign government, received during the current and two previous calendar years either by the witness or by an entity represented by the witness and related to the subject matter of the hearing. As a matter of committee policy, the House Committee on Armed Services further requires nongovernmental witnesses to disclose whether they are a fiduciary (including, but not limited to, directors, officers, advisors, or resident agents) of any organization or entity that may have an interest in the subject matter of the hearing. Committee policy also requires nongovernmental witnesses to disclose the amount and source of any contracts or grants (including subcontracts and subgrants), or payments originating with any organization or entity, whether public or private, that has a material interest in the subject matter of the hearing, received during the current and two previous calendar years either by the witness or by an entity represented by the witness.

Please note that a copy of these statements, with appropriate redactions to protect the witness's personal privacy (including home address and phone number), will be made publicly available in electronic form not later than one day after the witness's appearance before the committee. Witnesses may list additional grants, contracts, or payments on additional sheets, if necessary. Please complete this form electronically.

Hearing Date: February 11, 2020

Hearing Subject:

The Department of Defense's Role in Long-Term Major State Competition

Witness name: Dr. Alina Polyakova

Position/Title: President and CEO

Capacity in which appearing: (check one)

☒ Individual

☐ Representative

If appearing in a representative capacity, name of the organization or entity represented:

Center for European Policy Analysis (CEPA)

Federal Contract or Grant Information: If you or the entity you represent before the Committee on Armed Services has contracts (including subcontracts) or grants (including subgrants) with the federal government, received during the current and two previous calendar years and related to the subject matter of the hearing, please provide the following information:

2020

Federal grant/ contract	Federal agency	Dollar value	Subject of contract or grant
Contract	National Endowment for Democracy	\$225,000.00	Transatlantic Fellowship

2019

Federal grant/ contract	Federal agency	Dollar value	Subject of contract or grant
Federal Grant	U.S. State Department, INR	\$171,897.34	Title VIII CEE Area Studies Fellowship
Contract	National Endowment for Democracy	\$200,000.00	Transatlantic Fellowship

2018

Federal grant/ contract	Federal agency	Dollar value	Subject of contract or grant
Federal Grant	U.S. State Department, INR	\$135,997.78	Title VIII CEE Area Studies Fellowship
Contract	National Endowment for Democracy	\$169,626.00	Transatlantic Fellowship

Foreign Government Contract or Payment Information: If you or the entity you represent before the Committee on Armed Services has contracts (including subcontracts or subgrants) or payments originating from a foreign government, received during the current and two previous calendar years and related to the subject matter of the hearing, please provide the following information:

2020

Foreign contract/ payment	Foreign government	Dollar value	Subject of contract or payment

2019

Foreign contract/ payment	Foreign government	Dollar value	Subject of contract or payment

2018

Foreign contract/ payment	Foreign government	Dollar value	Subject of contract or payment

Fiduciary Relationships: If you are a fiduciary of any organization or entity that may have an interest in the subject matter of the hearing, please provide the following information:

Organization or entity	Brief description of the fiduciary relationship

Organization or Entity Contract, Grant or Payment Information: If you or the entity you represent before the Committee on Armed Services has contracts or grants (including subcontracts or subgrants) or payments originating from an organization or entity, whether public or private, that has a material interest in the subject matter of the hearing, received during the current and two previous calendar years, please provide the following information:

2020

Contract/grant/ payment	Entity	Dollar value	Subject of contract, grant or payment

2019

Contract/grant/ payment	Entity	Dollar value	Subject of contract, grant or payment
Sub-grant	TechSoup	\$882,852.29	Media Literacy Accredited at the Baltic States (containing Russian disinformation)
Grant	Smith Richardson Foundation	\$149,809.00	Russia's Strategy of Chaos 2.0: The End of Hybrid Warfare?

2018

Contract/grant/ payment	Entity	Dollar value	Subject of contract, grant or payment
Grant	Smith Richardson Foundation	\$266,247.30	Strengthening NATO's Eastern Flank: Baltic-Black Sea Coherence

The Department of Defense's Role in Long-Term Major State Competition

Testimony before the House Committee on Armed Services

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February 11, 2020
Rayburn House Office Building

Chairman Smith and Ranking Member Thornberry, distinguished members of the Committee, it is an honor to testify before you today on the Department of Defense's role in long-term interstate competition. I will be focusing my remarks on U.S.-China competitive dynamics, and would like to commend the Committee's leadership on this issue for the past several years.

I have worked on these issues for much of my professional career, including stints in the Office of the Secretary of Defense on the China desk during the George W. Bush administration and as Deputy Assistant Secretary of Defense for East Asia during the Obama administration. That said, I want to be clear that these are my opinions alone and are not those of the Wilson Center, the U.S. Government, or any other organization.

I would like to make four main points:

- 1) The United States and China are engaged in a long-term geopolitical competition over the relative distribution of geopolitical power in the Indo-Pacific, and over the future of the liberal order that for decades has been critical to the region's stability and prosperity.
- 2) China seeks to establish itself as the dominant power in the Indo-Pacific, and has developed a tailored military capability designed to undermine the ability of the U.S. military to operate and project power into regions associated with key contingencies along China's periphery.
- 3) The Department of Defense can play a critical role in supporting U.S. geopolitical competition with China by pursuing a range of initiatives that sustain conventional deterrence, build resilience against Chinese coercion, and ensure the ability of the United States military to respond decisively in a crisis or conflict.
- 4) To achieve these ends, the United States should pursue a broad array of initiatives that empower U.S. allies and partners, change how we fight, build on U.S. technological advantages, update regional U.S. force posture, and make difficult choices that prioritize competition with China over other challenges around the world.

I will expand on each of these points.

The Nature of U.S.-China Competition

Competition between China and the United States involves all aspects of national power, including military, technology, politics, economics, and ideology. But the competition is taking place within the context of deep economic integration between China and the United States and, more broadly, between China and the broader global economy. Indeed, China's role as an economic engine *within* the global economy is a key source of its geopolitical power and a potential avenue for Chinese influence and coercion. At the same time, the United States is in the midst of a robust debate about the utility of engagement with Beijing and the long-term purpose of the U.S.-China relationship.

While the United States has faced other peer competitors in its history, the burgeoning competition with the People's Republic of China (PRC) will be unlike anything the United States has previously confronted.

Drivers of China's Strategy¹

As a great power, China represents something completely new. Though wealthy, technocratic, and confident like other rising powers have been, China's unique history and the ideology of the Chinese Communist Party (CCP) mean that China's approach to foreign affairs will differ significantly from those of other great powers. China's ambitions blur the lines between domestic and foreign affairs, and seek to ensure that the CCP is able to pursue its interests without restriction. Although Beijing likely views its approach as benevolent and virtuous, a Chinese-led world order would nevertheless cast aside assumptions of liberal internationalism, and embrace a system founded on calculations of raw power, coercive influence, hierarchy, and great-power spheres of influence.

China's ambitions are rooted in its strategic motivations, its ideology, and its interpretations of history. Beijing's ultimate vision for the future envisages a revitalized China that is stable and prosperous at home, dominant in the Indo-Pacific, and able to shape events around the world through an informal hierarchical system with China at the center. Chinese leaders do not describe this vision as a coercive arrangement. Rather, they paint it as a natural recognition of China as the region's rightfully dominant power founded upon close political ties and tight economic integration that benefits all.

China's approach to foreign affairs is also shaped by its understanding of history. Most important in this regard is the CCP's use of the so-called century of humiliation—the period

¹ This subsection is largely derived from Abraham M. Denmark, *Strategy in the Asian Century: Empowering U.S. Allies and Partners*, (New York: Columbia University Press, forthcoming).

from the mid-nineteenth century until 1949 during which China was repeatedly defeated militarily and forced to sign treaties that ceded territory and sovereignty—as a justification for its foreign policy behavior. According to the CCP’s narrative, hostile foreign powers caused China to fall from its rightful place as Asia’s dominant power, and only the CCP has the ability to stand against hostile external forces and enable China to reassume its rightful place atop Asia’s geopolitical hierarchy. Thus, Chinese assertiveness over Taiwan and in the South and East China Seas can be painted by Beijing as correcting historical injustices.

Beijing is no longer the revolutionary power it was under Chairman Mao, and it does not seek to rewrite the rules of the existing order wholesale. Rather, Beijing has ambitions to carve out exceptions for itself when established rules, norms, and institutions limit its freedom of action or complicate the pursuit of its objectives. Ultimately, China is neither entirely supportive of the status quo nor entirely dismissive of it. Instead, its approach changes issue by issue, according to how Beijing defines its interests.

Beijing’s orientation toward the established order is profoundly consequential as its geopolitical power expands. The scale of China’s remarkable economic rise is well-known, and China today is the top source of trade for the Indo-Pacific, including critical U.S. allies and partners. These economic ties provide Beijing with significant political leverage over smaller countries, and have paved the way for increased levels of technological integration that have catalyzed concerns about the presence of Chinese-origin technologies in foreign critical infrastructure networks.

China has also translated its newfound prosperity into a highly capable and modern military force. China’s announced 2019 defense budget of \$175.4 billion sustains more than two decades of annual military spending increases, continuing the People’s Liberation Army’s (PLA) status as the world’s second-best funded military in the world. Xi Jinping’s report from the CCP’s 19th National Congress in October 2017 established goals to complete military modernization by 2035 and fully transform the PLA into a “world-class” force by the middle of the 21st century. These objectives are especially notable because they are not tied to specific military contingencies, but rather appear to be linked with China’s emerging status as a great power.

The PLA’s objective is to be capable of fighting and winning “informatized local wars,” or limited regional conflicts that involve precision strike capabilities enabled by real-time, data-driven Command, Control, Communications, Computer, Intelligence, Surveillance and Reconnaissance (C4ISR).² The PLA is focused on developing the ability to force Taiwan’s

² U.S. Department of Defense, *Annual Report to Congress: Military and Security Developments Involving the People’s Republic of China 2019*, p. ii-iii.

unification with the mainland by invasion or coercion. At the same time, other missions – including the East and South China Seas, China's borders with India and North Korea, and operations further afield from China's periphery such as power projection, sea lane security, counterpiracy, peacekeeping, humanitarian assistance/disaster relief, and noncombatant evacuation operations – have grown in importance in recent years.

To achieve these objectives, it is critical for China to erode the ability of the United States to intervene in a conflict and successfully uphold U.S. security commitments in the Indo-Pacific. To these ends, the PLA seeks to develop the ability to deter, delay, and defeat efforts by the U.S. military to operate and project power into the region by degrading critical U.S. operational and technological advantages. For decades, Chinese strategists have studied how the United States goes to war and have developed a tailored set of capabilities specifically designed to neutralize the large military bases operated by the United States across the Indo-Pacific, deny the U.S. ability to operate in the air and at sea in areas near a contingency, and disrupt U.S. logistics and C4ISR.

Yet China does not seek war. If anything, China's leaders have to date demonstrated an aversion to actions that could elicit an armed conflict with the United States or its allies. Instead, China has employed so-called "gray zone" tactics that are calculated to avoid an armed conflict while still advancing China's broader political ambitions, albeit gradually. China uses civilian and paramilitary forces to supplement the PLA Navy in this approach, at times sailing through contested waters and harassing vessels from other claimants operating in international waters. China's approach to the South China Sea is an exemplar of this strategy, as Beijing has managed to build and expand new "islands" and military facilities that would enable the PLA to project power further beyond China's immediate periphery – all without firing a shot.

When considering possible military conflicts between China and the United States, the PLA brings with it inherent advantages and disadvantages. China's primary advantages are derived from its geography and the relatively limited scope of its ambitions: the contingencies that the PLA must plan against are relatively close to the Chinese homeland, giving China a "home field advantage" of having the ability to mass its forces close to the mainland while not needing to project and sustain military forces at great distances. As a result, the PLA would be able to rapidly bring a significant quantity of military assets to a conflict along its periphery.

The PLA's relatively narrow scope also provides an important advantage for Chinese military investments and force development: with a small set of contingencies and a limited set of potential adversaries, China's defense industries are able to tailor capabilities to a greater degree than their American counterparts.

Yet China's disadvantages are also manifest. While China's defense industries have certainly closed the gap with the United States in the production of high-end military capabilities, the United States continues to hold an advantage in several capabilities areas. Additionally, the PLA has not fought a foreign adversary in a sustained conflict since Vietnam in 1979, and therefore lacks practical warfighting experience. Moreover, the PLA's ongoing domestic mandate to sustain the continued rule of the CCP is likely to remain a fundamental distraction for any of China's external military ambitions.

Implications for American Strategy

The stakes of this competition are profound. A risen, ambitious, and assertive China poses a significant challenge to two interrelated, foundational elements of American strategy toward the Indo-Pacific.

First, a central theme of American strategy toward the Indo-Pacific the first decades of the Republic has been to prevent the establishment of exclusive geopolitical dominance of the region by any other power and to ensure that the Pacific Ocean remains a conduit for American power and ideas.³ In the twentieth century, the United States fought several wars to prevent regional domination by Imperial Japan and, later, to prevent what was then perceived as the spread of international communism. This strategy has been concisely explained by Dr. Henry Kissinger: "The domination by a single power of either of Eurasia's two principal spheres—Europe or Asia—remains a good definition of strategic danger for America, cold war or no cold war."⁴

A risen China represents a significant challenge to this fundamental principle of American strategy. China's rapidly expanding economy, with the second-largest national GDP in the world, is being translated by Beijing into significant political and military power. This could have direct implications for the United States: in the military dimension, even short of conflict, the successful use of Chinese military power to undermine perceptions of American power or credibility – especially as it relates to U.S. commitments to its allies – would send a powerful signal to the region that American geopolitical leadership in the Indo-Pacific has come to an end, heralding a new era in the regional balance of power.

Yet concerns about China's expanding geopolitical power are not only based on raw calculations of GDP and military power. China is a challenge to American strategy not only

³ Michael Green, *By More than Providence: Grand Strategy and American Power in the Asia Pacific Since 1783*. (New York: Columbia University Press, 2017).

⁴ Henry Kissinger, *Diplomacy* (New York: Simon and Schuster 1994) p. 813

because of its growing strategic weight, but also as a result of how Beijing seeks to utilize its growing influence.

This speaks to the second fundamental aspects of American strategy in the Indo-Pacific that is challenged by a risen China: sustaining the key attributes of the liberal regional order. Namely, after the disasters of two world wars, the United States led the world by establishing a liberal international order based on the establishment of common rules, norms, and institutions; the promotion of liberal political and economic systems; forswearing campaigns of territorial conquest; respecting national sovereignty; and encouraging the spread of democratic political systems.⁵

Although China has benefited significantly from this liberal order, many in Beijing today see that order as dominated by the West, and therefore inherently hostile to China's rise and its interests. Although China does not seek to explicitly overthrow the established order, Beijing has sought to exert greater influence within established institutions, and carve out exceptions in established rules and norms it finds to be limiting or contrary to the interests of the CCP.

Clearly, the stakes of U.S.-China geopolitical competition are high. China's rise poses significant challenges to two longstanding aspects of American strategy toward the region. Addressing these challenges will require an adroit American strategy that both prevents China from successfully establishing itself as the dominant geopolitical power in the Indo-Pacific while also sustaining the key principles that have been essential to the success of the post-war liberal regional order.

Assessing the Department of Defense

Evaluating the performance of any Department in furthering a U.S.-China competition will necessarily be incomplete, as strategic failures in other areas will fundamentally impact the ability of the Department of Defense to succeed. Indeed, several decisions in the economic, political, and diplomatic spheres have weakened American power across the Indo-Pacific and diminished the ability of the United States to successfully compete with China.

Yet looking at the performance of the Department of Defense specifically, I would rate it as decidedly mixed. The Department of Defense deserves credit for calling out the competitive dynamics of the U.S.-China relationship in the *National Defense Strategy*, and the people that have been appointed to drive Indo-Pacific defense policy – including former Assistant Secretary of Defense Randy Schriver and Acting Assistant Secretary of Defense David

⁵ Henry Kissinger, *World Order* (New York: Penguin Books, 2014), 1.

Helvey as well as the terrific civil servants and military leaders that continue to work in the Pentagon – are consummate professionals and highly talented leaders. Additionally, the Department of Defense has done a laudable job of tackling challenges related to its reliance on Chinese suppliers in critical supply chains and the implications of Chinese investments in critical sectors of the economy. It has also sustained important initiatives from the previous administration, including conducting Freedom of Navigation Operations in the South China Sea and deploying THAAD to South Korea.

A key area of concern for me is how the U.S. has handled its relationships with its allies and partners. While the Department has been very active in engaging allies and partners at the tactical and operational levels, strategic engagements have been deeply unproductive. The decision to unilaterally suspend joint military exercises with South Korea, along with the President's description of the exercises as both destabilizing and overly expensive, damaged Seoul's confidence in the reliability of American commitments to the defense of the ROK. Similarly, engaging in hardball negotiating tactics in an attempt to extract exponential increases in host nation support funds from Japan and South Korea sends a strong message that the United States sees alliances as little more than a rent-seeking enterprise rather than a relationship based on shared values and mutual interests.

Additionally, there has been a noted lack of progress in adjusting U.S. military posture in the region. Despite the evolving military challenge posed by the PLA, progress on evolving U.S. force posture has largely stalled. The Enhanced Defense Cooperation Agreement (EDCA) has been largely stagnant, realignment of forces on Okinawa and beyond continues to proceed at a sluggish pace, and few new posture initiatives have been announced. Certainly, some of these challenges are due to forces beyond the control of the Department of Defense or the U.S. Government. But it is also apparent that adjusting posture in the Indo-Pacific has not been a priority for the Department.

Finally, there are also clear indications that the Department of Defense continues to struggle with prioritization in its decision-making. We have seen continued deployments of additional U.S. military forces to the Middle East and Afghanistan, despite the Department's rhetorical prioritization of the Indo-Pacific. Moreover, the Trump administration's decision to shift military construction funds to support the construction of a wall along the border with Mexico adversely affected long-standing efforts to realign U.S. forces in the Indo-Pacific – especially in Guam. Considering that Japan is paying billions to support our realignment effort, such delays have both operational and political consequences.

Toward a Successful Military Competitive Strategy

In a multifaceted competition with China, the United States cannot afford to ignore any dimension of national power. They are often inextricably intertwined, and overinvesting in one aspect of national power cannot make up for a lack of investment in another. For example, building on American military technological advantages will require investments in our domestic education system, sustaining an immigration policy that drives and supports American innovation, expanding research and development in critical technology areas, and supporting the innovative engines of the American private sector.

Similarly, a critical foundation for American soft power in the Indo-Pacific is our support for democratic values in our foreign policy and our adherence to established international laws and norms. Democratic values are not only an American or a Western construct – they have been embraced across the region. Adherence to these principles in American foreign policy is a critical source of our attractive power, and what sets us apart from China and Russia. Allies and partners will be a critical aspect of any American competitive strategy, and their willingness to work with the United States will be in part be informed by perceptions of the United States as a force for good.

Moreover, adherence to established international laws and norms – such as the UN Convention on the Law of the Sea (UNCLOS) – sends a strong message to the Indo-Pacific that American power conveys public goods that are in the interest of all nations, and that efforts to undermine those laws and norms not simply a strategy to counter the United States, but an affront to the broader international community.

That said, considering the focus of this hearing, I will concentrate my remarks on crafting a successful strategy in the military domain of this competition. This strategy should focus on maintaining a favorable balance of power in the Indo-Pacific, and sustaining a robust regional liberal order. The Department of Defense has a critical role to play in both. These goals can best be achieved by implementing a strategy that enhances conventional deterrence, builds resilience against Chinese coercion, and ensures the ability of the United States military to respond decisively in a crisis or conflict. This will involve several interrelated initiatives:

Enhancing U.S. Alliances and Partnerships

A unique and critical advantage for the United States in the Indo-Pacific is its network of alliances and partnerships. These relationships are both a conduit for American military power in the region – hosting several U.S. military bases and tens of thousands of our military personnel – as well as an important supplement to American military power with their own highly capable defense forces.

As competition with China intensifies, the United States should engage its allies and partners to strengthen alliance coordination mechanisms, enhance military interoperability, build the capacity for combined operations, and empower allies and partners to contribute more to their own defense as well as public goods associated with a robust liberal regional order. Such an effort would require an adjustment to policies and restrictions that hamper important arms exports and military technology transfers.

Changing How We Fight

To sustain the ability of the U.S. military to maintain credible deterrence in the Indo-Pacific, the United States must change how it goes to war. This will require a renewed emphasis on dispersion, unpredictability, resilience, and mobility; as well as the development of specific strategies to operate within and degrade China's counter-intervention capabilities.

Important work is currently underway within the U.S. military services to develop new concepts of operations to adjust to these new realities. For example, Marine Corps Commandant General David H. Berger has clearly signaled his intent to adjust his service's approach to these challenges. He writes in his 2019 Planning Guidance that "it would be illogical to continue to concentrate our forces on a few large ships. The adversary will quickly recognize that striking while concentrated (aboard ship) is the preferred option. We need to change this calculus with a new fleet design of smaller, more lethal, and more risk-worthy platforms."⁶ The U.S. Army's development of Multi-Domain Task Forces, and the Expeditionary Advanced Base Operations concept from the U.S. Navy and Marine Corps, are similarly promising initiatives. These internal innovation efforts should be encouraged and supported, eventually merged by the Chairman of the Joint Chiefs of Staff into a joint concept of multi-domain operations in denied spaces, and drive capability investments and adjustments to regional force posture.

Building on American Technological Advantages

The era of unchallenged American technological dominance is coming to an end. While China may not be able to match all high-end American technologies, it has developed several unique capabilities that the U.S. military would find highly challenging during a conflict. While the United States can mitigate some of these challenges with changes to operations and posture, in some cases the only way the U.S. can sustain its ability to succeed in a conflict with China will be to sustain its technological advantages in certain critical areas.

⁶ David H. Berger, *Commandant's Planning Guidance*, 4.

Technological innovation will be especially important in sustaining the ability of the United States to operate within denied spaces. Such systems could include long-range anti-ship and anti-air cruise missiles based on sea, air, and mobile land-based platforms; penetrating air and subsurface platforms, both manned and unmanned; and resilient C4ISR and logistics systems.

In this context, I would like to emphasize the importance of developing and deploying conventionally-armed ground-based missiles previously prohibited by the Intermediate-Range Nuclear Forces (INF) Treaty. Because the INF Treaty was only signed by the United States and Russia, the Indo-Pacific's military environment has evolved so that only the United States was constrained. As noted previously by U.S. military leaders, over 90 percent of China's ground-based missiles would violate the INF Treaty.⁷ This capability will help the United States develop a more dispersed, unpredictable, resilient, and mobile force with greater efficiency and fiscal sustainability. While negotiations with allies and partners over basing and deployments will be difficult, I do not believe they are insurmountable. While there are some legitimate concerns surrounding how the deployment of intermediate-range ballistic missiles could impact crisis stability with China, there are fewer concerns about the deployment of a similarly-ranged anti-ship cruise missile. As a result, the United States should put the development of ground-based intermediate-range cruise missiles on a fast track, while giving more time to assess the implications of intermediate-range ballistic missiles and to gauge interest by Beijing in military-to-military dialogue on issues related to strategic stability.

Updating U.S. Regional Force Posture

The United States has not conducted a comprehensive review of its global force posture in a decade. That review resulted in several adjustments to American military force posture in the Indo-Pacific, including the establishment of a rotational presence in Darwin, Australia and the Enhanced Defense Cooperation Agreement (EDCA) with the Philippines.

Since that review was concluded, the military challenge posed by the PLA has intensified dramatically. The U.S. must be ready to fight with what it has in, or can rapidly shift to, the Indo-Pacific. Sufficient changes to U.S. military capabilities in the Indo-Pacific will not happen with good ideas and technology alone – it will require a modernized force posture.

The United States should conduct another review of regional force posture, with an eye to supporting new concepts of operations under development. A substantive adjustment to

⁷ Paul McLeary, "PACOM Harris: U.S. Needs to Develop Hypersonic Weapons, Criticizes 'Self-Limiting' Missile Treaties," *USNI News*, February 14, 2018.

regional force posture would require significant investments in new facilities across the region, prepositioning of critical munitions and fuel, improved infrastructure, and intensified exercises and training.

In response to the intensifying threat of Chinese military capabilities to U.S. within the so-called “first island chain”,⁸ there may be an impulse among some American military strategists to diminish America’s military presence close to the Chinese mainland and adopt an offshore balancing strategy. Such an approach would be misguided for several reasons:

1. It would send a stark signal to U.S. allies and partners, as well as to Beijing, that the United States is ceding the region to China;
2. It would dramatically limit the ability of the U.S. military to shape peacetime “Phase 0” dynamics, allowing Beijing to dictate operational terms within the first island chain;
3. It would be difficult to translate into a military success, as victory would rely on inflicting long-term economic costs on China. This is a questionable proposition, considering Beijing’s willingness to absorb economic pain in the course of a conflict of such high geopolitical stakes; and
4. It would be disadvantageous to American interests. Shifting forces eastward to Guam or other islands further east would only be a temporary fix – China can build more, longer-range weapons; and over time develop the capability to strike those bases as well.

All this points to one conclusion: to sustain deterrence and enhance regional resistance to Chinese coercion, the United States must be both present in the region; and be prepared to operate within, and effectively degrade, China’s counter-intervention capabilities – especially across the first island chain. Fortifying this island chain with anti-ship and anti-air capabilities – both American and allied – while also deploying naval assets in adjoining waters would pose a significant challenge to PLA planning and conflict operations. Yet this will require an updated American posture.

⁸ The “first island chain” is a Chinese conception of a ring of islands that arc southward from the Kurils to the Japanese homeland, through the Ryukyu islands, Taiwan, the northern Philippines, and extending across the South China Sea to Borneo and central Vietnam.

A good model for enabling an Indo-Pacific posture initiative would be the U.S.'s European Deterrence Initiative. This Initiative has devoted billions of dollars into a concerted effort to help EUCOM and the Service Components' operations in the European theater in the face of an increasingly challenging regional military environment. By contrast, the Indo-Pacific Maritime Security Initiative has been much narrower in scope, with significantly lower funding. For FY2019, the Maritime Security Initiative received only \$84 million, compared to the \$4.7 billion that was spent on the EDI.

The United States should establish a dedicated fund to support a renewed and more resilient military posture in INDOPACOM, and help allies and partners enhance their ability to defend themselves, cooperate with the United States, and resist Chinese military coercion. An Indo-Pacific deterrence and resistance initiative would help jump-start adjustments to U.S. military posture in the region, and help INDOPACOM meet near-term operational challenges. While the specifics of such a proposal would need careful scrutiny and review, it would help our military have the ability to succeed in an increasingly challenging environment.

Prioritizing Investments

Truly prioritizing the Indo-Pacific and competition with China in U.S. foreign policy and national security strategy will inevitably have significant budget implications. In an environment of finite resources, this of course means making difficult choices and accepting risk in other areas.

A high priority should be granted to capabilities and researching emerging technologies that will enable the U.S. military to operate within and degrade Chinese counter-intervention capabilities. Conversely, the U.S. should reduce numbers of legacy systems that would be of limited utility in a denied environment.

Some may argue that the United States should reduce the scope and tempo of its operations to offset the expenses of greater investments in capabilities and posture. However, this ignores the negative strategic effects that would ensue from a significantly decreased regional operational tempo. Some presence operations can likely be conducted by allies and partners, but this cannot be completely outsourced.

If the Indo-Pacific is prioritized, other regions will likely need to see a reduction of U.S. military forces and investment. Too often, even as the United States has identified the Indo-Pacific as a top priority, the region has not received significant attention in comparison to other regions of the world. For example, in 2018 East Asia and the Pacific received less U.S.

security assistance than any other region in the world, amounting to only 3% of total U.S. funding.⁹

Strategy is often ultimately about deciding what *not* to do, and decreasing U.S. commitments and operations in other parts of the world where U.S. interests are less critical, or where the United States can assume a greater degree of risk, will be increasingly necessary. This will necessarily involve reducing U.S. presence and operations in other parts of the world, eschewing capabilities that are less relevant for operations in the Indo-Pacific. Specifically, as the United States reduces its presence in Afghanistan and Syria, and U.S. dependence on Middle Eastern energy resources continues to decrease, the Department of Defense should examine options to reduce its presence across the Middle East and North Africa.

Finally, focusing American military power on the Indo-Pacific will require strategic discipline in the deployment and use of military force. We must be wary of distraction and overextension, and ensure that decisions and investments reflect stated priorities - a good rule of thumb for all national security decision-making.

Conclusion

There is no doubt that the Indo-Pacific will be a critical region in the 21st Century. In fact, this is the year when the region's economies will be larger than the rest of the world combined.¹⁰ It is absolutely critical that the United States sustains its leadership in the region, and that the Pacific Ocean remains a westward conduit for American ideas and products rather than an eastward conduit for threats and instability.

As China rises, the Department of Defense has a critical role to play in ensuring that the United States sustains a favorable regional balance of power and maintains a liberal regional order. Doing so will require significant investments and attention, and it is not a task that will be completed anytime soon. Rather, success will depend on patience, strategic forethought, and a geopolitical strategy that involves all elements of national power.

⁹ This compares to 4% for Sub-Saharan Africa, 4.4% for Latin America and the Caribbean, 4.8% for Europe and Eurasia, 32% for South and Central Asia (which includes Afghanistan), and 51.2% for the Middle East and North Africa. This includes data encompassing 358 programs, including Foreign Military Financing, the Afghanistan Security Forces Fund, and the Counter-Islamic State in Iraq and Syria Train and Equipment Fund, among others. See the Security Assistance Monitor, <http://www.securityassistance.org>.

¹⁰ "The Asian Century is set to begin," *Financial Times*, March 25, 2019.

The issues we confront today are of historic consequence. Ultimately, despite the significant challenges we face, I remain fully confident in the ability of the United States to succeed in this competition and maintain regional peace and stability.

Again, thank you for inviting me to testify today. I look forward to your questions.

Abraham M. Denmark
Director, Asia Program
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Abraham M. Denmark is Director of the Asia Program at the Woodrow Wilson International Center for Scholars, and a Senior Fellow at the Center's Kissinger Institute on China and the United States. He is also an Adjunct Associate Professor at the Edmund A. Walsh School of Foreign Service at Georgetown University.

Denmark's research and policy expertise is in the politics and security of the Indo-Pacific, and in U.S. strategy toward the region. He is the author of the forthcoming book *Empowering Allies: A Strategy for a New Era in the Indo-Pacific*, and is the co-editor of *Strategic Asia 2013-14: Asia in the Second Nuclear Age* (National Bureau of Asian Research, 2013) and *Strategic Asia 2014-15: U.S. Alliances and Partnerships* (NBR, 2014). He has testified multiple times before the U.S. Senate and House of Representatives, as well as the U.S.-China Economic and Security Review Commission. Denmark's commentary has been featured in several major media outlets, including *Foreign Affairs*, CNN, National Public Radio, the *New York Times*, the *Economist*, the *Financial Times*, *Foreign Policy*, and the *Atlantic*.

Denmark previously served as Deputy Assistant Secretary of Defense for East Asia and worked as Senior Vice President for Political and Security Affairs at The National Bureau of Asian Research, a Fellow at the Center for a New American Security, and held several positions in the U.S. Intelligence Community.

In January 2017, Denmark received the Secretary of Defense Medal for Outstanding Public Service. He is also a recipient of the Order of the Resplendent Banner from the Republic of China (Taiwan), and is an Honorary Admiral in the Navy of the Republic of Korea. He is a member of the National Committee on U.S.-China Relations and the Council on Foreign Relations.

A Colorado native, Denmark holds an MA in International Security from the Josef Korbel School of International Studies at the University of Denver, and received a BA in History with Honors from the University of Northern Colorado. He has also studied at Peking University. He lives with his wife and children in Maryland.

**DISCLOSURE FORM FOR WITNESSES
COMMITTEE ON ARMED SERVICES
U.S. HOUSE OF REPRESENTATIVES**

INSTRUCTION TO WITNESSES: Rule 11, clause 2(g)(5), of the Rules of the U.S. House of Representatives for the 116th Congress requires nongovernmental witnesses appearing before House committees to include in their written statements a curriculum vitae and a disclosure of the amount and source of any federal contracts or grants (including subcontracts and subgrants), or contracts or payments originating with a foreign government, received during the current and two previous calendar years either by the witness or by an entity represented by the witness and related to the subject matter of the hearing. As a matter of committee policy, the House Committee on Armed Services further requires nongovernmental witnesses to disclose whether they are a fiduciary (including, but not limited to, directors, officers, advisors, or resident agents) of any organization or entity that may have an interest in the subject matter of the hearing. Committee policy also requires nongovernmental witnesses to disclose the amount and source of any contracts or grants (including subcontracts and subgrants), or payments originating with any organization or entity, whether public or private, that has a material interest in the subject matter of the hearing, received during the current and two previous calendar years either by the witness or by an entity represented by the witness.

Please note that a copy of these statements, with appropriate redactions to protect the witness's personal privacy (including home address and phone number), will be made publicly available in electronic form not later than one day after the witness's appearance before the committee. Witnesses may list additional grants, contracts, or payments on additional sheets, if necessary. Please complete this form electronically.

Hearing Date: February 11, 2020

Hearing Subject:

The Department of Defense's Role in Long-Term Major State Competition

Witness name: Abraham M. Denmark

Position/Title: Director, Asia Program, Wilson Center

Capacity in which appearing: (check one)



Individual



Representative

If appearing in a representative capacity, name of the organization or entity represented:

Federal Contract or Grant Information: If you or the entity you represent before the Committee on Armed Services has contracts (including subcontracts) or grants (including subgrants) with the federal government, received during the current and two previous calendar years and related to the subject matter of the hearing, please provide the following information:

2020

Federal grant/ contract	Federal agency	Dollar value	Subject of contract or grant
Full Time Employment	Wilson Center	\$170,800	Asia Program Director

2019

Federal grant/ contract	Federal agency	Dollar value	Subject of contract or grant
Full Time Employment	Wilson Center	\$168,629	Asia Program Director

2018

Federal grant/ contract	Federal agency	Dollar value	Subject of contract or grant
Full-time Employment	Wilson Center	\$164,200	Asia Program Director

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Foreign contract/ payment	Foreign government	Dollar value	Subject of contract or payment

2018

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Fiduciary Relationships: If you are a fiduciary of any organization or entity that may have an interest in the subject matter of the hearing, please provide the following information:

Organization or entity	Brief description of the fiduciary relationship

Organization or Entity Contract, Grant or Payment Information: If you or the entity you represent before the Committee on Armed Services has contracts or grants (including subcontracts or subgrants) or payments originating from an organization or entity, whether public or private, that has a material interest in the subject matter of the hearing, received during the current and two previous calendar years, please provide the following information:

2020

Contract/grant/ payment	Entity	Dollar value	Subject of contract, grant or payment

2019

Contract/grant/ payment	Entity	Dollar value	Subject of contract, grant or payment
Contract	SAIC	\$1,500	Consulting
Contract	Centra Technology, Inc.	\$1,750	Consulting
Contract	Georgetown University	\$7,500	Teaching on East Asia Security

2018

Contract/grant/ payment	Entity	Dollar value	Subject of contract, grant or payment
Contract	Centra Technologies	\$1,000	Consulting
Contract	SAIC	\$4,000	Consulting
Contract	Georgetown University	\$300	Speaking on US-China

STATEMENT BEFORE THE HOUSE ARMED SERVICES COMMITTEE

The Department of Defense's Role in Long-Term Major State Competition

February 11, 2020

**Statement by the Dr. Thomas G. Mahnken
President and Chief Executive Officer, Center for Strategic and Budgetary
Assessments**

INTRODUCTION

Mr. Chairman, Ranking Member Thornberry, Members of the Committee, thank you for the opportunity to appear before you today to discuss the vital role of the Department of Defense competing over the long-term with China and Russia. As you know, the top priority accorded to this challenge was acknowledged in the 2018 National Defense Strategy (NDS). As a member of the independent National Defense Strategy Commission (NDSC), I studied the defense strategy in detail and worked with my colleagues to develop recommendations on how the United States can meet its defense objectives.

The NDSC emphasized the fact that the United States is in a long-term competition with Russia and China and acknowledged the fact that we also face an increased possibility of great-power war.¹ The United States also faces threats from aggressive regional challengers like North Korea and Iran as well as the long-term challenge of malign non-state actors. The Department of Defense will need to undertake considerable military modernization efforts and internal reforms in order to compete and win across the globe. Congress will play an important role in overseeing these reforms and providing the Department with adequate funding and resources to succeed in its mission.

THE PARAMETERS OF THE COMPETITION

One of the most immediate challenges facing the United States is the need to understand the multi-dimensional challenge posed by China and Russia, one that includes not only increasingly sophisticated military threats, but also the integrated use of political warfare

¹ *Providing for the Common Defense: The Assessment and Recommendations of the National Defense Strategy Commission*. (Washington, DC, 2018).

and economic statecraft. This is not a hypothetical future contingency, but one that exists today. China and Russia are competing with us every day, both around the globe and across the spectrum of functional domains. Their actions do not neatly adhere to our view of “peace” and “war”, nor do the challenges that they pose align neatly with our bureaucratic silos. In some domains, such as space and cyberspace, what they are doing goes far beyond our notion of “competition.” Most consequently, with the reality of competition with China and Russia comes the increasing possibility that we could face one or both of them in war. However unlikely in the absolute, that contingency is more likely today than it was five years ago.

The Department of Defense and United States government as a whole face a daunting challenge. They must take steps to help us counter China and Russia, including strengthening our military to bolster deterrence and, if deterrence fails, to win a war against a major adversary. Simultaneously, they must immediately address the use of gray zone tactics and improve our ability to respond to aggressive actions that fall short of war. Balancing short-term needs with the imperative of a long-term strategy will be a challenge.

Far from being confined to the Western Pacific and Europe, China and Russia are projecting power and reshaping norms in Africa, South America, the Middle East, and beyond. Both China and Russia are expanding weapons sales to rogue states and U.S. partners alike, building new military bases, equipping states and non-state actors with dangerous kinetic and non-kinetic capabilities, and training state and non-state armed forces. Finally, both are using economic and diplomatic tools to expand their influence and shape international norms in their own image. The United States will not be able to counter these threats without close cooperation with partners who share our priorities and values. As we develop innovative concepts of operations, it is imperative that we work closely with our allies and partners. Moreover, if we want our allies and partners to do more, we will need to ensure that they have access to the means necessary to implement new ways of war, including through arms exports.

MORE DETAILED PLANNING IS NEEDED

The National Defense Strategy made important strides by bringing attention to long-term strategic competition with China and Russia and developing broad planning guidelines for how to engage in this competition. There is still much work to be done, however, in implementing the strategy.

In the course of its review, the NDSC found that the Department struggled to tie the objectives of the defense strategy to innovative joint operational concepts. This hinders the effective allocation of programs, resources, and personnel. Much of this challenge stems from inadequate analytical capabilities within the Department of Defense. Although outside analysis – like that conducted by the NDSC – can be helpful, the Department must strengthen its native analytic capabilities and build on the broad guidelines set out in the strategy. The Office of Cost Assessment and Program Evaluation (CAPE) and the Joint Staff, in cooperation with the Office of the Under Secretary of Defense for Policy, should rebuild their analytical capabilities to ensure the Department can make decisions based on sound analysis. Importantly, these offices must develop new analytic tools to assess readiness to engage in long-term gray-zone conflicts with rivals. As it stands, the United States does not have effective metrics to assess our performance in these relatively new aspects of warfare. The Department should also establish cross-functional teams, led by a civilian with a military deputy, to help integrate strategies and operational concepts.

The Department must rethink some of the assumptions underpinning the National Defense Strategy, or at the very least justify how it will account for alternative contingencies. The NDS is built around planning for one major war, thus abandoning the two-war construct that has guided the Department of Defense's planning for decades. It is unclear why the Department has adopted a one-war concept despite the threats posed by two major-power competitors and two rogue states with rapidly growing power projection capabilities. Further, the Department recommends only modest increases in force capacity. Again, this is predicated on planning for one major war rather than multiple contingencies. Should a large-scale conflict break out with Russia or China, the United States may not have sufficient resources to deter simultaneously other adversaries in one or more theaters. The Department suggests addressing potential multiple contingencies through deepened collaboration with allies, nuclear weapons, and reallocation of resources from the Middle East. If the Department intends to stick to its one-war planning concept, it should provide detailed plans for how it will deter or contain threats in multiple theaters.

FORCE REQUIREMENTS

TOWARD A BIGGER, MORE MODERN MILITARY

If the United States hopes to meet the challenges posed by China and Russia, it will need to overhaul dramatically many of its capabilities as quickly as possible. We have fallen behind in many areas because of our outsized focus on counterterrorism and counterinsurgency over the past two decades. The United States needs to address these weaknesses and develop a significantly more capable force in order to meet the National Defense Strategy's objectives. Even the Department of Defense's own projections for growth are insufficient to meet the task at hand.

Each military service confronts its own shortfalls and challenges. The Army will need to modernize and acquire more long-range fires and air-defense units to address Russian threats in Eastern Europe. It will also need to invest in new capabilities, such as land-based sea denial forces, to help deter Chinese aggression in the Western Pacific. The Navy will need a larger surface force with increasing lethality and reduced vulnerability as well as an expanded undersea warfare capability. It will also need to expand its military sealift forces and make sure they are suitable for a high-intensity conflict. The Marine Corps will need to transform itself to be able to carry out the concepts of Expeditionary Advanced Base Operations and Littoral Operations in a Contested Environment. The Air Force will need to increase dramatically its ability to operate in contested and highly contested environments and may see new roles in, for example, supporting maritime missions.

Space Force was not yet established when the NDSC released its 2018 report, but its creation is a welcome development that will help address many of the Commission's findings. Although the United States had an unparalleled edge in space for many years, China and Russia have been attempting to replicate U.S. space capabilities and develop counterspace capabilities to degrade our advantages. Therefore the United States needs a robust space strategy in line with the demands of major-power competition. Space Force will help address weaknesses in U.S. space capabilities and strategic planning. It must also help educate policymakers and the public about the importance of the space domain to long-term strategic competition. That having been said, we should not underestimate the costs that will be associated with standing up a new Service and combatant command.

Many elements of the U.S. nuclear arsenal are rapidly approaching the end of their service lives at a time when America's adversaries are modernizing and in some cases expanding their nuclear capabilities. The NDSC endorsed the defense strategy's emphasis on modernizing the U.S. nuclear deterrent, including the three legs of the nuclear triad — ballistic missile submarines, ICBMs, and bombers—and the nuclear command, control, and communication system. Nuclear deterrence will be a crucial component of competing with China and Russia and especially critical if the Department of Defense does not develop conventional plans for a multi-theater war.

The United States' ability to project power over vast distances is fundamental to the American way of war. Our success in deterring adversaries from the Western Pacific to Europe is dependent on a robust forward-deployed, defense-in-depth posture. To maintain this posture, the Department must strengthen its ability to support global operations, particularly in the case of a high-intensity conflict or multi-theater contingencies. We must ensure that we have the munitions, and industrial base, to meet the demands of 21st century warfare. The Department should also invest in a more resilient logistics and transportation infrastructure and more secure communications.

Gaining dominance in the electromagnetic spectrum (EMS) poses another challenge for the United States. Our competitors have invested heavily in electronic warfare and anti-access/area denial capabilities that could threaten the U.S. military's ability to operate in contested environments and weaken its command, control, and communications. The United States must therefore develop the concepts and capabilities to continue to use the electromagnetic spectrum and deny it to our adversaries.

In cyberspace, America faces daily threats from both state adversaries and non-state actors. It is critical to defend U.S. cyber networks and infrastructure while deterring and responding to attacks. Further, the United States must strive to resolve legal and jurisdictional debates that hamper its cyber posture. The United States should also lead efforts to establish and enforce international norms in cyberspace.

THE IMPORTANCE OF INNOVATION

We have reached a point where doing more of the same is insufficient to the challenges we face. Rather, the Defense Department needs to invest boldly in new concepts of operations and the capabilities to carry them out. Promising approaches such as DARPA's Mosaic Warfare program, with its emphasis on gaining decision superiority over an adversary, deserve support, as do the low-cost, disaggregated forces that it envisions. The United States must invest more in developing artificial intelligence (AI), hypersonic delivery vehicles, autonomous systems, and other advanced technologies. It must also accept greater risk in long-term acquisition programs in order to spur innovation and encourage major leaps in technological capabilities rather than slow, incremental growth.

More broadly, developing new concepts and fielding new organizations to deter Chinese and Russian aggression should become the urgent focus of Defense Department investment. Some of these may require emerging technologies, while others may use existing systems in new ways. In an era of constrained resources, those concepts and capabilities that offer the greatest strategic and operational leverage should receive preferential funding over those that do not.

Examples of such innovative joint concepts include:

- A new concept of deterrence could involve U.S. and allied ISR networks composed of U.S. and allied unmanned systems such as the MQ-9 Reaper and RQ-4 Global Hawk. By gathering and sharing information broadly and in real-time, such networks would make it much more difficult for China or Russia to use force surreptitiously. If an aggressor were nonetheless to take action, the unmanned network would provide the predicate to collective action in response. Such an approach would be valuable as a way of contesting Chinese dominance of the South China Sea, and of responding to Chinese provocations in the East China Sea in a much more cost-effective manner than scrambling jets and dispatching warships or coast guard vessels.
- A new concept of conventional defense could involve the deployment of mobile land-based conventional anti-ship, anti-air, and land-attack missiles on U.S. and allied territory in the Western Pacific. Such a network would give the United States and its allies the ability to defend against Chinese aggression in the South China Sea, East China Sea, and against Taiwan. By confronting the Chinese leadership with the possibility that aggression would fail, such capabilities would also strengthen deterrence.
- The United States will need to maintain bases in the Western Pacific and Europe even as those bases are becoming increasingly vulnerable to Chinese and Russian missile attack. To maintain the credibility of the U.S. military posture, the U.S. should adopt a new concept of base defense featuring hardening as well as active defense. The latter could include new capabilities, such as rail-guns and directed energy weapons on unmanned air systems.

The development of new concepts and capabilities should not be ends in and of themselves. Too often in the past, such experiments have been side projects that create a façade of innovation without actually having any substantial impact. As a result, the forces and capabilities we have today—and are currently procuring—are out of alignment with the world of 2020 and beyond. The objective of concept development and experimentation must be to inform major shifts in investment and the size and shape of the U.S. armed forces toward the forces and capabilities that can give the U.S. military the ability to defend the national interest in the face of existing and emerging challenges at a sustainable level of funding.

FUNDING LONG-TERM STRATEGIC COMPETITION

Our resources are not unlimited, and American taxpayers deserve to know that their dollars are being spent wisely. That having been said, history will judge our efforts by their ultimate effectiveness. Current funding levels and processes are not conducive to waging and winning a long-term strategic competition. The United States defense budget is not keeping pace with inflation or the challenges facing our country. The political environment is further exacerbating this problem by denying the Department of Defense the stable funding streams it needs to execute the National Defense Strategy.

Over the past decade, political dysfunction has led to disruptions in defense spending and weakened America's ability to compete. In particular, defense spending was slashed substantially by the Budget Control Act (BCA) of 2011, to the tune of \$539 billion between 2012 and 2019. This resulted in major detrimental effects on the size, modernization, and readiness of the military. Simultaneously, years of delayed appropriations and continuing resolutions in place of real budgets impeded long-term military planning and further reduced the preparedness of our forces. Every time the Department of Defense fails to receive funding on time, operations are restricted and contracting and acquisition processes

are put on hold. This encourages dysfunctional spending, delays acquisition and modernization programs, and exacerbates readiness problems.

BCA cuts led the Department of Defense to rely on overseas contingency operations (OCO) funding to pay for operations in the Middle East and elsewhere. As the United States considers rebalancing its Middle East commitments, OCO funding should be reabsorbed into the base Pentagon budget. This will ensure that the Department sustains funding levels and conduct department-wide planning without being forced to rely on temporary, unstable funding sources.

It will take years of increased funding to ensure that the U.S. military is prepared to compete with China and Russia. The slight increase in Department of Defense's FY2020 budget is helpful, but is still not enough to fund the U.S. defense strategy with minimal risk. Current funding levels cannot sustain a military capability adequate to defeat either China or Russia while simultaneously deterring other enemies.

The Commission recommended the elimination of the final year of BCA caps as well as a three to five percent annual increase to DOD's budget (in inflation-adjusted terms). This level of growth would help undo the damage inflicted by BCA cuts and sustain the U.S. military's ability to uphold its commitments and project power. Without these increases, the Department of Defense will continue facing budget shortfalls and may find itself unable to win a conflict while simultaneously deterring other adversaries.

To further insulate the department's spending from political disruptions, Congress should give DOD the authority to spend Operations and Maintenance funds across the current fiscal year and the subsequent one. It should also consider producing five-year budget agreements for defense in order to enable the department to safely conduct long-term planning.

Thank you, Chairman and Committee Members. I look forward to answering your questions.

Thomas G. Mahnken
President and Chief Executive Officer

SUMMARY OF QUALIFICATIONS

Dr. Mahnken is the President and Chief Executive Officer of the Center for Strategic and Budgetary Assessments. He currently serves as a member of the Congressionally-mandated National Defense Strategy Commission and as a member of the Board of Visitors of Marine Corps University. He is the author of numerous publications on strategy, policy, intelligence, and other topics. He is a Senior Research Professor at the Philip Merrill Center for Strategic Studies at The Johns Hopkins University's Paul H. Nitze School of Advanced International Studies and was a Professor of Strategy at the U.S. Naval War College for nearly 20 years. He served as Deputy Assistant Secretary of Defense for Policy Planning from 2006–2009.

Dr. Mahnken is the author or editor of *Arms Races in International Politics: From the Nineteenth to the Twenty-First Century* (Oxford University Press, 2016); *Strategy in Asia: The Past, Present, and Future of Regional Security* (Stanford University Press, 2014); *Competitive Strategies for the 21st Century* (Stanford University Press, 2012); *Secrecy and Strategem: Understanding Chinese Strategic Culture* (Lowy Institute, 2011); *Technology and the American Way of War Since 1945* (Columbia University Press, 2008); *Uncovering Ways of War: U.S. Intelligence and Foreign Military Innovation, 1918–1941* (Cornell University Press, 2002); and, with James R. FitzSimonds, *The Limits of Transformation: Officer Attitudes toward the Revolution in Military Affairs* (Naval War College Press, 2003); with Thomas A. Keaney, *U.S. Military Operations In Iraq: Planning, Combat, and Occupation* (Routledge, 2007); with Joseph A. Maiolo, *Strategic Studies: A Reader* (Routledge, 2007); with Emily O. Goldman, *The Information Revolution in Military Affairs in Asia* (Palgrave Macmillan, 2004); and with Richard K. Betts, *Paradoxes of Strategic Intelligence: Essays in Honor of Michael I. Handel* (Frank Cass, 2003). He has appeared on Fox News, CNN, the BBC, and CBC, among other networks. He is editor of *The Journal of Strategic Studies*.

In 2009, Dr. Mahnken received the Secretary of Defense Medal for Outstanding Public Service and in 2016 the Department of the Navy Superior Civilian Service Medal.

CURRENT POSITION

Dr. Mahnken is the President and Chief Executive Officer of CSBA, an independent policy research institute established to promote innovative thinking about defense planning and investment strategies for the 21st century.

PREVIOUS PROFESSIONAL EXPERIENCE

Dr. Mahnken served as the Deputy Assistant Secretary of Defense for Policy Planning from 2006–2009. In that capacity, he was responsible for the Department's major strategic planning functions, including the preparation of guidance for war plans and the development of defense planning scenarios. He was the primary author of the 2008 National Defense Strategy and a contributing author of the 2006 Quadrennial Defense Review. He spearheaded the Secretary of Defense's Minerva Research Initiative, which will provide \$100 million in grants to universities to conduct basic research in the social sciences, and led an interagency effort to establish, for the first time in five decades, National Security Council-run interagency policy planning body.

Between 1996 and 2016, Dr. Mahnken served as a Professor of Strategy at the U.S. Naval War College and from 2010–2016 was the College's Jerome E. Levy Chair of Economic Geography and National Security. From 2004 to 2006 he was a Visiting Fellow at the Merrill Center at SAIS. During the 2003–2004 academic year he served as the Acting Director of the SAIS Strategic Studies Program. His areas of primary expertise are strategy, intelligence, and special

operations forces.

Dr. Mahnken has held positions in both the government and the private sector. He served on the Staff of the 2014 National Defense Panel and as Staff Director of the 2010 Quadrennial Defense Review Independent Panel's Force Structure and Personnel Sub-Panel. He served on the staff of the Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction. He served in the Defense Department's Office of Net Assessment, where he conducted research into the emerging revolution in military affairs. He also served as a member of the Gulf War Air Power Survey, commissioned by the Secretary of the Air Force to examine the performance of U.S. forces during the war with Iraq. Prior to that, he served as an analyst in the Non-Proliferation Directorate of the Office of the Secretary of Defense (OSD), where he was responsible for enforcing U.S. missile proliferation policy.

EDUCATION

B.A. in History and International Relations (summa cum laude)
University of Southern California

National Security Fellow

John M. Olin Institute for Strategic Studies

M.A. and Ph.D in International Affairs

Johns Hopkins University's School of Advanced International Studies (SAIS)

AREAS OF EXPERTISE

Strategy

Intelligence

Defense Planning

Future Warfare

International Strategic Studies

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Hearing Date: 11 Feb 2020

Hearing Subject:

The Department of Defense's Role in Long-Term Major State Competition

Witness name: Dr. Thomas G. Mahnken

Position/Title: President and CEO, Center for Strategic and Budgetary Assessments

Capacity in which appearing: (check one)



Individual



Representative

If appearing in a representative capacity, name of the organization or entity represented:

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2019

Federal grant/ contract	Federal agency	Dollar value	Subject of contract or grant

2018

Federal grant/ contract	Federal agency	Dollar value	Subject of contract or grant

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2019

Foreign contract/ payment	Foreign government	Dollar value	Subject of contract or payment

2018

Foreign contract/ payment	Foreign government	Dollar value	Subject of contract or payment

Fiduciary Relationships: If you are a fiduciary of any organization or entity that may have an interest in the subject matter of the hearing, please provide the following information:

Organization or entity	Brief description of the fiduciary relationship
Center for Strategic and Budget	President and CEO

Organization or Entity Contract, Grant or Payment Information: If you or the entity you represent before the Committee on Armed Services has contracts or grants (including subcontracts or subgrants) or payments originating from an organization or entity, whether public or private, that has a material interest in the subject matter of the hearing, received during the current and two previous calendar years, please provide the following information:

2020

Contract/grant/ payment	Entity	Dollar value	Subject of contract, grant or payment

2019

Contract/grant/ payment	Entity	Dollar value	Subject of contract, grant or payment
Grant	Smith Richardson Foundation	\$200,000	Diagnosing Innovation for Global Health

2018

Contract/grant/ payment	Entity	Dollar value	Subject of contract, grant or payment
Grant	Smith Richardson Foud	\$100,000	Great-Power Competition an

**WITNESS RESPONSES TO QUESTIONS ASKED DURING
THE HEARING**

FEBRUARY 11, 2020

RESPONSE TO QUESTION SUBMITTED BY MR. WITTMAN

Dr. POLYAKOVA. The defense budget makes the important shift in USG thinking towards anticipating and better preparing for the future of war, both in the kinetic and non-kinetic domains. In particular, it emphasizes and allots additional resources to countering information-operations by state actors, which will key as Russia and China increasingly see information-operations as a core part of their warfare arsenal. [See page 19.]

QUESTIONS SUBMITTED BY MEMBERS POST HEARING

FEBRUARY 11, 2020

QUESTIONS SUBMITTED BY MR. KIM

Mr. KIM. Dr. Polyakova, do you believe the United States is doing Russia a favor by elevating them in the same group as China when talking/discussing long-term major state competitions? If so, how would you recommend we deter from this current strategy?

Dr. POLYAKOVA. Russia is a competitive adversary to the United States—the National Security Strategy identified the threat correctly. However, Russia presents a very different challenge than China: unlike China, Russia cannot compete economically, politically, or militarily with the United States and our Allies. Rather, Russia seeks opportunities where it can undermine the United States without engaging in direct competition. Our strategy should reflect the dual challenge that Russia and China represent while differentiating our approach to deterring each.

QUESTIONS SUBMITTED BY MR. BRINDISI

Mr. BRINDISI. I am particularly concerned that DOD may not be keeping pace with China in terms of our investments in information technologies—specifically Quantum Information Sciences, which has the potential to transform. China has aggressively invested and increased the pace of its Quantum research in recent years and is seeking to become the global leader in Quantum and Artificial Intelligence. I am worried that we are slightly slow to fully recognize the massive importance of Quantum technologies and invest accordingly.

1) Do you feel that we are investing adequate resources fast enough in order to keep pace with China regarding Quantum Information Science research?

2) How could we better leverage our DOD innovation base and lab system to ensure we don't fall behind in these critical areas?

3) The Air Force Research Laboratory has begun focusing on leveraging industry expertise to accelerate public-private research collaboration between DOD and industry through a newly established Quantum Information Science Innovation Center, which has been promising. Are there ways to engage industry and academia on these critical research areas that DOD should be doing, but isn't currently?

Dr. MAHNKEN. 1) *Do you feel that we are investing adequate resources fast enough in order to keep pace with China regarding Quantum Information Science research?* I believe that it would be advisable to invest additional resources in Quantum Information Science research, both to exploit the opportunities that quantum holds for the military, but also to safeguard against the potential of an adversary's breakthrough in the field.

2) *How could we better leverage our DOD innovation base and lab system to ensure we don't fall behind in these critical areas?* I believe it is critical for the DOD innovation base and national laboratory system to be able to have access to top-tier scientists and engineers in this field. My work on military innovation shows that individual innovators and their professional networks play a crucial role in promoting innovation. This means either recruiting or retaining them as civil servants, or maintaining long-term support for their work.

3) *The Air Force Research Laboratory has begun focusing on leveraging industry expertise to accelerate public-private research collaboration between DOD and industry through a newly established Quantum Information Science Innovation Center, which has been promising. Are there ways to engage industry and academia on these critical research areas that DOD should be doing, but isn't currently?* I believe that DOD engagement with industry and academia is a good step. Over time, however, it will be important to judge whether there are aspects of Quantum Information Science that are not receiving the attention that they deserve from industry and academia, and where a dedicated government effort is thus required.