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CHINA AND RUSSIA

HEARING

BEFORE THE

COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE

ONE HUNDRED SIXTEENTH CONGRESS

FIRST SESSION

JANUARY 29, 2019

Printed for the use of the Committee on Armed Services

Available via http://www.govinfo.gov

U.S. GOVERNMENT PUBLISHING OFFICE
41–302 PDF WASHINGTON : 2020

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CHINA AND RUSSIA

TUESDAY, JANUARY 29, 2019

UNITED STATES SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met, pursuant to notice, at 10:00 a.m. in Room SD–G50, Dirksen Senate Office Building, Senator James M. Inhofe (chairman of the committee) presiding.

Committee members present: Senators Inhofe, Wicker, Fischer, Rounds, Ernst, Tillis, Sullivan, Cramer, McSally, Scott, Blackburn, Hawley, Reed, Shaheen, Gillibrand, Blumenthal, Kaine, King, Warren, Peters, Manchin, Duckworth, and Jones.

OPENING STATEMENT OF SENATOR JAMES M. INHOFE

Chairman INHOFE. The hearing will come to order.

The committee meets today to receive testimony on strategic competition with China and Russia.

I would like to welcome our witnesses. We have the right witnesses this time. We appreciate your attendance.

We have Elbridge Colby. He is the former Deputy Assistant Secretary of Defense for Strategy and Force Development. He is what I consider to be probably one of the or maybe the key person in developing the National Defense Strategy (NDS).

Ely Ratner, a China expert, co-author of a major article, "The China Reckoning: How Beijing Defied American Expectations." It is well worth your time to read that.

Damon Wilson is a Russian expert, as well as an expert on NATO [North Atlantic Treaty Organization] and going all the way into East Europe and the Balkans.

I welcome all of you here for this hearing. I had a chance to talk to the three of you and kind of explained my concern. One of the problems that I have—and it is a problem that we all have but we do not talk very much about it—and that is the threats that we are facing, the seriousness of the threats. There is this euphoric attitude that people have had since World War II that somehow we have the best of everything. We were listing some of the things—General Milley talking about how we are outgunned and outranged with our Chairman of the Joint Chiefs of Staff, was talking about how our quantitative and qualitative advantages have eroded. Nuclear modernization—we were out of business for a long period of time. All of a sudden now we have even China with a triad system. It is working on hypersonics. You know, the average man on the street does not know what we are talking about, but that is some-

thing that is entirely new. I am convinced that both China and Russia are ahead of us.

And so I see this hearing as a way to maybe give us some credibility up here because you are all three recognized experts in this area.

We are also right now having another good thing. We have had hearings to this effect to show and demonstrate very clearly that our people in uniform are willing to talk about these things that they were not willing to talk about before.

So that which we all remember so well that was so successful in the Cold War is something that perhaps is not as successful right now. Peace through strength is really something we need to be doing and emphasizing and telling the American people where we are right now.

The reason it is important—we are going to be looking at the budget that it takes to run this thing. We know what happened just a few years ago, and we know that we were down inadequately. You have to get the support of the American people before you can do a good job of defending America. And that is what this is all about.

So I appreciate very much all of you being here today.

Senator Reed?

STATEMENT OF SENATOR JACK REED

Senator REED. Well, thank you very much, Mr. Chairman, for holding this very important hearing on the strategic security challenges posed by Russia and China.

I also want to join you in welcoming the witnesses who are distinguished experts. Thank you, gentlemen.

Revisionist powers Russia and China are actively working to undermine the rules-based international order that has been the cornerstone of peace for decades. As the recent National Intelligence Strategy states, "Traditional adversaries will continue to gain and assert influence, taking advantage of changing conditions, in the international environment, including the weakening of the post-World War II international order and dominance of Western democratic ideals, increasingly isolationist tendencies in the West, and shifts in the global economy." Moscow and Beijing are using all tools of national power to challenge the international order and advance their own strategic interests at the expense of others.

This morning's hearing is an opportunity to hear from our witnesses regarding their assessments of the emerging strategic competition with these near-peer rivals and their recommendations for ensuring that the United States is able to deter aggression and deploy the right elements of national power, both military and nonmilitary elements, to prevail in the competition with Russia and China.

In the case of Russia, President Putin has rejected United States-led international order that he considers incompatible with his strategic objective of returning to great power status. Russia's military modernization, nuclear saber-rattling, and violations of its arms control and other international obligations threaten to undermine the strategic security architecture that has prevented high-end conflict. Putin also seeks to operate unconstrained in the "near

abroad" countries of the former Soviet Union and has shown his willingness to use military force to violate the sovereignty of his neighbors if not deterred.

Russia is also conducting a campaign of hybrid warfare below the level of direct military conflict to harm Western nations without firing a single shot. Our democracy was attacked in 2016 and such attacks continue to this day with increasing sophistication. Russia has used political, military, diplomatic, economic, informational, cyber, and other tools of national power to try to divide us from our allies and paralyze our ability to unite in our common defense. These Russian operations are no less a threat to our national security than a military attack would be, yet we have failed to respond to them with the same level of seriousness and resolve. I am interested in hearing our witnesses' assessment of the national security threat posed by Russia's hybrid warfare campaign and their recommendations for how we should prioritize our resources to counter Russia's malign aggression.

China is engaging in a global economic and military expansion that will challenge United States primacy and influence in the decades to come. President Xi's determination to undermine international norms, engage in coercive and predatory policies toward smaller and weaker countries, and undermine the national security of the United States and its allies and partners makes this expansion particularly concerning. We are now in a long-term strategic competition with an autocratic regime that has the resources and the intent to challenge and potentially supplant U.S. leadership. How we respond to this challenge will be critical for our national security and the security of our partners and allies in the region.

I am interested in hearing from the witnesses how we should be meeting this challenge across all domains, diplomatic, military, economic, and trade. I am especially concerned about China's Belt and Road Initiative, which has left several countries, notably Sri Lanka and Malaysia, severely indebted to China. It is an economic initiative with significant national security implications for the United States.

In addition, I have grave concerns about the internal stability of China. President Xi's crackdown of the Uighurs in the west and bellicose statements about Taiwan present serious human rights problems for the international community. As the leader of the free world, the United States should not shy away from confronting the Chinese Government for its brutal and systematic crackdown on ethnic minorities and human rights activists within its own borders.

The National Defense Strategy has laid out, I think, a compelling argument, and I am glad we have our experts today to supplement that argument with their detailed and very wise observations.

With that, thank you, Mr. Chairman.

Chairman INHOFE. Thank you for the excellent opening statement.

We are going to interrupt this since we now have a quorum that is present.

I ask the committee to consider a list of 385 pending military nominations. All these nominations have been before the committee the required length of time.

Is there a motion to favorably report this list of 385 pending military nominations?

Senator REED. So moved.

Chairman INHOFE. Is there a second to the motion?

Senator WICKER. Second.

Chairman INHOFE. All in favor, say aye.

[Chorus of ayes.]

Chairman INHOFE. Opposed, no.

[No response.]

Chairman INHOFE. The motion carries.

[The list of nominations considered and approved by the committee follows:]

MILITARY NOMINATIONS PENDING WITH THE SENATE ARMED SERVICES COMMITTEE WHICH ARE PROPOSED FOR THE COMMITTEE'S CONSIDERATION ON JANUARY 29, 2019.

1. **Col. Frank A. Rodman, ANG to be brigadier general** (Reference No. 25)
2. **BG Robert D. Harter, USAR to be major general** (Reference No. 27)
3. **Col. Charles M. Schoening, ARNG to be brigadier general** (Reference No. 28)
4. **In the Army Reserve there are 3 appointments to be major general and below (list begins with David W. Ling)** (Reference No. 29)
5. In the Marine Corps there are 4 appointments to the grade of lieutenant colonel (list begins with Saleh P. Dagher) (Reference No. 35)
6. In the Marine Corps there are 375 appointments to the grade of lieutenant colonel (list begins with Rico Acosta) (Reference No. 36)

TOTAL: 385

All right. We will start, Mr. Colby, with you. And we want to hear from all three of you, and try to keep your remarks somewhere around 5 minutes so we will have time. We have good attendance this morning. We want to have time for questions. So, Mr. Colby, you are recognized.

STATEMENT OF ELBRIDGE COLBY, DIRECTOR, DEFENSE PROGRAM, CENTER FOR A NEW AMERICAN SECURITY; AND FORMER DEPUTY SECRETARY OF DEFENSE FOR STRATEGY AND FORCE DEVELOPMENT

Mr. COLBY. Thank you, Mr. Chairman, Ranking Member Reed, and distinguished members of the committee, for the opportunity to appear before you. It is a great honor to testify before this body on a topic of the highest importance to our Nation: the implementation of the 2018 National Defense Strategy.

This strategy entails a fundamental shift in the orientation of our Nation's Armed Forces toward preparing for war against China or Russia precisely in order to deter it. This shift is urgently needed as our military advantages against both have substantially eroded in recent decades. It is a strategy that reflects not only the right priorities but also the hard choices needed to realize this goal and is a testament, in particular, to the leadership of former Secretary Mattis and Acting Secretary Shanahan.

The NDS is predicated on a clear vision, as expressed in the National Security Strategy. America has an enduring interest in ensuring that the key regions of the world, especially Asia and Europe, do not fall under the sway of a potentially hostile power. Great powers, especially China and to a lesser degree Russia, are

the only states that could realistically establish such hegemony. To prevent such an outcome, we need a whole-of-government strategy to sustain favorable regional balances of power through our alliance system.

To make this alliance system work, however, we and our allies need to be able to effectively defend its members against plausible Chinese or Russian theories of victory. This includes the members of that network most vulnerable to such strategies such as Taiwan and the Baltic States. Thus, while we will not succeed without an effective whole-of-government strategy, we will certainly fail without a sufficiently strong defense, and this is clearly in question.

What are these potential Chinese or Russian theories of victory? Because of America's greater total power and the existence of nuclear arsenals on both sides, these states' most pointedly menacing theory of victory is the fait accompli. That is, Russia could seek to create propitious circumstances through disinformation, rapidly overrun the Baltic States and eastern Poland with its conventional forces, and then rely on the threat of its nuclear arsenal to check or neuter our counteroffensive to liberate our NATO allies. China, meanwhile, could use similar methods to isolate Taiwan or eventually parts of the Philippines or Japan, launch an air and sea invasion, and then make an American counteroffensive too costly and risky to countenance.

These are not merely military strategist parlor games. They are real and gravely serious and will become more threatening if we fail to adapt. They are particularly real for states in East and Southeast Asia, as well as in Eastern Europe, wondering whether it is prudent to stand up to Chinese and Russian domineering. These countries will look carefully to see whether affiliating with us will result in an adequate defense. If they do not see this, they will be incentivized to cut a deal with Beijing or Moscow in ways that will make it very hard, if not impossible to maintain those favorable balances of power.

The problem is that our legacy defense approach is not suited to dealing with these theories of victory. Rather, our Armed Forces for the last generation have largely been formed on what might be called the Desert Storm model. This involved reacting to an opponent's attack on an ally with a time-consuming construction of an iron mountain of armed might. Once that was done, the United States would launch a withering assault to establish all-domain dominance and only then eject the enemy from our allies' territory. This model was tremendously successful against Iraq and also employed against Serbia, but it is precisely the model on which China and Russia have so assiduously gone to school in the last 2 decades or so.

We need a new approach. We need our military to be able to contest Chinese or Russian forces from the very beginning of a war, blunting their advances so they cannot establish the fait accompli, and frustrating their assault without our forces ever expecting to gain the all-domain dominance that they could attain against Iraq. With its invasion blunted or readily reversed, neither China nor Russia would have a way to end a war favorably. Rather, Beijing or Moscow would face the awful choice of expanding the war in ways that play to United States and allied advantages or swal-

lowing the bitter but tolerable pill of settling on terms the United States could accept. This will make them far less likely to try it in the first place.

As the NDS makes clear, this requires a joint force that is more lethal, resilient, agile, and ready, meaning forces that can, at short notice, operate through withering enemy attacks and still strike effectively at the assaulting forces of these near-peer adversaries even without full control of the air, land, sea, space, or electronic domains. This strategy has very substantial implications for force structure, employment, and posture, as well as for how our Armed Forces interact with our allies and partners. I laid some of these out, as well as how Congress can contribute to realizing the strategy, in my written statement.

Fundamentally, however, the strategy's logic is very simple. Our military advantage in key regions has eroded and will continue to do so absent increased and sustained attention and resources. If we fail to do this, we jeopardize the alliance architecture that is crucial for denying Beijing or Moscow dominance in their regions.

Our Armed Forces must, therefore, above all concentrate on preparing to fight and defeat China or Russia in strategically significant plausible scenarios like Taiwan or the Baltics precisely in order to deter such a war from happening.

Crucially, because this is so demanding, it means doing less of everything else or doing it much more efficiently. Everything not directly connected to readying our forces to fight China or Russia should be considered under a harsh and skeptical light. Elective wars in the Middle East, assurance and presence activities, subordinate departmental plans optimized for the gray zone, continued investment in suboptimal legacy systems, all of these directly detract from our ability to head off the most serious threats to our national interests. If something does not relate to improving the joint forces' warfighting effectiveness in a key scenario against China or Russia or more efficient ways of doing things in places like the Middle East, then it must be made to meet a very high bar.

Given all this, recent indications the Department of Defense has lagged in implementing the strategy are especially troubling. The National Defense Strategy Commission, chartered by Congress, found that there are confusing and incompatible signals being transmitted within the Department, resulting in a lack of coherence in implementing the strategy. There is no time for misalignment. Our military advantage is eroding against our most powerful competitors. Nor is there need for confusion. The strategy lays out a clear path for how to address this challenge. It is not, nor was it in any way intended to be the last word on the subject. To the contrary. But it provides, however, a clear framework within which the crucial future work needed to realize it should take place.

As Chairman of the Joint Chiefs Select General Milley has eloquently put it, the Army—and I am confident the Department—is aligning itself with Secretary Mattis' National Defense Strategy and will not walk away from it.

The National Defense Strategy is a strategy informed by our Nation's proud past but with its sights set firmly on the future of preparing for war in order to preserve a favorable peace and of prin-

cipled realism so that we might live in a world of right not might. Now is the time to put the strategy into effect without delay.

I look forward to your questions and thank you for your time and attention.

[The prepared statement of Mr. Colby follows:]

PREPARED STATEMENT BY ELBRIDGE A. COLBY

Thank you, Mr. Chairman, Ranking Member Reed, and distinguished members of this Committee, for the invitation to appear before you. It is a great honor to testify before this body on a topic of the highest importance to our Nation—the implementation of the 2018 National Defense Strategy (NDS), a Strategy which entails a fundamental shift in the orientation of our Nation's Armed Forces toward great power competition.

I. PERSONAL INVOLVEMENT

During 2017 and 2018, I served as Deputy Assistant Secretary of Defense for Strategy and Force Development. In this capacity, I led a superb team of civilian and military officials from key parts of the Department tasked with developing the National Defense Strategy, reporting to Secretary Mattis and Deputy Secretary Work and Deputy Secretary (now Acting Secretary) Shanahan. In light of this experience, there are a number of distinctive attributes of this Strategy that I believe it is useful for the Committee to know.

- This Strategy is a result of the leadership and deep personal engagement of Secretary Mattis as well as Deputy Secretaries Work and Acting Secretary Shanahan. The Department's top leadership engaged regularly and in depth with the Strategy team and reviewed the document numerous times. Secretary Mattis met repeatedly with the team for long sessions; he considered the hardest issues in the Strategy and made clear choices about them in close consultation with then-Deputy Secretary Shanahan, who made the Strategy his priority in his first months in office and played a crucial, personal role in bringing the Strategy to fruition. The Strategy therefore reflects the considered judgment of those charged with leading the Nation's defense.
- At the same time, this Strategy was not a purely top-down document. As Secretary of the Air Force Heather Wilson has related, the last version of the Strategy she recalls reviewing was on the order of the sixty-sixth version of the draft. From the earliest stages of its development, the Strategy received input from across the Department, and the range of Department leaders had the opportunity to review and comment on the Strategy as it evolved. Essentially everyone had their say. While the Strategy is—by design—a reflection of leadership judgments rather than a consensus or lowest-common denominator document, it benefited from the collective wisdom of the U.S. defense enterprise as well as from input from the Intelligence Community and other relevant organs of the U.S. Government.
- The Strategy team and Department leadership received input from Congress and outside experts from the beginning of the document's development, and it was red-teamed several times by leading defense experts.
- The Strategy was also informed by both strategic and operational-level wargaming.

II. A RECAP OF THE NATIONAL DEFENSE STRATEGY

This hearing has been called to ascertain how the implementation of the Strategy is faring. I believe there is no more important issue on which the Committee can focus oversight, as the Strategy requires "urgent change at significant scale" for our national interests to be effectively protected.[1] This is especially pressing because the National Defense Strategy Commission, a body chartered by Congress and composed of leading defense experts who had unparalleled access to the Department, reported that its members are "skeptical that DOD has the attendant plans, concepts and resources needed to meet the defense objectives identified in the NDS, and [they] are concerned that there is not a coherent approach for implementing the

[1] Summary of the 2018 National Defense Strategy of the United States of America: Sustaining the American Military's Competitive Edge," Washington, DC: U.S. Department of Defense, 2018, 11.

NDS across the entire DOD enterprise . . . [The Commissioners] came away troubled by the lack of unity among senior civilian and military leaders in their descriptions of how the objectives described in the NDS are supported by the Department's readiness, force structure, and modernization priorities..."[2] This is cause for significant concern.

Before discussing the Department's progress in implementing the NDS and how Congress can facilitate it, however, I believe it is valuable first to recap concisely what the Strategy, in concert with the 2017 National Security Strategy (NSS) with which it is so closely tied, assesses and directs.

The National Defense Strategy can be summarized as follows:

U.S. Defense Strategy in our Broader Grand Strategy

The United States has a lasting interest in maintaining favorable regional balances of power in the key regions of the world, especially East Asia, Europe, and the Persian Gulf. These favorable balances preserve our ability to trade with and access the world's wealthiest and most important regions on fair grounds, and prevent their power from being turned against us in ways that would undermine our freedoms and way of life.

Alliances are the critical mechanism for maintaining these favorable balances, and it is in the United States interest to continue to be able to effectively and credibly defend our allies and established partners such as Taiwan, in concert with their own efforts at self-defense.

The Particular Threat Posed by China and Russia

China in particular and to a lesser extent Russia present by far the most severe threats to our alliance architecture. *The once overwhelming U.S. conventional military advantage vis á vis these major powers has eroded and will continue to erode absent overriding focus and effort by the United States and its allies and partners.*

China and Russia pose a particular kind of threat to United States allies and established partners like Taiwan. Beijing and Moscow have plausible theories of victory that could involve employing a combination of "gray zone" activities (such as through the use of subversion by "little green men,"), robust anti-access/area denial (A2/AD) networks, lethal and fast maneuver forces, and strategic capabilities, especially nuclear arsenals. The adept integration of these assets could enable Beijing or Moscow first to overpower United States allies and seize their territory while holding off U.S. and other allied combat power. China or Russia could then, by extending their A2/AD and defensive umbrella over these new gains, render the prospect of ejecting their occupying forces too difficult, dangerous, and politically demanding for Washington and its allies to undertake, or undertake successfully.

The fait accompli is not the only but it is the most severely challenging of the theories of victory the Chinese or Russians could employ—especially against Taiwan in the Pacific or the Baltics and Eastern Poland in Europe.

Particularly in the case of China, these threats will worsen and expand as the power of the People's Liberation Army grows. Taiwan is the focal point today; before long, unless the ongoing erosion of our and our allies' military edge is reversed, the threat will be to Japan and the Philippines and thus to our whole position in maritime Asia, the world's most economically dynamic region.

The Need to Focus on Great Power Competition and its Implications

Accordingly, as Secretary Mattis put it in January 2018, "Great power competition—not terrorism—is now the primary focus of U.S. national security."[3] The United States' defense establishment must therefore focus on and adapt to this top priority—at scale and urgently, as the Strategy emphasizes.

What does this new prioritization mean and what does it entail?

At its deepest level, it requires a fundamental shift in the way the Department of Defense conceives of what is required for effective deterrence and defense. This is because the United States and its allies will be facing great powers—especially in the case of China. This is a dramatically different world than that which characterized the post-Cold War period, in which our Armed Forces could focus on "rogue states" and terrorist groups due to the lack of a near-peer competitor. Today and going forward, however, China in particular will present us with a comparably-sized economy and a top-tier military operating in its own front yard.

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[2] Eric Edelman, Gary Roughead, et al, *Providing for the Common Defense: The Assessment and Recommendations of the National Defense Strategy Commission.* Washington, DC: U.S. Institute of Peace, 2018, 18.

[3] Speech by Secretary of Defense James Mattis at Johns Hopkins University, School of Advanced International Studies, January 19, 2018.

Above all, this requires a change in the mindset of our defense establishment. We have left a period of overwhelming American dominance and have entered one in which our Armed Forces will have to prepare to square off against the forces of major economies fielding the most sophisticated conventional and survivable nuclear forces. *Our Armed Forces will therefore need to shift from an expectation that they could dominate the opponent to one in which they must expect to be contested throughout the fight—and yet still achieve the political objectives set for them in ways that are politically tenable.*

Fortunately, our political-strategic goals, as indicated in the NSS and NDS, are defensive. We hope only to prevent our allies and partners like Taiwan from being suborned or conquered by our opponents. We therefore must defeat Chinese or Russian invasions or attempts at suborning our allies, and force Beijing or Moscow to have to choose between unfavorably escalating—and demonstrating to all their aggressiveness and malign intent by doing so—or settling on terms we can accept. This, to emphasize, is a different goal than regime change or changing borders. Rather, it is about *preserving the status quo by favorably managing escalation to win limited wars.*

How our forces achieve this objective in the event of conflict will be of the essence. Our forces must be exceptionally lethal and capable, optimized to defeat China or Russia. At the same time, however, wars with China or Russia must remain limited because the alternative is apocalypse, which neither side wants—thus we must plan and prepare for them as limited wars. Above all, this requires focusing on *defeating the other side's theory of victory, and particularly the fait accompli strategy.*

The NDS is specifically designed to deal with this challenge. Its military and force implications proceed from the political-strategic demands the NSS and NDS set out. As a core concept, the NDS calls on the Department to expand the competitive space—meaning above all to adopt a competitive mentality in everything that Department personnel do, one that refuses to take American superiority for granted, that searches for new or untapped sources of advantage, and that ensures that it is China and Russia that fear more what we might what do—rather than the other way around.[4]

The NDS therefore directs substantial changes in the following elements of our Armed Forces:

- Warfighting approach;
- Force structure: size, shape, and composition;
- Force employment;
- Posture; and
- Relationships with allies and partners.

Warfighting Approach

The Strategy calls for a different approach to warfighting from the post-Cold War era. This call stems from the political-strategic requirement to defeat the adversary's theory of victory by, at a minimum, rapidly delaying and degrading or ideally denying China or Russia's ability to impose the fait accompli on, for instance, Taiwan or the Baltics.

This necessitates a change from what might be called "the Desert Storm model" of warfighting. This model involved the time-consuming construction of an "iron mountain" of U.S. military capability in the region of conflict before the United States launched a withering assault to establish all-domain dominance and then ejected the enemy from our ally's territory. The Desert Storm model was enormously successful against "rogue state" adversaries—but it is also exactly the model on which China and Russia have ably and assiduously gone to school. By the time the United States constructs this iron mountain in response to a Chinese attack on Taiwan or Russian invasion of the Baltics, the war may already be lost because the costs and risks of ejecting an enemy now fortified in its new gains may be too prohibitive or because allies will not support the massive and terrifying counteroffensive needed for victory.

The United States consequently needs a new warfighting approach adapted to this threat. *This new warfighting approach involves United States forces resisting Chinese or Russian attacks from the very beginning of hostilities, fighting in and through enduringly contested operational environments to first blunt Beijing or Moscow's assault and then defeat it—without ever gaining the kind of all-domain dominance that the United States could establish against Iraq or Serbia.* With its invasion blunted or readily reversed, neither China nor Russia would have a way to end the war favorably; rather, Beijing or Moscow would face the awful choice of expanding the war in ways that play to United States advantages or swallowing the bitter

[4] "Summary of the 2018 National Defense Strategy of the United States of America", 4.

but tolerable pill of settling on terms the United States can accept. Such a posture should deter a minimally rational adversary from choosing to pursue such a course.

The National Defense Strategy's Global Operating Model represents a new conceptual paradigm designed to help frame the Department's efforts to realize this new warfighting approach. This Global Operating Model is designed to defeat Chinese or Russian theories of victory, and especially the fait accompli.

- Its *"Contact" Layer* is designed to orient activities in the "gray zone," especially in concert with allies, to prevent Russia or China from dominating the crucial perceptual landscape or surprising the United States and its allies by augmenting allied defenses, collecting intelligence, and challenging salami-slicing activities.
- Its crucial *"Blunt" Layer* is designed to focus U.S. and allied force development, employment, and posture on the crucial role of "blunting": delaying, degrading, and ideally denying the enemy's attempt to lock in its gains before the United States can effectively respond. Crucially, *blunting is a function—not an attribute—of the force. The central idea is to prevent China or Russia from achieving a fait accompli*—it does not require a fixed force. Indeed, blunting is likely to be done best by a combination of munitions launched from afar as well as forces deployed and fighting forward.
- The *"Surge" Layer* is designed to provide the decisive force that can arrive later, exploiting the operational and political leverage created by the "Blunt" Layer to defeat China or Russia's invasion and induce them to end the conflict on terms we prefer.
- The *"Homeland" Layer* is designed to deter and defeat attacks on the homeland in ways that are consistent with the Joint Force's ability to win the forward fight and favorably manage escalation.

Likewise, the Strategy's core attributes of the future Joint Force also point to this new warfighting approach. The Strategy directs U.S. Armed Forces to become more *lethal, resilient, agile, and ready.* These terms have specific meanings, all designed to shift to a force able to fight through contested operational environments to deny the opponent's theory of victory:

- *Lethality* refers to the Joint Force's ability to strike at enemy maneuver forces without the kind of all-domain dominance the United States military has enjoyed over the last generation. Going forward, the Joint Force must be increasingly lethal in its ability to strike at key Chinese or Russian forces from the beginning of hostilities, even through dense air defense and other A2/AD networks.
- *Resilience* refers to the ability of the Joint Force and its enabling infrastructure to operate and achieve its objectives even in the face of determined and sophisticated multi-domain attack.
- *Agility* refers to the Joint Force's ability to become more operationally unpredictable while remaining strategically predictable, forcing the opponent to fear when, where, and how U.S. Forces might appear and act rather than being able to anticipate when, where, and how they will perform.
- *Readiness* refers to the preparedness of the Joint Force on short notice to contest Chinese or Russian attempts to implement their theories of victory. This is a more narrow definition of readiness than that often used in defense discussions, one focused more on readying the Joint Force more for specific missions rather pursuing full-spectrum preparedness. Under the NDS approach, some units may not need to be highly ready; those crucial to blunting Chinese or Russian attacks against vulnerable allies, on the other hand, will need to be at a high pitch of preparedness.

To be realized and translated from concept into prepared forces, however, the Global Operating Model and these attributes *require new operational concepts* focused on these objectives and derived through rigorous gaming, experimentation, and training. These new concepts should be designed to overcome the operational problems laid out in the classified version of the Strategy.

Force Structure: Size, Shape, and Composition

The Strategy has marked implications for the size, shape, and composition of the Joint Force. Most significantly, the Strategy places a clear prioritization on being able to deter and, if necessary, to prevail over a major power adversary like China *or* Russia in a strategically significant, plausible scenario. Consequently, it prioritizes ensuring that the United States Armed Forces are able to win a fight over Taiwan or the Baltics before investing in the capacity to fight two wars simultaneously. This is only logical; losing the war in the primary theater would render

success in any secondary theaters either fleeting or futile. Being able to fight two or more wars simultaneously is a good, but it is a good subordinate to that of winning in the primary, decisive fight.

Accordingly, the Strategy, as Secretary Mattis put it, prioritizes "capability over capacity"—or, put another way, *"capable capacity."* That is, the Joint Force must focus on what it takes to beat China or Russia in a key, plausible scenario—and this means enough forces of high caliber combined with attritable lower-end assets. This in turn requires budgets that prioritize manned and unmanned forces optimized to fight China or Russia over increases in personnel, force structure, and legacy systems best suited for taking on Saddam Hussein's Iraq or Slobodan Milosevic's Serbia. At the same time, it puts high emphasis on developing and fielding lower-cost and more sustainable ways of conducting secondary missions, such as operations against non-state actors in places like the Middle East.

Force Employment

The Strategy focuses on readying the Joint Force for plausible conflicts with China or Russia—precisely in order to deter them. The problem is that the Joint Force is not as ready for such conflicts as it should be. Instead, United States Forces have been focused on operations in the Greater Middle East and a wide variety of "shaping" missions, especially since 2001.

This must change. *The Joint Force needs to prioritize readying for major war against China or Russia*—through realistic exercises (including with allies) and training at places like Red Flag, Top Gun, and the National Training Center, as well as through needed rest and recuperation amidst a demanding readiness improvement schedule.

By necessity, this requires that *the Joint Force also do less* of these "shaping" and other secondary activities, and especially that the primary forces needed for major war be largely spared such duties. Continuing the current pace of operations and patterns of employment, such as using F–22s and B–1s over Syria and Afghanistan, will expend the readiness of the Joint Force on these peripheral missions rather than augmenting it against China and Russia.

In summary, *U.S. Armed Forces should become, as in most of the Cold War, primarily a training and readiness-oriented force prepared for war against a near-peer opponent, and not, as in the post-Cold War period, a military largely focused on operations in the Middle East and on "shaping" activities.*

Posture

The Strategy represents a reemphasis on forward presence—but a forward presence of a particular kind. *It is not about presence for its own sake or for symbolic or reassurance purposes.* Rather, it is about *combat-credible forward forces*—that is, forces that are or can rapidly get forward, survive a withering Chinese or Russian assault, and blunt the adversary's aggression. And it about is bases, operating locations, and logistic networks that can perform their missions in support of these goals even under heavy and sustained enemy attacks.

In the Pacific, this means investing in base defenses—including not only missile defenses but also camouflage, hardening, deception techniques, and other passive measures—that can make our relatively small number of bases more resilient, while also investing in a wider range of primary bases as well as secondary and tertiary operating locations throughout maritime Asia.

In Europe, posture is crucial. Much of the threat posed by the Russian theory of victory is due to the anachronistic placement of United States and allied forces, which reflects a pale fraction of the pre-1989 force laydown trapped in amber. Accordingly, the Strategy calls for a substantial near-term investment in rectifying the deficiencies in our deterrent and defense for Eastern Europe. This includes posturing more heavy equipment and advanced munitions in key places in Europe and readying allied infrastructure in Eastern Europe for rapid reinforcement.

Relationships with Allies and Partners

Another category of crucial changes initiated by the NDS is in our defense relationships with our allies and partners. The Strategy is clear: the era of untrammeled United States military superiority is over, yet we face not only high-end threats from China and Russia but also serious threats from North Korea, Iran, and terrorists with extra-regional reach. *We simply cannot do this all by ourselves.* This means that rebalancing our alliances and empowering new partners is not only a matter of equity—as important as these are—but of strategic necessity. *We need our allies and partners to contribute real military capability* both to deterring China and Russia directly as well as to handling secondary threats.

This entails significant changes in how we deal with our allies and partners. We need to empower our allies as well as partners like India, Vietnam, Indonesia, and

the United Arab Emirates to be able to defend themselves better from Chinese or Russian coercion, to handle secondary but still important shared threats with less United States involvement, or both.

Accordingly, we should see much more streamlined and liberalized procedures for arms and technology sales and transfers as well as for more intelligence sharing. States that share our broad interests, including ones, like Vietnam, with which we do not always agree, should be able to purchase military equipment more rapidly and with greater confidence in the sustainability and reliability of purchasing from the United States.

III. WHAT SHOULD SUCCESSFUL IMPLEMENTATION OF THE NDS LOOK LIKE IN THE NEAR TERM?

What, then, should successful implementation of the NDS look like in the near term? The measures laid out below, while by no means exhaustive, would represent meaningful progress toward the fulfillment of the Strategy.

Warfighting Approach

The Department must make progress on developing innovative operational concepts. These must be oriented on overcoming the operational problems identified in the Strategy in ways that favorably manage escalation and achieve our national political-strategic ends.

Unfortunately, as the NDS Commission noted, there is little evidence that the Department has yet made meaningful progress on developing these new operational concepts.[5] Congress cannot make informed judgments about the Department's budget request and other authorization issues without understanding the Department's approach to developing such concepts, however, since they are vital to determining what capabilities the Department needs and what the Joint Force's composition and size should be.

- In this context, Congress might request a formal report from the Department on the state of its progress on developing novel operational concepts designed to deal with the operational problems identified in the Strategy.

Force Structure/Budget

The Department's fiscal year 2020 budget proposal is the first designed from its inception under NDS guidance. As Acting Secretary Shanahan has indicated, this should be the "masterpiece" budget in terms of implementing the NDS. The budget should therefore reflect measurable progress in realizing the NDS vision. *This in particular means budgets and programs should be demonstrably linked to improving the Joint Force's performance in the most stressing, strategically significant potential warfights against China or Russia. In practice, in the near term this should mean significant investments in augmenting capability rather than growing the size of the Joint Force, including in the FY20 budget.*[6]

Key indicators of progress in the budget request toward implementing the NDS would include, but are not limited to:

- Rectifying clear, major shortfalls for key scenarios (especially Taiwan and the Baltics) through:
  - o Procurement of substantial numbers of munitions designed to increase the existing Joint Force's lethality against Chinese invasion or Russian maneuver forces, such as longer-range anti-ship missiles (e.g., the Long-Range Anti-Ship Missile), longer-range air-launched cruise missiles (e.g., the Joint Air-to-Surface Standoff Missile-Extended Range), and guided anti-armor weapons for attacks on ground maneuver forces. These types of munitions are must-buys to increase the defensibility of Taiwan and the Baltics.
  - o Sustained and substantial investment in augmenting threatened base and logistic network defense and resilience. This includes adequate active defenses for key bases and nodes (e.g., the Army's Indirect Fire Protection Capability, Increment 2) but also especially passive defenses to increase their resilience (e.g., funds for hardening, decoys, camouflage, deception techniques, et al).
- More robust space-based, airborne, and terrestrial assets for conducting surveillance and reconnaissance to support situational awareness, battle management, and targeting in heavily contested environments.

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[5] *Providing for the Common Defense,* vii.

[6] I highly commend to the Committee's attention an excellent short list of key top priority investment areas designed to address the National Defense Strategy's requirements in David A. Ochmanek, "Restoring U.S. Power Projection Capabilities: Responding to the 2018 National Defense Strategy," Arlington, VA: The RAND Corporation, 2018, 10–11.

- Funding for a "high-low" mix of highly capable, lethal, and survivable platforms (e.g., penetrating aircraft and munitions, space systems, and attack submarines) and more attritable systems designed to complement and enable these more expensive platforms (e.g., lower cost unmanned aerial and underwater systems and smaller satellites).
- Investment in lower-cost systems and formations for secondary and tertiary missions. These include but are not limited to:
  - o Light-attack aircraft, including potentially unmanned such platforms.
  - o Smaller, tailored Army formations on the model of the Security Force Assistance Brigade (SFAB) optimized for training and assisting partner militaries.
- Reduction and, wherever possible, elimination of forces that are not survivable and useful in a high-end scenario and are too expensive for economical employment in low-end operations.
  - o The Department's cancellation in FY2019 of JSTARS—a platform of dubious utility in a potential conflict with China or Russia—was an important step forward in this vein.
- The Congress should consider providing authorization and resourcing to enable the Secretary of Defense to reserve a substantial fund of money to be awarded to Services and other entities based on proposals they submit that hold promise in addressing the key operational problems laid out in the Strategy.[7] This would encourage the development of innovative programs to deal with the challenges prioritized in the NDS.

Force Employment

The Joint Force is not ready enough for major war with China and Russia. As this is the most important and dangerous security threat affecting our national interests, rectifying this shortfall must be the primary goal of the Joint Force's activities. Such activities should include:

- Focus Joint Force activities on high-end training and invest in improving training facilities and techniques to prepare the Joint Force for high-end combat against China and Russia.
- Conduct exercises, including with allies in Europe and Asia, designed to actually test the Joint Force and allies' readiness to fight and prevail against Russia or China.
  - o Such exercises should be designed in light of the Global Operating Model's framework to demonstrate the ability of United States and allied forces to blunt Chinese or Russian fait accompli strategies, including through falling in on prepositioned stocks and engaging the adversary quickly.
    - For example, in EUCOM, focus NATO alliance exercises much more on high-end fighting.

Given how demanding improving the Joint Force's readiness for major war with China or Russia will be, United States forces must consequently do less of everything else not connected to that goal. Accordingly, the Congress should expect the Department to propose to:

- Reduce activities not connected to this priority goal, including a wide range of exercises; shaping, assurance and presence missions and operations.

Posture

In both Europe and Asia, United States posture is not optimized to deal with our potential adversary's theories of victory. Accordingly, *the NDS calls for a substantial increase in investment for European posture designed to quickly and materially address the imbalance in military power on NATO's Eastern flank and improve the Alliance's ability to defeat a Russian fait accompli strategy, followed by a plateauing of this investment in the medium term to focus on the more substantial long-term Chinese threat.* In Asia, in addition to resources for making bases and operating locations more defensible and resilient, investment should focus on increasing options for operating locations throughout maritime Asia and the Western and Central Pacific.

- Congress should expect and require investments in the European Deterrence Initiative and within Service budgets to continue to go toward enhancing the combat-credibility of United States forces in Europe and the ability of Surge Layer forces to fall in on prepositioned stocks in the event of crisis or conflict.

[7] David A. Ochmanek, "Improving Force Development Within the U.S. Department of Defense: Diagnosis and Potential Prescriptions." Arlington, VA: The RAND Corporation, 2018.

- o This should include prepositioning heavy equipment and advanced munitions.
- Congress should expect near-term growth in investments in our European deterrent and defense posture but a plateauing of this investment over the coming years as United States and NATO posture, capability, and readiness against the Russian threat improves.

Ensuring Clear and Consistent Guidance for the Department

There is a significant problem within the Department of Defense with the proliferation of strategic guidance. Candidly, there is too much guidance and it is not as rigorously aligned as it should be. Too much guidance is redundant at best and at worst confusing, conflicting, and detrimental to effectively aligning the Department behind leadership intent.

The National Defense Strategy, the document established by Congress and embraced by Secretary Mattis and Acting Secretary Shanahan as the Secretary of Defense's preeminent strategic guidance, provides clear guidance not only at the high political level but also in terms of force structure and composition, development, employment, and posture. It establishes clear priorities and identifies areas for reducing emphasis. In addition, the Secretary's Defense Planning Guidance (for budget and force development) and Guidance for the Employment of the Force/Contingency Planning Guidance (for force employment) provide clear follow-on specialized guidance.

Every other document issued by subordinate officials—civilian and uniformed—in the Department should closely and clearly reflect these priorities. Yet this is not always the case, resulting in confusion, stasis, or misaligned activities.

Congress can help rectify this problem by:

- Expressing its view that the Defense Planning Guidance and Guidance for the Employment of the Force/Contingency Planning Guidance clearly and effectively ensure the implementation of the National Defense Strategy in their respective domains.
- Providing for clearer lanes in the road for the documents issued by the Chairman of the Joint Chief of Staff. In particular:
  - o Providing a clearer, more narrowly scoped purpose for the National Military Strategy, and specifically providing that it focus on realizing the military dimensions of the National Defense Strategy. This should include a clear focus on operational concept development, a core military responsibility.
  - o Clarifying that the Chairman's Program Recommendations and Global Campaign Plans should be derived from the Defense Planning Guidance and Guidance for the Employment of the Force/Contingency Planning Guidance, respectively.

Allies and Partners

Allies and partners are key to the success of the Strategy. They must understand and buy in to the Strategy for it to succeed. And they must be able to obtain the arms, technologies, and intelligence necessary to integrate with our Strategy.

Congress can help encourage this crucial element of the Strategy by:

- Advocating for a releasable version of the classified Strategy to be shared not only with close allies but also the broader set of allies and partners crucial to the Strategy's success.
- Reduce barriers to selling or providing financing for purchases of arms consistent with the Strategy (such as systems useful for developing indigenous A2/AD networks) to the wider range of allies and partners identified in the Strategy, such as India, Vietnam, and Indonesia. To realize this goal, Congress could:
  - o Ensure that strategic considerations predominate in interagency and congressional decisions and authorizations about whether to sell arms and transfer technologies (consistent with security concerns).
  - o Remove CAATSA penalties and barriers for partners such as India, Vietnam, and Indonesia. China is the most significant strategic challenge the United States faces. Penalizing partners crucial to helping us check Chinese assertiveness not only inhibits their ability to do so, but actively alienates them. It also undermines our long-term ability to shift these states away from their historical reliance on Russian arms sales toward our own and friendly states' defense industries.
    - Moreover, the best way to deal with the military threat posed by Russia is to augment our posture and forces in Europe, not to penalize partners that have historically relied on Soviet/Russian arms.

There are several allies and partners on which the Committee could most productively focus in light of their unique importance. Taiwan is especially significant because it is the most vulnerable member of the United States alliance and partnership architecture, especially over time, and because its own behavior is crucial to its defensibility. Japan and Germany, meanwhile, are the largest economies among United States allies. Greater and more focused defense effort from Tokyo is essential to the allied defense posture in the Indo-Pacific in light of the continuing military build-up by China. A cognate increase in effort by Berlin, meanwhile, is crucial to developing a more equitable and thus more politically sustainable NATO defense posture.

- The United States is committed to the defense of Taiwan against unprovoked aggression, but Taiwan itself must demonstrate much greater commitment and seriousness in providing for its own defense. Congress can help by ensuring the Administration provides and implements substantial defense sales to Taiwan that are in conformity with an asymmetric strategy along the lines of Taiwan's new Defense Concept.
  - o While Taiwan's defense spending has inexcusably lagged, President Tsai Ing-wen's administration has committed to increased defense spending. Congress should encourage this and urge Taipei to fulfill its pledge.
  - o Taiwan needs help from the United States to help defend itself. The Congress should therefore ensure defense sales and transfers to Taiwan are regular and actually useful for Taiwan's defense.
  - o In particular, Taiwan needs to shift from a legacy force toward an asymmetric one capable of blunting and degrading a Chinese invasion or blockade. In particular, this means a shift from a focus on procuring vulnerable, big-ticket items like short-range aircraft and surface ships to an emphasis on A2/AD systems that can degrade a Chinese invasion or blockade and buy time for United States intervention. This entails Taiwan focusing on procuring short-range UAVs, coastal defense cruise missiles, sea mines, mobile air defense systems, and rocket artillery.
  - o Taiwan's Tsai administration has endorsed this approach but faces internal resistance, often political or bureaucratic in nature. To help, Congress should applaud Taiwan's shift to this new Defense Concept and ensure United States defense sales and transfers to Taiwan are consistent with the asymmetric strategy.
- Congress can applaud and support allies and partners that are working to align with the National Defense Strategy, and encourage others to do so. It can do so through direct engagements both here and on Congressional Delegations (CODELs). In particular:
  - o Japan's level of defense spending is far too low for the threat environment it faces, and inconsistent with a mature, equitable alliance relationship with the United States. The administration of Prime Minister Shinzo Abe has, however, been working hard to change this, and deserves support.
    - • Moreover, Japan's new National Defense Planning Guidelines are a cardinal example of an allied strategy that is very much in line with the National Defense Strategy.
    - • Thus, while Congress should continue to press Japan to increase its defense spending, it should applaud Japan for its new Guidelines and its efforts to bring Japan's defense efforts into conformity with the security conditions it faces and an appropriate and sustainable alliance relationship with the United States.
  - o Germany has lagged behind its obligations to NATO collective security for several decades. During the Cold War, the Bundeswehr was the most capable NATO military, save that of the United States. Yet Germany effectively almost demilitarized after the Cold War, and today is incapable of meaningfully contributing directly to the collective defense of NATO's newer entrants—a collective defense from which the Federal Republic benefited so greatly during the Cold War.
    - • But Germany appears to have turned a corner, and Berlin has recommitted its military to the NATO collective defense mission and to increasing its defense spending from 1.2 percent to 1.5 percent of GDP by 2031. This is not enough, but it is a start that deserves support.
    - • Congress could, while encouraging Germany to continue to increase defense spending, applaud the Federal Republic for its commitments and renewed seriousness in the service of NATO defense.

Defense Spending

Adequate funding is crucial for successful implementation of this Strategy, and thus for defending America's interests abroad. *Hard choices in the Department's programs and operations are necessary simply to keep up with the Chinese and Russian military challenge; they are not a basis for a smaller defense budget.*

As Secretary Mattis regularly put it, "the United States can afford survival."[8] The Congress should therefore insist that the Department follow through on the hard choices laid out in the Strategy but also provide the substantial and consistent funding needed to realize it.

An Active Congress and Senate Armed Services Committee

Congress—and especially this Committee—played a crucial role in setting the conditions for success for the NDS, including by sending a clear signal of the importance of prioritization and providing for a classified version of the Strategy. *The NDS is as much Congress' Strategy as the Department's.*

Because of Congress' tremendous importance in the Nation's defense, realizing the strategic shift initiated by the NDS will require Congress to play a central role.

Most importantly, Congress and especially this Committee can continue to make clear, as Chairman Inhofe has already indicated, its strong and continued support for the National Defense Strategy. This is especially important and timely in light of the leadership transition in the Department.

- *In this vein, the Committee should ensure that the next nominee for Secretary of Defense commits to advancing and implementing the National Defense Strategy.*

Congress can also support and enable the implementation of the Strategy by both supporting the Strategy's hard choices and providing adequate and consistent levels of funding to the Department.

This is central because what differentiates the NDS from run of the mill strategic documents is not only its clear, overriding focus on the major contemporary security challenge the Nation faces—great power competition—but also the hard choices reflected in the Strategy that Congress demanded and that the Department's leadership made. The Strategy reflects the understanding that the demands of preparing for great power competition require conducting secondary missions in a more economical way.

Saying that great power competition is important but failing to delineate clearly what not to do effectively undermines the ability to genuinely prioritize on this most pressing challenge. *If the political leadership of the Department is unwilling to say with some precision not only what the Department's priority is but also where risk can be taken and cuts can be made, no one below them will do so—nor should they be expected to do so. It is the job of the political leadership of the Department to assume responsibility for those hard calls and credibly communicate those decisions to subordinate echelons.* Secretary Mattis and Acting Secretary Shanahan—in what is probably an unprecedented act (at least in the post-Cold War era) of leadership—did exactly this.

Congress' support for these hard choices—and thus for actually prioritizing great power competition—is crucial and equally commendable.

- Congress should therefore work with the Department to support and authorize, as appropriate, the Department's implementation of the hard choices reflected in the Strategy.

There is no better forum than this Committee for ensuring that serious deliberation over the Nation's crucial defense matters receives the official and national attention it deserves. This Committee does not need to attempt to dictate the right answers to the Department, but it can ensure the right issues are being soberly and expertly discussed and highlighted, as it did during the 1970s and 1980s.

- In this vein, the Committee could hold both closed and open hearings on key issues that require attention, featuring both Department officials and outside experts, such as:
  - o The results of the most recent and authoritative assessments of key conflict scenarios;
  - o New operational concepts;
  - o New ways of performing missions in secondary theaters, such as the Middle East, more economically; and

[8] Speech by Secretary of Defense James Mattis at The Reagan National Defense Forum, December 1, 2018.

- o Improving interoperability with allies and partners to defeat Chinese and Russian theories of victory.
- In addition, the Committee could help communicate more effectively to and with the American public concerning the serious and growing threat posed by great power military competition—and, given its size and sophistication, China in particular—and why this challenge demands priority even as our national security infrastructure continues to manage threats from terrorists and "rogue states."
- At the same time, it is crucial that the National Security Strategy and National Defense Strategy priorities be reflected across government. The Committee could therefore work with the Senate Foreign Relations Committee and Senate Select Committee on Intelligence to ensure strategies and efforts are aligned, a crucial part of ensuring the United States effectively expands the competitive space.

Conclusion

The 2018 National Defense Strategy represents a fundamental shift in our country's defenses. Its core purpose was to identify and anticipate the most consequential and dangerous threats to our Nation's interests, provide clear and actionable guidance to the Department of Defense as to how to maintain effective deterrence and defense against those threats, and by implementing these decisions stand the best chance of preserving a favorable peace in the coming years. It is a Strategy that directs hard choices and rigorous prioritization now, so that we may balance the power of a rising China and check a revanchist Russia. Failing to make those hard choices and investments now will not relieve us of the obligation to make them—it will only make them harder and costlier in the future.

Chairman INHOFE. Excellent statement. Thank you very much. Mr. Ratner?

STATEMENT OF ELY RATNER, EXECUTIVE VICE PRESIDENT AND DIRECTOR OF STUDIES, CENTER FOR A NEW AMERICAN SECURITY; AND FORMER DEPUTY NATIONAL SECURITY ADVISOR TO THE VICE PRESIDENT

Dr. RATNER. Mr. Chairman, Ranking Member Reed, distinguished members of the Committee, thank you for the opportunity to be here today to discuss a topic of vital importance to the United States.

For today's hearing, I was asked to provide a comprehensive assessment of United States strategic competition with China across all of its manifestations, and my written testimony includes 20 recommendations for Congress, including in economic, ideological, and military domains.

I would like to use my opening statement, however, to talk about the big picture because if we aspire to do what is necessary as a Nation to rise to the China challenge, it is imperative that our leaders and the American people have a clear understanding of what is at stake. Let me begin with five top-line observations.

First, the United States and China are now locked in a geopolitical competition that will endure for at least the next decade. United States-China competition is structural and deepening. What we are experiencing today is not an episodic downturn in the United States-China relationship, nor is the current rise in tensions primarily due to President Trump or his administration. The United States, the United States Congress, and the American people should be preparing now for long-term competition with China.

Second, the United States, on balance, is currently losing this competition in ways that increase the likelihood not just of the erosion of United States power, but also the rise of an illiberal Chinese sphere of influence in Asia and beyond. The emergence of a

China-led order would be deeply antithetical to United States values and interests, and the net result would be a less secure, less prosperous United States that is less able to exert power and influence in the world.

Third, to avoid these outcomes, the central aim of United States strategy in the near term should be preventing China from consolidating an expansive and illiberal sphere of influence. It is essential that the United States stop China from exercising exclusive and dominant control over key geographic regions and functional domains.

Fourth, the U.S. Government is still not approaching this competition with anything approximating its importance for the country's future. While I support the overall thrust of the Trump administration's China policy, as articulated in the National Security Strategy and the National Defense Strategy, it is also the case that many of the Trump administration's foreign and domestic policies, for instance, on alliances, international institutions, trade, human rights, and immigration, do not reflect a government committed to enhancing American competitiveness or sustaining power and leadership in Asia and the world. In key areas, I would characterize the Trump administration's China policy as being confrontational without being competitive.

Fifth, despite current trends, the United States can still prevent the growth of an illiberal China-led order. Continued Chinese advantage in the overall competition is by no means inevitable. The United States can successfully defend and advance its interests vis-á-vis China if Washington can muster the right strategy, sustained attention, and sufficient resources.

With that context, I would like to use the balance of my time, Mr. Chairman, to describe four essential tenets that should guide U.S. strategy going forward.

First, the foundations of American power are strong, and we should be approaching this competition from a position of confidence. The United States continues to possess the attributes that have sustained our international power and leadership for decades. Our people, demography, geography, abundant energy resources, dynamic private sector, powerful alliances and partnerships, leading universities, democratic values, and innovative spirit give us everything we need to succeed if only we are willing to get in the game.

Second, rising to the China challenge is ultimately about us, not them. Preventing China from developing an illiberal sphere of influence does not require mounting a Cold War-style containment strategy. Instead, the United States Government should be focused on enhancing American competitiveness to defend and advance U.S. interests in key geographic regions and functional domains. How the United States fares in its competition with China will ultimately depend on America's own competitiveness.

Third, we have to compete across all domains of the competition, including military, economics, diplomacy, ideology, technology, and information. It would be a mistake to approach our China policy as siloed and tactical responses to particular problems. Whether we are talking about the South China Sea, intellectual property theft,

or human rights, succeeding on any individual issue will require strength and sophistication across all areas of the competition.

Fourth and finally, maintaining a bipartisan consensus on China will be essential to America's long-term success. Fortunately, there appears to be strong and growing bipartisan support for a more competitive U.S. response. It is imperative that this bipartisanship endure in the years ahead. U.S. leaders, including on Capitol Hill, should view bipartisanship as a necessary and core feature of United States-China policy.

Mr. Chairman, I look forward to your questions and to discussing my policy recommendations in more detail. Thank you again for the opportunity to be here today.

[The prepared statement of Dr. Ratner follows:]

PREPARED STATEMENT BY DR. ELY RATNER

I. STRATEGIC ASSESSMENT

Chairman Inhofe, Ranking Member Reed, distinguished members of the Committee, thank you for the opportunity to discuss a topic of vital importance to the United States. I want to begin with five key observations on the current state of strategic competition between the United States and China:

1) *The United States and China are now locked in a geopolitical competition that will endure for at least the next decade.* United States-China competition is structural and deepening across the central domains of international politics, including security, economics, technology, and ideology. What we are experiencing today is not an episodic downturn or cyclical trough in the United States-China relationship, nor is the current rise in tensions primarily due to President Trump or his administration. The United States, the United States Congress, and the American people should be preparing for long-term competition with China.

2) *The United States, on balance, is currently losing this competition in ways that increase the likelihood not just of the erosion of United States power, but also the rise of an illiberal Chinese sphere of influence in Asia and beyond.* How this competition evolves will determine the rules, norms, and institutions that govern international relations in the coming decades, as well as future levels of peace and prosperity for the United States. There is no more consequential issue in U.S. foreign policy today. Should the United States fail to rise to the China challenge, the world will see the emergence of a China-led order that is deeply antithetical to United States values and interests: weaker United States alliances, fewer security partners, and a military forced to operate at greater distances; U.S. firms without access to leading markets, and disadvantaged by unique technology standards, investment rules, and trading blocs; inert international and regional institutions unable to resist Chinese coercion; and a secular decline in democracy and individual freedoms. The net result would be a less secure, less prosperous United States that is less able to exert power and influence in the world.

3) *To avoid these outcomes, the central aim of United States strategy in the near term should be preventing China from consolidating an illiberal sphere of influence in vital regions and key functional domains.* It is imperative that the United States stop China's advances toward exerting exclusive and dominant control over key geographic regions and functional domains. Only once the United States halts China's momentum—and in doing so reassures the world about America's commitment to its traditional leadership role—can Washington conceivably construct a durable and favorable balance of power. This does not mean mounting a Cold War-style containment strategy that seeks to roll back or weaken China. Instead, where China would otherwise develop harmful forms of dominant control, the United States should seek to build "spheres of competition" to contest strategic areas. U.S. policy should focus on enhancing American competitiveness to defend and advance U.S. interests within these vital spheres of competition.

4) *The U.S. Government is not approaching this competition with anything approximating its importance for the country's future.* Much of Washington remains distracted and unfocused on the China challenge. The Trump administration sounded some important notes in its first National Security Strategy and National Defense Strategy, and there are strategic thinkers and sophisticated analysts inside the Trump administration who are attempting to piece together a more competitive strategy. That being said, many of the Trump administration's foreign and domestic

policies (for example on alliances, international institutions, trade, human rights, and immigration) do not reflect a government committed to enhancing American competitiveness or sustaining power and leadership in Asia and the world. In key areas, the Trump administration's China policy is confrontational without being competitive.

5) *Despite current trends, the United States can still prevent the growth of an illiberal order in Asia and internationally.* Continued Chinese advantage in the overall strategic competition is by no means inevitable. In fact, the United States can successfully defend and advance its interests with a concerted effort that brings together the right strategy, sustained attention, and sufficient resources. Moreover, China has its own substantial vulnerabilities, particularly compared to the robust and enduring foundations of American power. As much as China's diplomats and propaganda organs have complained bitterly about United States officials speaking in more competitive terms, it is no secret that Beijing has been intensely focused on strategic competition with the United States for decades. In fact, China has been gaining ground across the geopolitical competition primarily because it has most often been the only side competing.

II. HOW WE GOT HERE AND WHAT'S AT STAKE

United States policy toward China since the end of the Cold War was predicated on steering its development and shaping the regional environment such that Beijing would ultimately decide not to challenge United States dominance in Asia. At its core, it was a strategy for preventing a China challenge from ever surfacing in the first place. This approach was guided by the promise that economic modernization and interdependence would lead to political and market reforms internally, while also creating overwhelming incentives for China to integrate into the prevailing international order. At the same time, given uncertainties about China's intentions, the United States and its allies developed military capabilities to deter Chinese aggression and dissuade Beijing from aspiring to regional hegemony. There have been ongoing debates in Washington about which element merited greater emphasis, but this combination of "engagement" and "balancing" served as consensus United States strategy toward China for decades after the end of the Cold War.

This policy approach was valid as long as there were indications that it was working—or at least enough ambiguity and uncertainty about China's future behavior. Such was the case throughout most of the 1990s and early 2000s, when China adhered to a fairly cautious and conservative foreign policy. But that era has ended, and the results are deeply troubling. Contrary to United States aspirations, China is becoming more authoritarian, the regime is tightening its grip on the economy, and its foreign policies are increasingly ambitious and assertive in seeking to undermine and displace the United States-led order in Asia. [1]

This is not to say that Beijing does not deserve greater voice or influence commensurate with its position as a major power. But there is a difference between greater Chinese power (even China being the most powerful country in the region), and a situation in which Beijing exerts hegemonic control over Asia. The latter would include: the Chinese military administering the South and East China Seas; regional countries sufficiently coerced into not questioning or challenging China's preferences on military, economic, and diplomatic matters; the de facto unification of Taiwan; Beijing with agenda-setting power over regional institutions; a China-centric economic order in which Beijing sets trade and investment rules in its favor; and the gradual spread of authoritarianism, including proliferation of China's model of a high-tech surveillance state. Preventing that future should serve as the central near-term aim of United States-China strategy.

III. GUIDING PRINCIPLES FOR U.S. STRATEGY

As the United States embarks on blunting China's efforts to establish an illiberal order, it should do so with the following four tenets:

1. *The foundations of American power are strong:* We should be approaching the China challenge from a position of confidence. Despite all the pessimism about American dysfunction and decline, the United States continues to possess the attributes that have sustained its international power and leadership for decades. Our people, demography, geography, abundant energy resources, dynamic private sector, powerful alliances and partnerships, leading universities, democratic values, and in-

[1] See Kurt Campbell and Ely Ratner, "The China Reckoning: How Beijing Defied American Expectations," Foreign Affairs, March/April 2018, *https://www.foreignaffairs.com/articles/united-states/2018–02–13/china-reckoning.*

novative spirit give us everything we need to succeed if only we're willing to get in the game.

2. *Rising to the China challenge is ultimately about us, not them:* Since the end of the Cold War, United States policy toward China has sought to open its society and economy, while also encouraging it to become a responsible member of the international community. Instead, we find ourselves today confronting an increasingly illiberal, authoritarian, and revisionist power. We should expect that China will continue heading in this direction (at least) as long as Xi Jinping and the Chinese Communist Party are in charge. It is therefore no longer viable for the United States to predicate its strategy on changing China. Rather, how the United States fares in its strategic competition with China will ultimately depend on our own competitiveness, which means we need to be committed and focused on enhancing our national strength and influence.[2]

3. *We need a comprehensive China strategy across all domains of the competition:* Regardless of the specific topic—Chinese economic coercion, human rights, or the South China Sea—the United States needs a comprehensive strategy that enhances U.S. competitiveness across all domains of the competition, including military, economics, diplomacy, ideology, technology, and information.[3] It would be a mistake to approach our China policy as siloed and tactical responses to particular problems. Succeeding on any individual issue will require strength and skill across all areas of the competition.

4. *Building and sustaining a bipartisan consensus on the China challenge will be of utmost importance to America's long-term success:* Fortunately, there currently exists a strong degree of bipartisan support for a more competitive U.S. response. It is imperative that this bipartisanship endure in the years ahead. Political fissures on China will have at least three negative consequences: inhibiting the ability of the United States Government to focus attention and resources on the China challenge; undermining the necessary confidence of United States allies and partners that they should side with an America willing to confront China's revisionism; and creating openings for Beijing to divide and conquer within the United States political system. U.S. leaders, including on Capitol Hill, should view bipartisanship as a necessary and core feature of United States-China policy.

IV. RECOMMENDATIONS FOR CONGRESS

This section contains 20 recommendations for Congress divided between the economic, ideological, and security domains of the competition.

Economic Competition

1. *Congress should hold hearings to re-examine the costs and benefits of rejoining the Trans-Pacific Partnership (TPP), now known as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).*

United States exclusion from regional trade agreements in Asia will have both economic and strategic consequences for the United States. Now that the CPTPP is in force, U.S. businesses and workers will begin to suffer the costs of trade diversion away from the United States. At the same time, the negative externalities of China's expanding power and influence are growing larger in the absence of United States economic leadership. With no viable alternative to a future defined by China-led economic order, countries in the region are increasingly reluctant both to partner with the United States and to resist China's acts of coercion, most notably in the South China Sea. Similar dynamics are emerging elsewhere, where this trend is repeating itself in South Asia, the Middle East, and even parts of Europe and Latin America. United States efforts to set high-standard trade and investment rules, knitting together TPP with the Transatlantic Trade and Investment Partnership (TTIP) with Europe, would bracket both sides of the Eurasian continent, thereby reducing China's coercive leverage, resisting the spread of illiberalism, and creating political space for continued security cooperation with the United States. The Trump administration's strategy of pursuing a "free and open Indo-Pacific region" is the right framework, but it will fail without an economic component on par with the scale and scope of TPP. The politics of this are obviously difficult right now in the United States, but both political parties need to find a way back to supporting fair and high-standard multilateral trade deals. Congress should revisit the costs

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[2] Daniel Kliman, Elizabeth Rosenberg, and Ely Ratner, "The China Challenge," 2018 CNAS Annual Conference, June 21, 2018, *https://www.cnas.org/publications/commentary/the-china-challenge.*

[3] Ely Ratner, "Rising to the China Challenge," Testimony before the House Armed Services Committee, February 15, 2018, *https://www.cfr.org/report/rising-china-challenge.*

and benefits of remaining outside these agreements, while also articulating what specific adjustments would be required to garner political support in Washington. By refusing outright to join regional trade agreements, the United States is inviting continued Chinese economic coercion and, ultimately, Chinese dominance of Asia and beyond.

2. *Congress should support and enhance non-tariff tools of economic statecraft to respond to China's illegal and unfair trade and investment practices.*

The Trump administration is rightly seeking to address a wide range of unacceptable trade and investment practices by China, including forced technology transfer, intellectual property theft, and market access restrictions. If current negotiations fail, the Trump administration has threatened to widen the scale and scope of United States tariffs on Chinese goods. This would be a mistake. Blanket tariffs are not an effective tool because they are indiscriminate and serve as a tax on American businesses and consumers. Moreover, there is real potential for escalating tariffs to negatively impact the United States 1.economy and financial markets, which would likely spur political divisions and commensurate calls for a return to a less competitive approach toward China. To avoid these outcomes, even when China inevitably falls short in making structural economic reforms, Congress should support the Trump administration's efforts to freeze the tariff war. At the same time, however, the United States Government should also vigorously pursue other tools that include targeted tariffs, investment restrictions, export controls, regulatory changes, greater information sharing with the private sector, and law enforcement actions that curb China's ability to profit from its illicit and unfair behavior. As part of that, Congress should urge the Trump administration to employ Executive Order 13694, which provides authorities for sanctions against companies that have used cyber means to steal intellectual property for commercial gain.

3. *Congress should limit the ability of the Executive branch to levy Section 232 tariffs against U.S. allies and partners on national security grounds.*

The United States should be working with—not alienating—allies and partners to address the China challenge, including sharing information on China's activities, coordinating on trade and investment restrictions, and rerouting global supply chains. It will be exceedingly difficult to address China's coercive, unfair, and illegal trade and investment practices on our own. It was a mistake for the Trump administration to lead with Section 232 tariffs on some of our closest allies, and similarly misguided to threaten auto tariffs against the European Union or withdrawal from NAFTA or KORUS. Instead, the United States needs an international economic strategy that differentiates between allies and strategic competitors. Congress should therefore set limits on the ability of the Executive branch to levy damaging tariffs on close U.S. allies and partners on national security grounds.[4]

4. *Members of Congress should organize bipartisan Congressional Delegations and parliamentary exchanges to engage with key partners on China.*

Recent legislative efforts by the U.S. Congress, particularly on a new investment screening regime, provide important lessons learned for partner governments. Congress can play an essential role in sharing strategies, information, and expertise with partner legislatures that are only beginning to grapple with the issues and complexity associated with confronting China's illiberal and revisionist actions, including on trade and investment. Moreover, doing so in a bipartisan fashion will send a particularly important signal to the world and to China that the United States is politically united on this issue.

5. *Congress should call for bureaucratic reforms inside the U.S. Government, accompanied by an official strategy, to help the United States better organize for China's economic challenge.*

The United States Government is not institutionally configured to deal with the China economic challenge. Congress can help rectify this shortcoming by passing two pieces of proposed bipartisan legislation: one requiring the administration to publish a National Economic Security Strategy; and another that creates a new Office of Critical Technologies and Security to coordinate United States policies in the technology competition with China.

6. *Congress should play an active oversight role in the creation of the new U.S. International Development Finance Corporation (USDFC).*[5]

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[4] Peter Harrell, "Congress must rein in White House economic national security powers," *The Hill,* June 7, 2018, *http://thehill.com/opinion/national-security/390958-congress-must-rein-in-white-house-economic-national-security-powers.*

[5] These recommendations were designed by Daniel Kliman, senior fellow at the Center for a New American Security.

The Trump administration and Congress deserve credit for taking steps to use development finance more strategically. To that end, Congress can play an important role in shaping the new USDFC (stood up as part of the BUILD Act) by ensuring it is optimized for United States competition with China. For example, Congress should encourage the USDFC to: 1) include a strategy office that coordinates with U.S. defense and intelligence agencies; 2) tolerate a degree of risk in high priority regions; and 3) have authority for surge funding for the rapid delivery of development finance when political circumstances warrant.

7. *Congress should appropriate resources for the United States Government to provide technical assistance to potential recipients of Chinese Government financing.*

China's economic carrots and sticks—particularly under the rubric of its Belt and Road strategy—are giving Beijing considerable leverage over security and political issues in third countries, including in Latin America and Europe. It bears underscoring that there is significant global demand for infrastructure, and no viable alternative to replace entirely China's potential provision of resources. That being said, it will run counter to United States interests if recipient countries are subject to corruption and coercion, burdened with commercially non-viable development projects, or caught in debt traps that China exploits for political and strategic ends. The United States should team up with like-minded countries (including Australia, India, Japan, and Singapore) to provide technical assistance to help recipient countries evaluate proposed loans and infrastructure projects. Washington should also consider which existing multilateral institutions could act as a clearinghouse of best practices or a neutral forum to assess Belt and Road projects.[6] Cognizant of potential moral hazard, the United States could also consider working with other advanced economies to make funds available at affordable interest rates for governments stuck in China-induced debts traps. Countries like Sri Lanka and Myanmar should have alternatives to handing over strategic infrastructure to Beijing if they find themselves indebted to China.

8. *Congress should focus on enhancing American competitiveness by continuing to support increases in funding for basic research, formulating strategic immigration and visa policies, and investing in education, among other priorities.*

Ensuring America's continued economic strength and technological leadership is vital to sustaining U.S. competitiveness.[7] The U.S. Government should therefore continue its long tradition of providing seed funding for critical technological breakthroughs. Additional domestic policies focused on enhancing American competitiveness will be critical to the strategic competition with China, including responsible fiscal policies, strategic immigration and visa policies that attract and retain top talent, skills retraining for workers adversely affected by China's predatory economic policies, emphasis on improving STEM education, and efforts to build a bipartisan consensus on the China challenge.

IDEOLOGICAL COMPETITION

9. *Congress should pass the bipartisan Uyghur Human Rights Policy Act.*

China has placed upwards of a million Muslims in internment camps in the western province of Xinjiang, while also instituting an Orwellian surveillance state that interferes and monitors nearly every aspect of private life. These actions are both morally repugnant, and represent a harbinger of a high-tech authoritarian governance model that China is already actively exporting. Holding Beijing to account for this behavior should be a priority for the United States. The United States Congress should therefore pass proposed legislation to ensure that this issue receives the attention it deserves internationally, and to hold both Chinese officials and private companies accountable if they contribute to these unconscionable human rights abuses.

10. *Congress should provide resources and direct the Defense Department to develop the means to circumvent China's "Great Firewall" and make it easier for Chinese citizens to access the global Internet.*

At times, it will be important for the United States to be able to communicate directly with the Chinese people. The United States Government should therefore invest in developing and deploying the technologies necessary to circumvent authori-

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[6] Daniel Kliman and Abigail Grace, "Power Play: Addressing China's Belt and Road Strategy," Center for a New American Security, September 2018, *https://www.cnas.org/publications/reports/power-play.*

[7] Elsa Kania, "China's Threat to American Government and Private Sector Research and Innovation Leadership," Testimony before the House Permanent Select Committee on Intelligence, July 19, 2018, *https://www.cnas.org/publications/congressional-testimony/testimony-before-the-house-permanent-select-committee-on-intelligence.*

tarian firewalls, including in China. This would involve both developing cyber capabilities to disrupt China's censorship tools, as well as finding new ways for citizens inside China to access a free and open Internet.

11. *Congress should review declassification processes and authorities to ensure timely release of relevant intelligence.*

United States intelligence agencies regularly acquire information about China's illiberal, illegal, and otherwise counter-normative behavior against its own people and abroad. Too often, this information is unnecessarily classified and withheld from U.S. policymakers, the American people, and U.S. allies and partners. Selective declassification of certain information would better inform the United States public and the international community about the often corrupt and abusive domestic and foreign policies of the Chinese Communist Party. Congress should therefore consider when it may be appropriate to loosen declassification processes and authorities to engage in more effective U.S. information operations.

12. *Congress should take measures to undermine the Chinese Communist Party's influence operations in the United States.*

There are a number of measures the United States Congress can take to expose and weaken the ability of the Chinese Communist Party to shape discourse and attitudes in the United States. For example, Congress could amend the Foreign Agents Registration Act (FARA) to require greater disclosure of foreign influence operations, while providing additional resources to the Department of Justice for FARA enforcement.[8] Congress should also urge universities, think tanks, and media companies to provide greater transparency and disclosure of projects, institutes, and other resources that are attached to Chinese Government funding. In doing so, it is vitally important that Congress and the United States Government differentiate between the Chinese people and the Chinese Communist Party, targeting counter-influence activities squarely at the latter in rhetoric and practice.

13. *Congress should explore reconstituting a 21st Century version of the U.S. Information Agency.*

The United States should revive its ability to engage in information operations and strategic messaging, which have not featured prominently in United States-China policy for decades. The goal should be to provide a counterpoint to the billions of dollars China spends each year in propaganda to sell a vision of its own ascendancy and benevolence, alongside U.S. decline and depravity. The resulting perceptions of the inevitability of China's rise and of future dependence on China have reinforced Beijing's coercive toolkit. More United States media and information platforms could provide a degree of level setting about the facts and fictions of China's power, expound the strengths of the United States, and cast a more skeptical shadow on certain expressions of Chinese influence, including its governance model, its ideological assertions, and the overall strength of its economy. U.S. information operations could also highlight Xi Jinping's deep unpopularity around the world, as well as his mismanagement of China's economy and failure to deliver on much-needed economic reforms. If creating a new institution like the U.S. Information Agency is not feasible, the U.S. Government will still need more modern and sophisticated information dissemination tools. As part of that effort, Congress should ensure that Radio Free Asia and the Global Engagement Center at the State Department are sufficiently resourced. Alternatively, failing to augment U.S. resources in the information space will make it much more difficult to succeed in other areas of the competition.

14. *When appropriate, Congress should reinforce the Trump administration's public reproach of China by passing sense of the Senate resolutions criticizing China's actions.*

It is essential that the United States Government publicize and criticize China's revisionist behavior. If the United States remains silent during incidents of Chinese coercion and intimidation against foreign governments and private businesses, it is far more difficult for others in the international community to stand firm. Congress can help by naming and shaming acts of Chinese aggression, supporting United States allies and partners, and holding private companies publicly accountable if they are compromising U.S. values and interests for commercial gain.

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[8] See Peter Harrell, "China's Non-Traditional Espionage Against the United States: The Threat and Potential Policy Responses," Testimony before the Senate Judiciary Committee, December 12, 2018. *https://www.cnas.org/publications/congressional-testimony/chinas-non-traditional-espionage-against-the-united-states-the-threat-and-potential-policy-responses.*

SECURITY COMPETITION

15. *Congress should shift and prioritize defense resources for the China challenge.*

The Trump administration's January 2018 *National Defense Strategy* included the critically-important insight that: "Inter-state strategic competition, not terrorism, is now the primary concern in U.S. national security." Congress should endorse this formulation and prioritize defense spending accordingly by supporting a more lethal force, strengthening alliances and partnerships, and reforming the Defense Department to enhance performance and affordability. At the same time, the United States will have to be judicious in how it uses the force. This means being willing to make hard tradeoffs that shift limited United States resources—for example intelligence, surveillance, and reconnaissance assets—from the Middle East and Africa to the Indo-Pacific, and from the war on terror to strategic competition with China. Finally, to sustain America's military advantage in the Western Pacific, Congress should ensure that the future force also includes platforms that are smaller, lower-cost, more expendable, unmanned, and autonomous.

16. *Congress should urge the Trump administration to revise United States declaratory policy in the South China Sea.*

China is steadily moving toward dominance of the South China Sea. China's control of the South China Sea, one of the world's most important waterways, would pose a significant threat to United States commercial and national security interests. China's track record in recent years—willfully blocking freedom of navigation and using economic coercion over political and security issues—is a troubling indicator of how Beijing would likely exploit administrative control over commercial and military access to the area. Moreover, as the main artery between the Pacific and Indian Oceans, the South China Sea is a critical military arena in which a dominant China would have significant leverage over vulnerable chokepoints and sea-lanes, as well as launching pads to project military power beyond East Asia. Despite the stakes, United States policy in the South China Sea remains insufficient, defined primarily by freedom of navigation operations and episodic shows of force. The United States needs a new approach that includes a combination of economic, military, informational, and diplomatic measures.[9]

In the near term, Congress should examine and urge two important changes to U.S. declaratory policy. First, the United States should clarify that the Mutual Defense Treaty with the Philippines covers the South China Sea. In the absence of this change, Philippine officials have indicated that they may seek to renegotiate or even scrap the treaty. It should go without saying that the United States alliance with the Philippines is an essential component of United States strategy in the region (which is also why Beijing is working so hard to break the alliance apart). In exchange for this act of reassurance, the United States could request more robust implementation of the Enhanced Defense Cooperation Agreement (EDCA) signed in 2014 by Washington and Manila.

Second, in the context of China's blatant revisionism, the United States should reexamine its position of neutrality on sovereignty claims in the South China Sea. One option worthy of consideration would be to adopt a "Senkaku model," whereby the United States would recognize administration of certain islands without taking a formal position on the sovereignty claims. This would allow the United States to partner with and support the efforts of other claimants to defend the features they administer, and prevent Chinese administrative control of the South China Sea.

17. *Congress should provide greater resources to help build more capable and independent U.S. allies and partners.*

The U.S. Government should work to boost the military power of United States allies (especially Japan, South Korea, and Australia) and critical partners (including India, Indonesia, Malaysia, Singapore, Taiwan, and Vietnam) by, for instance, loosening restrictions on certain technology transfers and investing more to enhance partner capacity and interoperability. Frontline states should have independent capabilities to act as a first line of deterrence and defense, and the United States should assist partners in developing their own counter-intervention capabilities to ward off Chinese coercion. To do so, Congress should ensure that United States allies and partners associated with the China challenge are receiving an appropriate proportion of United States defense trade and arms transfers, including through for-

[9] Ely Ratner, "Course Correction: How to Stop China's Maritime Advance," Foreign Affairs, July/August 2017, *https://www.foreignaffairs.com/articles/2017–06–13/course-correction. 6*

eign military financing, foreign military sales, and excess defense articles.[10] The new Asia Reassurance Initiative Act (ARIA) was a step in the right direction and should be fully funded, but United States capacity building in the region still pales in comparison to current United States resources going toward building foreign forces in Afghanistan and the Middle East.

18. *Congress should support exemptions under CAATSA for countries seeking to balance against China.*

It is appropriate for the United States to seek to reduce Russian revenue from overseas arms sales. In certain instances, however, the Countering America's Adversaries Through Sanctions Act (CAATSA) is undermining the ability of the United States to create a favorable balance of power in Asia. To be more specific, Russia's diversified security partnerships in Asia (including with India and Vietnam) are strategic assets for the United States. Sanctioning or threatening to sanction these partners undercuts their ability to provide frontline deterrence and defense against China, and damages United States relations with important partners. Moreover, it is not in the interest of the United States to isolate Russia in Asia, which, if successful, could have the effect of forcing China and Russia into a strategic security partnership that would not otherwise exist. Congress should therefore support CAATSA exemptions for Asian powers that are procuring Russian weapons to balance against China. In the longer term, the United States Government should explore what kinds of policies or incentive structures might lead regional partners to willingly diversify away from reliance on Russian systems.

19. *Congress should encourage active "burden-shifting" to China, including in Afghanistan.*

China's interests in security and stability are growing in regions where the United States is expending considerable resources. United States policymakers should map areas where China's interests are rising and, concurrently, the United States is overextended or bearing disproportionate costs. Rather than imploring Beijing to "burden-share" or be a "responsible stakeholder," the United States should consider unilateral measures to reduce its outlay of resources where United States and Chinese goals sufficiently overlap and where China's interests are sufficiently large such that Beijing would be forced to pick up the slack. Afghanistan is the most obvious example. It is no longer justifiable that the United States is sacrificing American lives and spending several billions of dollars a year in Afghanistan while China provides only tens of millions of dollars.

20. *Congress should not support new wars of choice.*

It will be far more difficult, if not impossible, for the United States to succeed in a strategic competition with China if Washington initiates a new war of choice, including against North Korea or Iran. In addition to the horrendous human costs, America's strategic position in Asia and globally would be significantly diminished. United States attention and resources would be devoured at the expense of United States interests in Taiwan, the South China Sea, the East China Sea, and the Indian Ocean. To put it bluntly, starting a war of choice with North Korea or Iran would also be a decision to forfeit strategic competition with China.

Chairman INHOFE. Thank you, Mr. Ratner.

Mr. Wilson?

STATEMENT OF DAMON M. WILSON, EXECUTIVE VICE PRESIDENT, ATLANTIC COUNCIL

Mr. WILSON. Chairman Inhofe, Ranking Member Reed, and distinguished members of the Committee, thank you for the opportunity to testify. I plan to focus on how our allies fit into our strategy.

In an era of great power competition, the United States should adopt a more permanent deterrence posture and bolster its alliances as a strategic comparative advantage over our adversaries. If we are concerned about near-peer competition, rightly so from Russia and China, the United States must not only invest in its own capabilities but also in its global alliance structure.

[10] For example, see Eric Sayers, "Assessing America's Indo-Pacific Budget Shortfall," War on the Rocks, November 15, 2018, *https://warontherocks.com/2018/11/assessing-americas-indo-pacific-budget-shortfall/*.

Polarization within our Nation and tumultuous relations within our alliances risk making the United States look vulnerable to our adversaries. While some of these divisions are real, the United States and its allies are in fact more strategically aligned in grand strategy enjoying the support of Republicans and Democrats than they have been, I would argue, since perhaps 9/11, if not 1989.

Our Nation and its closest friends agree that the great challenge of the 21st Century will be the competition between the free world and authoritarian, corrupt, state-led capitalism, chief among them China and Russia. The National Security Strategy and National Defense Strategy articulate this great power competition clearly, but we still have work to do to implement policies to achieve this strategy. Specifically, we are not as focused on how to bolster our alliances as a key component of our strategy to compete effectively.

To better address the Russian threat, the United States needs to bolster its military presence in Europe to establish what an Atlantic Council task force on the U.S. force posture in Europe calls "permanent deterrence," especially in the Baltics, Poland, and the Black Sea region. Our allies need to be part of this force posture with us. Our policies need to prioritize arms and technology sales and transfers to our allies, and divisions among us cannot become opportunities for Russia to weaken NATO cohesion or resolve.

Our task force argues that Europe has once again become a central point of confrontation between the West and a revisionist Russia. Under Vladimir Putin, Russia is determined to roll back the post-Cold War settlement, undermine the sovereignty of Russia's neighbors, shatter the alliance, and overturn the United States-led rules-based order that has kept peace. Moscow's invasion and continued occupation of Georgian and Ukrainian territories, its military build up in the west, and its hybrid warfare against democratic societies have made collective defense and deterrence an urgent mission.

Today, NATO is in the midst of its greatest adaptation since the Cold War. The United States is playing its part, including through generous funding of the European Deterrence Initiative.

Last July's NATO summit was, at the same time, among the most acrimonious and the most productive in recent history, bolstering the alliance's rapid reaction capabilities and hybrid warfare defense, and promising to enlarge the alliance into the Balkans. While much more remains to be done, allies are making strides towards their defense investment pledges. Since 2016, European allies have spent an additional $41 billion in defense. Through 2020, they will spend an extra $100 billion, and their plans submitted to NATO call for an additional $350 billion through 2024. By 2024, Germany is projected to have the largest defense budget in Europe.

Furthermore, the United States-backed Three Seas Initiative is advancing cross-border infrastructure to wean Central Europe and the Baltic states off of Russian energy dependency while providing alternatives to Chinese investment, making the region's economies more resilient.

In the case of Russia, there can be no successful strategy to confront Putin's aggression without a strong NATO. The questioning of our commitment to the alliance is dangerous and only weakens

our position. This body's strong support for NATO sends an important signal.

And for Europe, China is becoming a greater geopolitical reality as it comes closer via cyberspace, trade and investment, and now military presence close to Europe's shores. The United States should confront any Chinese challenge with Europe, as well as its Asian allies, by its side.

The current tensions between Washington and its allies, ranging from burden sharing to trade, are real. But these should not overshadow the shared challenges we face together.

Unenforced errors that unnecessarily divide Washington from its friends should be avoided, such as the trade tactics that have now seen Europe and Canada join common cause with Moscow and Beijing at the World Trade Organization. The United States should limit its trade challenges on national security grounds to our adversaries rather than our allies.

The acceptance of Russia and China as the main geopolitical challenge of the 21st Century leads to the conclusion that U.S. interests are best served when Washington and its allies act together. The United States is much better positioned if it does not assume the burden of countering Beijing and Moscow alone. Implementing a National Defense Strategy focused on near-peer competition with Russia and China requires that we put our alliance at the core and not the periphery of our strategy.

We have already seen what can happen when Moscow and Beijing engage in bilateral negotiations with their neighbors, using their power and their leverage to extract concessions, lock weaker partners into exploitative economic deals, or even to rewrite borders.

The United States leading a global set of alliances can deter this threat.

Thank you for this opportunity.

[The prepared statement of Mr. Wilson follows:]

PREPARED STATEMENT BY DAMON M. WILSON

Chairman Inhofe, Ranking Member Reed, and distinguished members of this Committee, thank you for the opportunity to testify today on the implementation of the National Defense Strategy. I will offer strategic remarks today and submit more detailed work we've undertaken at the Atlantic Council for the record.

In an era of great power competition, the United States should adopt a more permanent deterrence posture—one that features a mix of permanent and rotational capabilities in Europe and Asia—and bolster its alliances as a strategic comparative advantage over our adversaries. If we are concerned about near-peer competition from Russia and China, the United States must invest not only in its own capabilities, but also in its global alliance structure.

Intense polarization within our Nation and tumultuous relations within our alliances risk making the United States look vulnerable to our adversaries. While some of these divisions are real, the United States and its allies are more strategically aligned in grand strategy—enjoying the support of Republicans and Democrats—than they have been since 9/11, if not 1989.[1]

Our Nation and its closest friends agree that the great challenge of the 21st Century will be the competition between the free world and authoritarian corrupt state-led capitalism, chief among them China and Russia. The National Security Strategy and the subsequent National Defense Strategy articulate this great power geo-

[1] Damon Wilson, *Washington and Its Friends Are More United Than You Think,* Atlantic Council, January 2, 2019; *https://www.atlanticcouncil.org/blogs/new-atlanticist/washington-and-its-friends-are-more-united-than-you-think*

political competition clearly, but we still have work to do to implement policies to achieve this strategy. Specifically, while implementation is focused on China and Russia, we are not as focused on how to bolster our alliances as a key component of our strategy to compete effectively.

For the purposes of today, I will primarily focus on Russia.

To better address the Russian threat, the United States needs to bolster its military presence in Europe to establish what the Atlantic Council Task Force on U.S. Force Posture in Europe calls "permanent deterrence," especially in the Baltics, Poland, and the Black Sea region. Our allies need to be part of this new force posture with us, our policies need to prioritize arms and technology sales and transfers to our allies, and any divisions among us cannot become opportunities for Russia to weaken NATO cohesion or resolve.

The Atlantic Council task force argues that Europe has once again become a central point of confrontation between the West and a revisionist Russia. Rather than the Fulda Gap, this time the confrontation takes place along the Suwalki Gap—and in the Baltic, Black, and Arctic Seas. "Under President Vladimir Putin, Russia is determined to roll back the post-Cold War settlement, undermine the sovereignty of former Soviet states, and overturn the US-led rules-based order that has kept Western Europe secure since the end of World War II and enlarged to countries of Central and Eastern Europe after 1989. Moscow's invasion and continued occupation of Georgian and Ukrainian territories, its military build-up in Russia's Western Military District and Kaliningrad, and its "hybrid" warfare against Western societies have heightened instability in the region and have made collective defense and deterrence an urgent mission for the United States and NATO."[2]

At the height of the Cold War, the United States deployed 300,000 personnel to Europe, including four divisions and five Brigade Combat Teams (BCT). In 2012, the U.S. removed the last two heavy armor brigades, and withdrew all U.S. tanks and other heavy vehicles. By 2014, the U.S. Army retained two light BCTs and 65,000 U.S. personnel stationed in Europe. U.S. posture in Europe now emphasizes deterrence by reinforcement and the rotational presence of forward deployed combat units.

Today, NATO is in the midst of its greatest adaptation since the Cold War. The United States has played its part, including through generous funding of the European Deterrence Initiative.

Last July's NATO summit was at the same time among the most acrimonious and the most productive in recent history, bolstering the Alliance's rapid reaction capabilities and hybrid warfare defense, and promising to extend the Alliance's reach into the southern Balkans through further enlargement.[3] Importantly, allies are making strides toward their defense investment pledges: since 2016, European allies have spent an additional $41 billion in defense; through 2020, they will spend an extra $100 billion; and their plans call for an additional $350 billion through 2024. By 2024, Germany is projected to have the biggest defense budget in Europe.

Furthermore, the US-backed Three Seas Initiative is advancing cross-border infrastructure to wean Central Europe and the Baltics off of Russian energy dependency while providing alternatives to Chinese investment, making the region's economies more resilient.

Despite these efforts, we face a formidable and evolving adversary. Ahead of NATO's seventieth anniversary this April, there is more that can and should be done to enhance the Alliance's deterrence posture in Europe.

Our task force agrees that significant enhancements to the existing U.S. presence could and should be undertaken to bolster deterrence and reinforce Alliance cohesion consistent with the National Defense Strategy. We propose a package of permanent and rotational deployments, which would build on significant U.S. capabilities already deployed in Poland and should be complemented by NATO Allied capabilities. Our recommended package would make elements of the current U.S. deployment in Poland permanent, strengthen other elements of that deployment by reinforcing the BCT deployed there with various enablers, assign another BCT on a permanent or rotational basis to Europe, reestablish a continuous rotational presence in the Baltic States, and increase the U.S. naval presence in Europe. The task force members are confident this can all be done while maintaining NATO solidarity and enhancing burden-sharing among allies.

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[2] General Philip Breedlove and Ambassador Alexander Vershbow, *Permanent Deterrence: Enhancements to the U.S. Military Presence in North Central Europe,* Washington, DC, Atlantic Council, December 2018, 1.

[3] David Wemer, *Here's What NATO Achieved at Its Brussels Summit,* Atlantic Council, July 12, 2018; *https://www.atlanticcouncil.org/blogs/new-atlanticist/here-s-what-nato-achieved-at-its-brussels-summit*

We must also bolster our presence in the Black Sea region, help our allies replace Soviet-era equipment, and continue to arm close partners including Finland, Georgia, Sweden, and Ukraine.

Even if we periodically differ with our allies, the U.S. strategy should inevitably drive Washington to bolster and expand its alliances in the coming years. In an era of geopolitical competition, America's friends and allies are the United States' best competitive advantage. Viewing our alliances that way would compel consistent policies to lead our alliances to ensure coherent, united fronts in standing up to Russian and Chinese aggression.

In the case of Russia, there is no possible successful strategy to confront Putin's aggression without a strong NATO. The public questioning of our commitment to the Alliance is dangerous and only weakens our position. This body's strong support for NATO sends an important signal.

And for Europe, China is becoming a greater geopolitical reality as it comes closer via cyberspace, trade and investment, and now military presence close to Europe's shores. The United States should confront any Chinese challenge with Europe as well as our Asian allies by our side.

The current tensions between Washington and its European, Canadian, and Asian allies are well-documented, running from burden-sharing to trade. They are real. But these should not overshadow the shared challenge we face together: the coming struggle between a free world and great power authoritarians.

Unforced errors that unnecessarily divide Washington from its friends must be avoided, such as the trade tactics that have now seen Europe and Canada join common cause with Moscow and Beijing at the World Trade Organization.[4] The United States should limit its trade challenges on national security grounds to our adversaries rather than our allies. Unnecessary division plays into the hands of Washington's geopolitical competitors.

The acceptance of Russia and China as the main geopolitical challenge of the 21st Century leads to the conclusion that United States interests are best served when Washington and its allies act in unison. The United States is much better positioned if it does not assume the burden of countering Beijing and Moscow alone. Implementing a National Defense Strategy focused on near-peer competition with Russia and China requires that we put our alliances at the core, not the periphery, of our strategy.

We have already seen what can happen when Moscow or Beijing engage in bilateral "negotiations" with their neighbors, using their power and leverage to extract concessions, lock weaker partners in exploitative economic deals, or even to rewrite borders.

The United States leading a global set of alliances can deter this threat.

See Appendix A: "Permanent Deterrence: Enhancements to the U.S. Military Presence in North Central Europe".

Chairman INHOFE. Well, thank you very much. Those are excellent opening statements.

Mr. Colby, I think you commented a little bit about this without identifying anybody out there doing it, but I remember—I think it was in March—the RAND Corporation did, I thought, a very effective article that woke up a lot of people, saying that if Russia should take on NATO, including our contribution to NATO, we would probably lose. That is the type of thing that people need to be talking about.

I know it is a little bit controversial. I had this discussion with some of the uniformed people who say that we should not be talking so much about the capabilities of our opponents. On the other hand, you have got to do that if you are going to end up getting the resources necessary for us to combat that. So that is a little bit of a problem that we have.

Let us start with you, Mr. Colby. First of all, I think you are probably aware that we have kind of adopted this as our blueprint,

[4] Jakob Hanke, *EU and China break ultimate trade taboo to hit back at Trump,* Politico, November 21, 2018; *https://www.politico.eu/article/eu-and-china-break-ultimate-trade-taboo-to-hit-back-at-trump/*

which you had a lot to do with, and we appreciate the good work that you did there.

Sometimes the debate about a defense budget is posed as a choice between an increased budget on one hand and making tough choices on the other hand. When I listened to all three of you and the committees that we have had, I think the challenge is so great that we need everything. I would like to have you comment about that choice argument that is being made.

Mr. COLBY. Yes, sir, Mr. Chairman, I agree with you. I think we are going to have to maintain an increased, as necessary, spending just to stay competitive. I mean, if you look at the scale and scope of the Chinese military buildup over the last 20 to 25 years, it has slowed a little bit, but it is basically almost a 10 percent year on year increase. Meanwhile, our allies have lagged, which some of them are starting to improve.

But, no, I think we are going to have to make hard choices and maintain very robust spending just to keep up.

Chairman INHOFE. Well, I agree with that. I am concerned that our message is not getting across.

Mr. Ratner, you talked about the South China Sea. We were in the South China Sea watching the initial stages of the building of the islands by China. And our allies over in that part of the world are very much aware of what China is doing there. They have won the argument in my opinion. I mean, if you look and analyze what they are doing with the islands, it is like you are preparing for World War III. When you are talking to our allies over there, you wonder whose side they are going to be on.

I think it is working in that part of the world and other parts of the world. They are now involved in places in Africa that they never even thought about before. So I do not think we are making a lot of headway at that thing.

What I would like to do, in terms of educating the American people, I would like to get from all three of you, first of all, do you agree with our discussion here that it is necessary that there needs to be a wakeup call as to the talent that is out there from our adversaries and, secondly, what we can do to bring this up to the public's attention. It is a difficult thing to deal with. Any thoughts on that?

Mr. COLBY. Yes, Mr. Chairman. I actually completely agree with you, and I think the benefits of trying to hide these things is far outweighed by the importance that you and other Members of Congress and the political leadership of this country can have in helping the American people understand the gravity and severity of the threat. I think there are two things going on here.

One is great powers, particularly China, are the only countries that could really change the way our whole world operates and ultimately our country. You know, the American military could lose a war. That is the reality. The Chinese and the Russians know that. They have sophisticated satellites. They have various means of electronic communication. They pick up a lot of stuff. I am more concerned that the American people understand that and have the urgency so that we can stay ahead of this threat which is very urgent.

Chairman INHOFE. Yes.

Mr. Ratner, what is your feeling about that?

Dr. RATNER. Sure. I would just add two comments.

The first, I think what is lacking today in American discourse, including from our leaders, is a clear articulation of what is at stake. I think bringing this all together, not thinking of it as just islands in the South China Sea or intellectual property theft, but bringing it together in terms of a comprehensive, in the case of China, challenge to the international order and the threats posed to United States peace and prosperity associated with a Chinese sphere of influence is something we need to paint a picture of, work from the end, look at the end, and work backwards. That would be the first thing I would say. So I think we need to be clear about the stakes.

The second thing is, as I mentioned in my testimony, I think the importance of a bipartisan message on this could not be more important because I think the American people can get confused sometimes that what we are seeing today is a product of the Trump administration, and having Members of Congress and others going out together, Republicans and Democrats, with a clear message on this issue could not be more important to sending a signal that the country as a whole is in it to get this right.

Chairman INHOFE. That is good.

Mr. Wilson, I am going to do the rest of my questions for the record to try to keep our timing right. But I will be asking the same question of all three of you. So that will be forthcoming.

Senator Reed?

Senator REED. Well, thank you very much, Mr. Chairman, and thank you, gentlemen, for your testimony.

Mr. Wilson made a very compelling argument about the international collaboration and cooperation as essential. And just, Mr. Colby, your comments too. Do you agree?

Mr. COLBY. Yes, absolutely, Senator. I am not sure everything in particular, but nothing pops up to mind as disagreeing. But absolutely, collaboration is essential and alliances are essential.

Senator REED. And NATO particularly with respect to Russia?

Mr. COLBY. Absolutely.

Senator REED. And, Mr. Ratner, your views too.

Dr. RATNER. Yes, fundamental to the China challenge cooperating with allies and partners.

Senator REED. One of the points in your testimony was a notion—and if you could elaborate—that we have to make investments to compete with China, not just in the Department of Defense but in many other areas, research and development, building an economy that can not only compete but outdistance the Chinese. Can you elaborate on that? Because I think that is a very important point.

Dr. RATNER. Sure, Senator. And it is no accident that the economic and ideological recommendations in my testimony come first before the military because I agree with Mr. Colby that the military is absolutely essential, but it has to be integrated into a broader strategy.

So in terms of domestic policies to enhance American competitiveness, I would look toward increasing science and technology research, STEM education among our youth, visa and immigration

policies that are devised to attract and retain talent in this country as part of a human capital strategy, enhancing American infrastructure, improving our health care system, having sound fiscal policies, and getting our bureaucracy organized to implement this challenge as well. So I think all of these play an important role.

Senator REED. In a sense, we need to make investments not only in our traditional defense and national security agencies, but also in many other aspects of American governance. Is that your position?

Dr. RATNER. No doubt. Investments in those other areas will enhance our military competitiveness as well.

Senator REED. Mr. Colby, do you agree?

Mr. COLBY. Yes, absolutely, Senator. The only thing I would say is I think the military is kind of a cornerstone because I think if the Chinese or the Russians see that they can use military power—and that is I think what Senator Inhofe might have been getting at—if people feel that they are going to be subject to military coercion, the rest is not going to be as helpful. But absolutely, all are crucial.

Senator REED. And again, Mr. Wilson, you made a very compelling case for NATO and for engagement. One of the other aspects I think—your comments first and then the others—is that we seem to be already engaged with the Russians, I mean, the constant sort of below the radar and sometimes above the radar, if you will, cyber operations, political operations, et cetera. It is in some respects the phase one or the phase zero of the next battle. Can you comment on that? And then I will, if there is time, ask your colleagues also.

Mr. WILSON. Yes, Senator. I think that is exactly right, that we are facing both an increasing capability and intention. If you look at Russian behavior in the invasion of Georgia versus Ukraine, it shows intention in both, but the capabilities they have brought to bear certainly increased. And so what I think we face with an adversary, particularly in the case of Russia, our near-peer competitors, is there a calculation of what they can get away with. Therefore, our deterrence posture is both about—I used to work for Lord Robertson at NATO, and he would always say it is about both our capability and our credibility. And so it is that match on our side. Do we have the capabilities that are brought to bear to draw them to conclude that it is not worth it, matched with that sense of credibility that deterrence is about the psychology of the adversaries, they believe we have the resolve that we stand clearly by things like article 5? I think what we are seeing is a probing and a testing and a Russian strategy that is consistent. As they make gains without pushback, they pursue further gains.

Senator REED. Thank you.

And that line, Mr. Colby, your comments about this hybrid warfare and constant interaction at the cyber level and other levels with Russia—and then I will ask quickly, Mr. Ratner, about China.

Mr. COLBY. Sure, Senator Reed. I think that is a crucial point. I mean, obviously, there is an ongoing level that I think is probably mostly met with by other elements of national power. I think the most concerning aspect is if the Russians could use that to shape the narrative in Europe and here even about their use of military

force being advantageous. My favorite example of this—pick your poison—is Fort Sumter. The south having fired on Fort Sumter first, would the union have had the degree of resolve? So it is very important that we have a military posture that is interrelated with our kind of political and information side, but that does require really a focus on the military side.

Senator REED. Thank you.

And, Mr. Ratner, finally, any comments on China in this venue?

Dr. RATNER. Only that I agree with the point that this is an important tactic they are using, and our response has been inadequate to date. I would be happy to provide a longer answer about what we should do in response at another time.

Chairman INHOFE. Thank you very much.

Thank you, Mr. Chairman.

Chairman INHOFE. Thank you, Senator Reed.

Senator Wicker?

Senator WICKER. Thank you very much, Mr. Chairman. This is a vitally important hearing. Thank you for calling it.

Senator Reed, thank you for emphasizing the importance of NATO. To the extent that your question reemphasizes our commitment as a Senate and as a Congress to that vital alliance, I want to associate myself with those sentiments.

I do want to get back to the China question. Yesterday, the Justice Department unsealed sweeping criminal charges against Huawei: violation of United States sanctions, as well as outright intellectual property theft. I want to offer into the record at this point, Mr. Chairman, an op-ed from today's "Wall Street Journal," "The 5G Promise and the Huawei Threat," authored by former House Intel chairman Mike Rogers.

Chairman INHOFE. Without objection.

[The information follows:]

THE 5G PROMISE AND THE HUAWEI THREAT

Big Brother is coming to your home via cheap Chinese goods.

By Mike Rogers
Jan. 28, 2019 7:47 p.m. ET

Federal prosecutors unsealed a pair of indictments Monday, charging the Chinese technology company Huawei with crimes including bank fraud, sanctions violations and theft of trade secrets. Huawei's behavior is finally being recognized for what it is. Beijing is using companies like Huawei and ZTE as an extension of its intelligence network, engaging in criminal behavior to advance not only the bottom line but the interests of the Chinese state. With the 5G future close at hand, this realization can't come a moment too soon.

This isn't a new problem. In 2012, after a yearlong investigation, the House Intelligence Committee raised the alarm about Huawei and ZTE in a bipartisan report. The report focused the attention of the intelligence community on the criminal and espionage threat.

Huawei calls our concern "little more than an exercise in China-bashing," but it's widely shared internationally. From Poland to Canada, Australia to France, Western countries are waking up to the threat of Chinese state and commercial espionage, and are taking countermeasures.

Why does this matter to you? Because the next-generation communication network, 5G, will revolutionize the way we use technology, and China wants dominance from the start. Rather than operating from a central location, 5G network sensors are pushed to endpoints such as networked refrigerators, thermostats, aircraft, factory machines, autonomous vehicles and things we haven't yet conceived that will be tied into the 5G network.

This requires a radical rethinking of how we secure our data. It's pointless to lock the doors of your house if you leave every window open and add a few new ones for good measure. China has made it clear that it wants to dominate 5G technology and its deployment. Through Huawei and the products it manufactures, Beijing is working to control the 5G network rollout, control the international standards for its deployment, and infect the foundation of the 5G system for its own benefit. Big Brother is coming into your home thanks to cheap products from China.

As the indictment demonstrates, and as our allied intelligence services have agreed, China's control of 5G is a very bad idea. We must recognize that Huawei and other Chinese companies care nothing about free-market competition. Their aim is to control, access and exploit data.

Beijing must be put on notice that its use of Huawei and ZTE as extensions of its intelligence apparatus is unacceptable. China must be prevented from dominating 5G and made to see that there are consequences for violating international norms.

Businesses and governments must stand up to Beijing. Failing to do so compromises the national security of America and its allies.

The 2019 National Defense Authorization Act bans federal agencies and contractors from using Huawei and ZTE technology. Last year the Federal Communications Commission proposed excluding companies that buy from Huawei and ZTE from receiving certain federal funding. These actions are a start, but not enough. Huawei is a security risk we can't afford at any price.

Senator WICKER. Chairman Rogers says this in the second sentence of his op-ed. Huawei's behavior is finally being recognized for what it is.

So help us, Mr. Ratner and Mr. Colby, understand what China is up to with regard to Huawei and to a lesser extent ZTE. Mr. Ratner, you mentioned on page 4 of your testimony a comprehensive strategy that includes a lot of things, military, economics, diplomacy, ideology, and technology. Is that what you are talking about here? Mr. Colby, you talk about the enemy's theory of victory is dominance of this new 5G level of just very advanced technology is going to be part of China's theory of victory. Mr. Ratner first.

Dr. RATNER. Thank you, Senator.

I would look at the Huawei issue through four separate lenses, the first being the legal. Of course, the company is engaged—and this is what the indictment was about—in illegal activities, stealing trade secrets, obstructing a criminal investigation, evading sanctions and ought to be dealt with from a law enforcement capacity. That is the first lens to view this through.

The second is through the security lens, which I think is what you are primarily referencing here——

Senator WICKER. Right.

Dr. RATNER.—and the threat it poses to supply chains, critical infrastructure. That is absolutely real. We know that the Huawei leadership has members of the Communist Party within it, and the company has long and deep relationships with both the PLA [People's Liberation Army] and the Ministry of State Security in China and, of course, is subject to Chinese law and their new national intelligence law which gives the government the right to use the networks and data as they wish.

Third, I would look at the Huawei issue separate from its functionality but through the lens of China's unfair trade and investment practices, which our country still is on the wrong side of to the extent that we do not have access to their markets and they have access to ours. And we ought to think about a principle of reciprocity.

And then finally, the overall technology competition.

So these are all coming together within the Huawei issue and they all merit a response. We need defensive measures, and we need to invest in our own technologies as well. We need to be cooperating with allies and partners. So the technology competition I think stretches across the military and the economic and requires a comprehensive response.

Senator WICKER. Mr. Colby?

Mr. COLBY. Thank you, Senator Wicker. I agree with Dr. Ratner on this as so many other points.

I would say I think it absolutely is part of their overall theory of victory which is to do I think a couple of things. One is to generate the leverage within various countries that could be part of this alliance or partnership architecture that would be designed to check Chinese aspirations to dominate the region and potentially beyond. Things like Huawei will give them economic leverage, informational leverage, I mean, blackmail leverage, bribery we have seen in places like Sri Lanka. This dissolves or corrodes the resolve in these countries potentially to stand up to Chinese potential coercion.

Then there is also the sentiment I think that maybe the world is going China's way, as they used to say about the Soviets in the 1970s, that maybe we better just go with the Chinese. I think that is why these countries, some of them allies, many of them kind of partners, nontraditional allies, are really the center of gravity because we need to work with these countries not in a sort of charity motivated way, but we need to be able to form a network that together is sufficiently cohesive to stand up to these Chinese——

Senator WICKER. Is the National Defense Strategy adequate in discussing this issue?

Mr. COLBY. I think absolutely, sir. I think the point can be made more robustly and more eloquently by people like this body and political leaders so the American people see that these alliances are sort of enlightened self-interest, not sort of charity. I think that is a different way that maybe we can start talking about these alliances, that it is sort of almost like a business enterprise that we share these broad interests. But that involves our allies doing more and contributing more. But really, we are doing this in our own interest to prevent the Chinese from dominating East Asia in particular.

Senator WICKER. Thank you.

Chairman INHOFE. Thank you, Senator Wicker.

Senator Shaheen?

Senator SHAHEEN. Thank you, Mr. Chairman.

Thank you all very much for being here.

Mr. Wilson, I especially appreciated your comments about NATO and certainly share the views of Senator Wicker and Senator Reed about the importance.

Are you concerned that there have been mixed messages sent about our support for NATO to our other NATO partners and the rest of the world?

Mr. WILSON. Yes, I am. I think that it is important that there be, as I said, deterrence being part psychology, just absolute clarity that there is absolute resolve and rock solid support for the alliance and its commitments, article 5.

I also think the broader tenor of our debate on burden sharing, which is an important one—it sometimes helps to put the center of gravity in a different place. I like to see how we can think about our alliances and our alliance structure as a force multiplier for our capabilities, our interests, and our values and how we are leveraging other nations' investments and their defense to help us achieve our strategic objectives. And I think that context of while keeping absolute pressure on our allies to do more, appropriately so, understanding that this is a force multiplier in effect for our tool and remaining rock solid in our commitment to what article 5 means in terms of the defense of all of our allies.

Senator SHAHEEN. Thank you. I share that view and have heard recently from one of our NATO partners who expressed concern that there was a message being sent by a recent interview on one of our networks that suggested that we would support article 5 only if the partner nation was up to date with their burden sharing responsibilities. Have you heard that concern from any of our NATO allies, and would you share the concern that that sends a very bad message about our commitment to NATO?

Mr. WILSON. As I said prior, I think the calculation, in this case, of Russia is what can we get away with, and if we see a pathway to be able to actually divide or shatter this alliance, that is an invitation for their action. And so I think the credibility of the alliance depends on that clarity of our commitment to it and a consistency in that messaging. I think that is why this body's message on the alliance has been so important.

Senator SHAHEEN. Despite whether someone has fulfilled their commitment to burden sharing or not.

Mr. WILSON. That is correct.

Senator SHAHEEN. Thank you.

Dr. Ratner, a couple of weeks ago, as I am sure you remember, China landed on the dark side of the moon. At that time, our NASA [National Aeronautics and Space Administration] employees were not working. Our researchers were not working because we were in a government shutdown. How does that address the credibility and the strength that we need to be positioning with the rest of the world when that is what is happening in the United States?

Dr. RATNER. Senator, I think that is an excellent question. Obviously, there were direct economic costs from the shutdown, and that affects our ability to compete with China. I think as you referenced, there are two other effects in terms of our overall competitiveness.

The first relates to our ability to sustain our alliances and partnerships, and to do that, we need Asia and the world to have confidence that the United States has the focus and the resources and, frankly, the competence to enhance American competitiveness to compete with China. And when our Government is shut down, that sows doubts and that feeds into the calculations of countries as to whether they want to stand up to China and whether they want to partner with us.

Secondly, to the extent that there is—and I agree with Mr. Wilson—an emergent ideological competition between the free world and an emergent authoritarianism, we do not like the juxtaposition, as you described, to be projecting to the world that our Gov-

ernment is shut down while China is landing on the dark side of the moon. I think we need to be the shining city on the hill again.

Senator SHAHEEN. Thank you.

Mr. Colby, I am not sure that I completely understand some of the arguments that you are making. You talk about on page 5 of your testimony that the new warfighting approach involves United States forces resisting Chinese or Russian attacks from the very beginning of hostilities and to blunt Beijing or Moscow's assault and then defeat it. I certainly agree with that sentiment, but what I am having trouble reconciling is how you go from there to a conclusion that therefore we should not be focused, as I understood you to say, on any action that China or Russia may be taking in other parts of the world where we have an interest.

For example, you mentioned the Middle East as a place where we should not be, as I interpreted your remarks, putting undue resources. And yet, if we do not blunt Russian and Chinese actions in those areas, does it not give them an opportunity to enhance their ability to compete with the United States in other parts of the world?

Mr. COLBY. Ma'am, thank you for the question.

I think from a strategic perspective, East Asia and Southeast Asia and Europe are the decisive theaters. Things are ultimately decided there. For the Chinese to project power without having resolved a favorable situation in the Western Pacific and East Asia, they would essentially project power into the Middle East at our sufferance. They would be essentially using their capital but leaving themselves vulnerable to our counterattack.

The problem is that Asia is the richest part of the world, and Europe is the second probably richest part of the world. And China is the most plausible potential kind of hegemon. The way they can do that is they can pick off the small states, starting with Taiwan and then moving to the Philippines and Vietnam, et cetera. They do not necessarily have to fight a war. They can use things like Huawei. They can use 5G. They can use corruption. And then in the back of everybody's mind is if I fight them, I know I am going to lose.

What I am really getting at is the Chinese or the Russians—their incentive is not to start a massive World War III with the Americans. Their incentive is to start a small war and then say, look, if you are going to fight back, this is going to get very risky. And by the way, we have ways of hurting you at home. Sure, nuclear weapons, by the way, are out there, but so is cyber attack. So is precision conventional strikes. Are the American people ready for that?

And I think that again gets back to the chairman's point about really sort of educating I think—educating sounds patronizing, but illuminating to the American people just how serious these stakes are because if the Chinese take over Asia and take over not Genghis Kahn style, but basically they are the ones who set the rules of the road, to Dr. Ratner's point, that is ultimately going to have a very, very serious effect on our lives. I think the election interference that we suffered in 2016 could very much pale in significance to what we could see in a world where Asia is dominated by China.

Senator SHAHEEN. Well, I am out of time. I certainly appreciate what you are saying. I just think there are some flaws in your strategy if we think that we should withdraw from every other part of the world other than Europe and Asia in a way that gives opportunity to Russia and China for whatever they might want to do there.

Mr. COLBY. Could I just clarify quickly, ma'am? The strategy does not call for withdrawing. It calls for the more efficient use. So we have been using B–1's and F–22's in the air over Afghanistan and places like that. That has a very, very real opportunity cost for how we are doing. That is why we could lose. The place we could really lose, that is where we need to put our resources is the argument and the strategy.

Senator SHAHEEN. Thank you.

Chairman INHOFE. Thank you, Senator Shaheen.

Senator Rounds?

Senator ROUNDS. Thank you, Mr. Chairman. Let me begin just by saying thank you for putting together this particular hearing. I think it is critical that we be able to share in open session with the American people just how serious this is.

I would like your comments on this, gentlemen. Number one, it is not so much that China and Russia today are more than near-peer to us with regard to our nuclear capabilities or our space capabilities, but rather their current trajectory is such that their development is on a faster pace in those strategic areas. I think this is the part which the American people will want us to be working on now to make investments so that 3 years, 5 years, and 10 years down the road we do not put the next generation of leaders in a position where they are wondering why we did not see this coming.

I would like your thoughts. It used to be air, land, and sea that we talked about as the domains in which we needed to be dominant. But today there are two more, both space and cyberspace. It would appear to me that our near-peer competitors, China and Russia in particular, have taken it upon themselves to, in a way, shortcut dominance by becoming very, very good and working in areas of cyber and in space that can hinder our ability to be dominating on air, land, and sea.

Mr. Colby, would you care to comment on that?

Mr. COLBY. Yes. Thank you, Senator. I certainly agree with your sentiment.

I think one thing is important. The Russians and the Chinese are quite different. Fundamentally China is an economy—for the first time in our history, we will be facing a competitor of comparable size and economic sophistication to ourselves. It was not true of Nazi Germany. It was not true of the Kaisers. It was not true of the Soviet Union. It is not true of contemporary Russia. Contemporary Russia and likely future Russia poses a very severe but focused threat. I think it is using primarily asymmetric and time-distance advantages in Eastern Europe, coupled with its very robust strategic forces.

The Chinese have started to do that, but they are beginning to develop actual peer—for instance, for a while they were doing mostly counter-space. Now they are launching satellites at a bristling rate. They are developing nuclear submarines to go far

abroad. They are developing aircraft carriers. We are going to be dealing with a peer competitor.

What I would say about cyber and space, everything is a contested domain. I would say it is not so much how we do in a given domain like hypersonics or space. It is really about these scenarios because that is what we are going to be focused on. That is what the Chinese are going to be focused on. That is what if you are in Hanoi or Manila or Tokyo, you are thinking how does this war end if I stick my neck out with the Americans. Whatever the force is that we need for that, that is the standard I think we need to go towards.

Senator ROUNDS. Thank you.

Mr. Ratner?

Dr. RATNER. I would agree with Mr. Colby and maybe just build on it a little bit with some of the fine work that he did in the National Defense Strategy, which is we need to look at—and we are doing this at our home institution of the Center for a New American Security, doing work on what is the future of American war going to look like. What is going to be the American way of war? To start with the scenarios embedded in the strategy and then work toward what is our warfighting approach, what is our force structure going to look like, our force employment, our posture, how are we going to integrate with alliances. All of these things are in need of reform and a hard new look, but it starts I think with the plausible scenarios.

Senator ROUNDS. Thank you.

Mr. Wilson?

Mr. WILSON. I would just add that I think your point on the trajectory is spot on. I agree with Mr. Colby that if you think about the challenge that we face from Russia today it is from an economy less the size than Italy, than the Netherlands. What is remarkable is the remarkable military modernization that an authoritarian centrally controlled system has been able to develop to really enhance the capabilities that do pose, I think, a severe problem in targeted areas because of the demonstrated willingness to use them. It is on a different scale from China, but that trajectory has been very rapid in the Russian military modernization program.

Senator ROUNDS. Thank you.

If we entered into any sort of a major conflict, can any of you imagine a scenario in which we would not be at war in space?

Mr. COLBY. No. I think for a long time, Senator, people thought that space might we a sanctuary, including people who were responsible for the space command. I think if you got into that kind of war, there would probably be certain kinds of limitations. Those would be themselves contested, but space would certainly be a contested domain. It is so vital for warfighting in this era.

Senator ROUNDS. Mr. Ratner?

Dr. RATNER. I agree.

Senator ROUNDS. Mr. Wilson?

Mr. WILSON. I agree, but again, I do think it is what can the adversary get away with. And so those efforts for Russia or even China to be able to essentially have a confrontation with us that is not a direct confrontation I think is where we are most vulnerable.

Senator ROUNDS. Thank you.

Thank you, Mr. Chairman.

Chairman INHOFE. Thank you, Senator Rounds.

Senator Peters?

Senator PETERS. Thank you, Mr. Chairman.

Thank you, gentlemen, for a very fascinating discussion about these topics. I appreciate your work on it.

I want to talk specifically about technological advances and pick up on Senator Rounds' discussion about space and cyber in particular in an area that I think folks are categorizing as a major arms race, and that is in artificial intelligence (AI) and machine learning which, as you know, will be transformative for warfare in ways that we probably cannot fully appreciate at this point. It is moving very, very quickly.

There have been suggestions that the United States is actually falling behind in AI in terms of our relative position with China and that we lack really a coherent strategy to deal with that.

So, gentlemen, certainly Mr. Colby, Mr. Ratner, I would appreciate your comments as to how do you see the United States' approach to AI particularly relative to China, but Russia is working on these projects as well. What are we getting right? What do we need to improve?

Mr. COLBY. Well, thank you very much, Senator Peters. I would really commend the work of our colleague, Paul Scharre, who I think is a leading scholar on this. I would also commend Congress' creation of the AI Commission, which is being led by Eric Schmidt and Bob Work, both of whom were involved in developing the National Defense Strategy.

So the strategy is really not taking our technological edge for granted. I think AI may be the crucial piece of the puzzle. You know, it is hard to say.

I do not have defined views yet on what exactly we need to do, but I think we need to look at this in a competitive way, leverage the advantages in our system, the fact that we have competition, and that there are going to be imperfections that are arising out of an authoritarian, state-controlled, mercantilist politicized system, as well as that of our allies. That is a point I think maybe we can delve into a little bit later.

But, one of the advantages here is that we have highly technologically capable allies in places like Japan, Korea, partners like Taiwan, Europe, et cetera. We should be seeking to, where possible, work collectively. I think the era of unipolarity is over. We can still serve the advantages and goals that we have sought to achieve throughout our history, but certainly since World War II, but we are going to have to do it in a different way. Part of that is going to have to be a more equitable relationship with our allies. That is going to involve their doing more, and it is also going to involve potentially our giving up some of our autonomy in decision-making.

Dr. RATNER. Senator, it is a really important question. I would also commend the creation of the National Security Commission for Artificial Intelligence. I think that is a huge, important first step. My understanding is they will potentially have their first report out next month. I would hope Congress would take their recommendations seriously.

There are three areas that we need to focus on as it relates to artificial intelligence. I think the most important is the human capital question and ensuring that we have the talent pipeline and immigration policies to attract and retain the brightest minds in the world, including at our universities.

We also need to think hard about data security. The Chinese data inside their country is not particularly strong, and that is something they are going to need to advance their artificial intelligence. That is one of the reasons why they are trying to appropriate and steal as much data overseas as they can. We ought to be working inside our own country and with allies and partners on data privacy and data security.

Then we have to think about how to integrate artificial intelligence for the purposes of this committee into our defense and military apparatus. I think the creation of the Joint Artificial Intelligence Center to coordinate some of these activities is important. I think the work that the Defense Innovation Unit is doing out in California is also important.

I think we are getting our act together, and this is really important but we are going to have to maintain focus here.

Senator PETERS. Mr. Wilson?

Mr. WILSON. If I may just add, I think it is important on the cyber front to recognize that I think we do have peer competition, particularly with Russia in this case.

On the greater technological challenge, I think for us and for this body to help frame an understanding that this great technological evolution that we are going through has profound implications on whether free democratic societies really get there first or the authoritarians. That is the same as we think historically about technological developments, the nuclear weapons. Who got there first had profound geopolitical implications.

The strength that we bring to the table will be our private sector ingenuity, although the Chinese are quickly catching up to that. The weakness that we bring is a national coherence and a strategy to help coalesce that into something for national purposes.

Senator PETERS. Thank you, gentlemen.

Chairman INHOFE. Thank you, Senator Peters.

Senator Cramer?

Senator CRAMER. Thank you, Mr. Chairman.

Thank you, witnesses, for finally a public discussion about it. I think this is long overdue. I mean, there have been some public discussions but not quite as blunt, maybe even as scary as we are having right now. I think it is important. It is important to me as a policymaker because I like to be able to talk about it in ways that spread the influence a little bit, and you have been helpful.

What I would like to have you each comment on is what is our biggest challenge going forward domestically, politically? Is the biggest issue in front of us financial investment? I appreciate Mr. Colby's reference to being more efficient in other places. I think there are efficiencies that can go around that could get us to do more and do better with what we have. Or is it attitude? Or is it really a culture institutionally? And that is what I fear.

In other words, as policymakers and as people of influence, whether it is in passing a law or encouraging the institutions, what

do you think can be done to speed up this process of modernization? What has made us so risk averse? I see almost a paralysis in our entire government. It did not manifest itself in the worst sense with this issue. But I would just like to hear from each of you if you have ideas of what we can do to encourage the bureaucracy a bit.

Mr. COLBY. Thank you, Senator.

Maybe I sound a little bit like a broken record. I have given this a lot of thought. Ultimately it does come down to an appreciation of threat. I want to be very clear here that I am not trying to paint some sort of lurid, kind of colorful picture. But I think it is also the appreciation of the contingency of the world that we have known for the last generation or even since the Second World War. I often think it is a parallel a little bit to the financial crisis of 2008 that you could—I mean, 75 years since the last great depression. Right? So people basically wrote it down to effectively zero.

I think there is a natural tendency for people to basically say a world of great power competition in which somebody really antithetical to us could actually take over is something I do not really believe. In the Defense Department, people say we would have trouble, but we would not actually lose. I think the reality is we could actually lose, and as Dr. Ratner has rightly said, if we do not compete effectively and better, we could lose the grand competition to China in particular. We do not have to because we have immense reservoirs of national power, which almost paradoxically make us less anxious. You know, it is good to be an American.

But I think to me that is why this committee's role, this hearing, the role of Members of the Senate and the House can be so important in saying, look, we are not saying the sky is falling in yet, but if we do not take account of it, we are basically going to be at the sufferance of the Chinese over time.

Dr. RATNER. I would agree with all that.

I think we are, many, still stuck in an early post-Cold War ideological paradigm where we believe the world is naturally and inevitably heading toward greater freedom and democracy and open markets in the end of history paradigm. Clearly we are learning today that is not the case. So it is taking a rethink about sort of our fundamental assumptions about the future of international politics.

I do think, Senator, as I said earlier, that we need a clear articulation of what is at stake here. There are a lot of voices saying a lot of different things, and that is why this hearing today is so important to say them clearly and paint a vision of what, in my instance, a Chinese sphere of influence would actually look like and what it would mean for the American people, to be clear of that.

Then finally to your question about, yes, we need institutional reform, but I hope we do not need a crisis. I think one thing that all the Members here in Congress could do is to sew together I think the message of American competitiveness and great power competition with the message of American renewal and strength, and then if those two come together, we will do what we need to do to compete effectively.

Mr. WILSON. Thank you for that question, Senator.

I would add to this the framework that we are essentially in a great battle of ideas. We have renewed on a competitive stage ideologically which we had not been used to. I think part of what is important here is confidence in our system, self-correction in our system, and demonstrating that our democratic institutions, while always messy, are still the best means to deliver prosperity and security for our citizens and for us to have confidence in that, for the American people to have confidence in that, and for our adversaries to actually be envious of that to show that this system works. At the end of the day, the best antidote to some of the hybrid strategies we have faced are the resilience and confidence in our own democratic processes and institutions and making them work.

Senator CRAMER. Thank you.

Chairman INHOFE. Thank you, Senator Cramer.

Senator Duckworth?

Senator DUCKWORTH. Actually, Mr. Chairman, my colleague from West Virginia is on a time crunch. If it is all right with you, I would like to let him go first.

Chairman INHOFE. That is fine with me.

Senator MANCHIN. Thank you, Senator Duckworth. I appreciate it.

Thank you all for being here.

Just an observation. Basically what we have been told and what we believe is that the advancements that China has been able to make on such a rapid scale and also Russia too has been done because of the cyber, if you will, cyber hacking, the espionage that goes on for them to elevate themselves so quickly. If we were better at protecting our cyber and our intelligence and did a better job—and we have seen this coming for some time. If we were able to be secured right now, would that slow them down? Would they be unable to have the rapid advancements? Because China has openly stated it wants to be a global front runner in artificial intelligence by 2030. It stated it wants to make 30 percent of its military equipment automated by 2025. I would say the dangers are great for that to happen. What is the best way to slow that down or prevent that from happening?

Mr. COLBY. Well, Senator, I completely agree with you. I fear the horse may somewhat be out of the barn in the sense that the Chinese have already stolen a ton and also are developing their own indigenous capabilities to do things. But anything helps in a competition like this. Even relatively modest increments help a lot.

Acting Secretary Shanahan I know is consumed with things like cyber hygiene, getting our industrial base to take good care. I think in a sense our whole cyber architecture—and it is not just cyber, it is also human intelligence. It is also the sense of the threat, the sense that this is something that the Chinese are trying to do. But, you know, maybe we built our cyber architecture in a world characterized by an end-of-history thinking instead of saying that there are potential hostile state actors out there that we need to take account of.

Dr. RATNER. Senator, I would definitely agree with the point that we do need more defensive measures in the form of investment reviews and export controls and law enforcement. But it is also the case that I think the caricature of China only stealing its way to

innovation is an outdated view. I think that was the case for about a decade. But as Mr. Colby mentioned, there is more indigenous innovation there. But we do need the defensive measures. We also need to be cooperating with our allies and partners on this because if we have effective defenses ourselves and our other advanced economies do not, then China can go shopping there quite quickly.

Then finally, of course, the most important thing is investing in our own competitiveness. So this is not just about defense.

Mr. WILSON. I would simply add to underscore that point that as we have become more aware and acted more quickly on this in the United States, we need to be as cognizant of working with our allies and partners to advance their efforts on this front as well. The European Union has been slow, only more recently beginning to adopt CFIUS [Committee on Foreign Investment in the United States]-like but not quite procedures. We have seen German technology companies that have been acquired through Chinese investments. I think this is part of something that we can lead other societies and our allies and partners to help them be as cognizant as we are now.

Senator MANCHIN. It has been reported since 2012 that Russia has been actively developing military technologies that may violate the Intermediate-Range Nuclear Forces (INF) Treaty. What do you see as the benefit for the United States remaining in an Intermediate Nuclear Force Treaty even as Russia actively is attempting to circumvent the treaty?

Mr. COLBY. Senator, I believe that it makes sense for the United States at a minimum to renegotiate the treaty and, if that is not possible, to withdraw. Actually the military utility is primarily dealing with China where conventional intermediate-range missiles would help in an increasingly competitive military balance. I do not think that conventional range INF systems are actually that necessary. In the European theater, they're what we primarily need are posture enhancements and prepositioning and exercising of our forces and greater exertions by our allies like the Germans. But I think the administration's bringing this and really forcing the issue is commendable. I hope there is a way to get to some kind of new agreement with the Russians if they show themselves sufficiently reliable.

Senator MANCHIN. With time running out, I have one question, and the two that have not answered maybe can.

Which country faces independently the greatest threat to the United States? China or Russia? We will start at the end.

Mr. WILSON. I think over the long term, the answer is no doubt China. I believe in the short term, it is Russia because of the intention and the capability to act, which we have seen demonstrated.

On the INF issue, even the Russians have been pointing to the Chinese as a rationale for their concerns about what they are doing. I think the burden now becomes with the 6-month clock starting. Can we use this to extract and leverage some type of agreement, some type of measures at a minimum on transparency through this process?

Senator MANCHIN. Dr. Ratner?

Dr. RATNER. I will just say quickly on the INF, I do think it is worth looking hard at modifying the treaty before withdrawing. I

think it does have potential military utility in the Pacific for the reasons Mr. Colby mentioned, as well as the potential to cause a cost imposition on the Chinese and force them to spend their money on expensive defensive measures rather than weapons to kill Americans and attack American bases.

Senator MANCHIN. Which country?

Dr. RATNER. Which country of the two faces the largest threat from the United States?

Senator MANCHIN. Yes.

Dr. RATNER. What I would do here, sir, is I think differentiate between the Chinese Communist Party and the country of China. I think the Chinese Communist Party faces a threat from a United States that is competitive in the 21st Century.

Senator MANCHIN. Mr. Colby?

Mr. COLBY. Certainly China I think currently and over the long term. But I agree with Mr. Wilson's point that actually Russia has not only the capability and potentially the degree of alienation to do something about it, but since it is probably in decline, its window may be closing. So we definitely need to take measures to deter that.

Senator MANCHIN. Thank you.

Thank you, Mr. Chairman.

Chairman INHOFE. Thank you, Senator Manchin.

By the way, that comment is very timely in that I believe it is Saturday our 60 days are up. And so we better be thinking about that.

Senator Hawley?

Senator HAWLEY. Thank you, Mr. Chairman.

Thank you, gentlemen, for being here today. Your testimony has been very informative.

Mr. Colby, can I just start with you? I was struck by a number of things in your prepared testimony, including your discussion about the need to reposture our forces in both Europe and Asia to deal with this new great power competition.

But let me ask you about another type of reposturing. You say in your prepared testimony at the bottom of page 8 and the top of page 9—I thought this was very striking—with regard to our relationships with allies and partners, we simply cannot do this, meaning everything outlined in the National Defense Strategy—we simply cannot do this all by ourselves. And then you go on. We need our allies and our partners to contribute real military capability to deterring China and Russia.

Now, we have talked a little bit today and other members have asked you about what I might term our legacy alliance structures like NATO, legacy because they come to us from a different era. As we think about the new era of great power competition, can you just flesh out a little bit what you are alluding to here about the necessary reposturing in our alliance structures in order to meet these new challenges?

Mr. COLBY. Well, thank you, Senator. Actually I have been looking for an opportunity to talk about this because I think you hit the nail on the head. I mean, two points.

One is, I think as you said, the era of unipolarity is over. In the 1990s and the 2000s, the United States was so much more power-

ful than any potential adversary that effectively the United States military could perform any missions essentially by itself. You can ask them yourselves, but if you would give Bill Cohen or Don Rumsfeld a truth serum, they would say, well, allies are nice to have for the flags, but realistically the American military generally prefers to operate alone. That is no longer true not only in the most stressing scenarios, say the Baltics where we really would need, say, Polish and German assistance, but actually in the totality of circumstances because I think to Senator Shaheen's point, this is not a strategy that says, hey, Iran is not a problem, North Korea is not a problem, terrorists are not a problem. To the contrary. But the most stressing scenarios, the ones that are most important for the United States to focus on, are in the central theater and at the high level of warfare. We need the French to do things in Mali and so forth. That means giving up a bit of our decision-making or our influence and having a bit more of an equitable relationship. It also means more permissive arms transfer and intelligence sharing provisions.

At the same time, our allies must do more. It is unacceptable for us to be spending 3 to 4 percent of our national gross domestic product and a place like Germany or Japan to be spending 1 percent. We work very closely with the Germans and the Japanese. They have a very acute strategic perception of what is going on. They need to match it with an adequate national commitment that reflects the severity of the challenge.

I would also say, Senator, that our alliance architecture—we tend to think about alliance with a capital A, like NATO. Our alliance architecture—we should preserve things like our United States-Japan alliance, of course, United States-Philippines, NATO, et cetera. But I think we are increasingly going to be need to be thinking small A, which sometimes people tend to refer to as partners. But our relationship with India to many people would already be an alliance. We are not going to pledge to defend India in the way that we did Japan or Germany. Well, actually Germany was very involved in defending itself. But Japan, for instance, after World War II. They are going to defend themselves, but we share interests in blocking a Chinese aspiration for hegemony. So we are going to need to be more plastic and strategic in how we go about considering these new partnerships.

What I would just say on that is we need to prioritize the strategic dimension. We need to agglomerate enough geopolitical and military power to check the Chinese. That means sometimes not getting everything we want out of the relationship, whether that be ideological or economic or what have you. That might stick in our craw sometimes, but if we do not get the power relationship right, we will not have the free and open order.

Senator HAWLEY. Can you just say briefly just a bit more when it comes to the Asian theater? In the European theater, we have NATO. But talk about these new partnerships and the sort of plasticity that might be required particularly in Asia.

Mr. COLBY. Sure. Well, I think it is no accident that if you looked at Secretary Mattis' travel schedule, he was in Southeast Asia and South Asia all the time. He was in Vietnam, which we fought a war with that did not go so well for us. He was in Malaysia, and

the current defense leadership is there. I think that is exactly right. You know, we are not John Foster Dulles going around trying to sign everybody up for an Asian NATO. That is not going to work for a variety of reasons.

But I think we need to really deepen our relationships in a way that is politically sensitive over time because that is essentially the soft theater for the Chinese to assert their power. They know the Japanese are a hard target. They are going to put pressure. To some extent South Asia. These are the places where they can make a lot of hay and make a lot of movement. If they can basically convince Manila, for instance, where there is concern not just with Duterte but with others in the Philippine defense establishment about American reliability, then they can say, look, you have got to come with us because even if you prefer the Americans, the world is going our way and you do not want to be left exposed before us when we have the chance to penalize you.

Senator HAWLEY. Thank you.

Mr. Ratner, can I just quickly ask you, switching to China and some of your prepared remarks and remarks today? You talk about the need to embrace not just confrontation but also competitiveness with China. You also point out that China has embraced a model of high tech authoritarianism, which seems exactly right to me.

We are all familiar or hopefully familiar with the fact that China is requiring these technology transfer agreements for companies, United States companies, doing business there. You know, just looking at some headlines from this past year, Apple has now signed onto these technology transfer agreements, putting sensitive encryption keys in China; Facebook giving data access to Chinese firms that have been flagged by United States intelligence; Google patent agreements with Chinese firms.

Should we be concerned about these technology transfer requirements on the Chinese side and should we perhaps consider preventing these in the law?

Dr. RATNER. Senator, it is an important question. I think the answer is on a case-by-case basis. But I do think that the way forward here is not to wag our finger and ask these companies to act in the national interest, but to set boundaries on their behavior. If there are instances where these companies are transferring technology that have important security or future technological implications for American competitiveness, then certainly the U.S. Government should consider new export controls.

Senator HAWLEY. Great.

Thank you, Mr. Chairman.

Chairman INHOFE. Thank you, Senator Hawley.

Now Senator Duckworth.

Senator DUCKWORTH. Thank you, Mr. Chairman.

Mr. Colby, I cannot help but notice that much of the discussion surrounding the National Defense Strategy and great power competition discusses increased investments in tactical aircraft, missiles, armored vehicles, other large weapons platforms. What I have not heard much about are investments in transportation and logistics systems that can operate in a contested environment to support these weapons platforms. For example, the number of U.S.-flagged ships has gone down significantly.

What is your assessment of the current state of U.S. military transportation and logistics systems to support great power competition? Do we have what it takes to be able to, as you mentioned, agilely move our forces to where we need to go and sustain them in order to react more quickly?

Mr. COLBY. Ma'am, that is a great question. I would say it is very problematic. Actually in the defense strategy, logistics is highlighted, as is information as an independent warfighting domain. In a sense, the strategy is trying to take the focus away from how many BCTs do you have, how many capital ships, et cetera and saying what are the forces that you need all through the chain from A to Z that will allow you to complete the mission. So I think logistics is crucial, including civilian logistics.

I think the basic logic there should be that we need our forces and our logistics chain to be able to operate under a plausible Chinese or Russian sustained attack, that you are never going to have the total sanctuary that we enjoyed in the unipolar era. Now, that does not mean that everything has to be perfectly secure. Every satellite we put into space does not have to survive, but as an architecture it needs to operate.

The other key thing and I think a really core piece of the logic here is we want our architecture to be able to work in a way that for the Chinese or the Russians to attack it, they will have to escalate and expand the war in ways that are bad for them.

Senator DUCKWORTH. So, in your opinion what are some of the investments that the Department can make to ensure this logistical readiness so that our military will be able to provide the warfighters in the field with the appropriate resources to execute the National Defense Strategy? You talk about this logistical architecture. What do we need to do to build this logistical architecture to where we need it to be?

Mr. COLBY. Well, I am not sure what exactly it will entail in terms of investments. I would imagine it is going to be kind of a soup to nuts thing. A couple of points that I would say are we would want realistic exercising, in a sense something like the Operation Reforger model of the 1980s, which is basically how are you getting from the United States to the conflict zone abroad while under attack. That will tell us a lot about what we need and where our vulnerabilities are. I would also say selective investments in things like cruise and ballistic missile defense specifically designed, imparts crucial nodes in our logistics architecture both in the United States and abroad that, again, are not going to be able to give us perfect security. But if the Russians have to launch 100 missiles to take out Ramstein rather than two, that is going to be very important for Germany's political decision-making.

Senator DUCKWORTH. Thank you.

This is both for you and also for Dr. Ratner. Should we be doing something about the Chinese's low-end capabilities such as their coast guard vessels, their fishing fleets that have been known to interfere with maritime-enabled traffic? It is not all just their military, but they have all of these other low-end network things that are out there.

Dr. RATNER. That is exactly right, and in fact, they have a maritime militia that has knitted together fisheries and coast guard

with the PLA. I do think we should approach these vessels and forces based upon their behavior and not the color of their hull. So if there are coast guard ships engaging in coercive military activity, particularly if the PLA is parked over the horizon, I do not think we should treat them like law enforcement vessels. We should treat them like military vessels.

The other thing that we can do in this space that we have not done nearly enough of is information warfare and strategic messaging where we have an immense amount of intelligence that is not particularly sensitive, that does not require unknown sources and methods about the Chinese coast guard and other forms of illegal and coercive activity in the South China Sea and elsewhere, and we ought to be splashing that across newspapers all across the region every day of the week. From my experience in government, it was incredibly hard to unlock this intelligence to even share it with close partners, and we ought to have much faster and more widespread declassification authority on this information.

Mr. WILSON. Senator, if I just might pick up your first question, if I might.

Senator DUCKWORTH. Yes.

Mr. WILSON. Our strategy so often depends on reinforcement, particularly in Europe. We have seen demonstrated through many exercises through the alliance some of the unanticipated difficulties we have had in moving forces across borders in the European domain to prepare for the Russian challenge. It is partly why we saw the NATO summit establish a new logistics command to be based in Germany, why we have underway a military mobility initiative that really requires working with the European Union on how to facilitate movement of our Armed Forces across territories, and why what we are doing with this Three Seas Initiative in Central Europe is so important because we lack in many places the cross-border infrastructure required for this type of mobility. I would factor that into the strategy.

Senator DUCKWORTH. Thank you.

Thank you, Mr. Chairman.

Chairman INHOFE. Thank you, Senator Duckworth.

Senator McSally?

Senator MCSALLY. Thank you, Mr. Chairman.

Thank you, gentlemen, for your testimony today. It has been a good discussion.

I want to pick up on the—Russia generally we see—I think you all agree—is on the decline where China is on the rise. Yet, Russia poses threats in their decline in how they are acting and their adventurism militaristically and just trying to impact our influence around the world.

What other things—you have mentioned many so far. What other things can we do with all elements of our national power to mitigate the threat as Russia is in the decline or accelerate it, to accelerate the decline in a way, whether that is energy policy or other things that we could do on top of what you have already talked about? If we can manage this as best as we can maybe over the next decade or so, perhaps that threat is further diminished than it is now, and we look at China as the longer-term challenge. So

what other ideas do you have related to that, if that is even an accurate way to be thinking about it?

Mr. WILSON. Thank you, Senator. I think that is a very important question, a very important way to think about it.

Russia's strategy is out to blunt United States strength but to do so in a way where China risks displacing us, the Russians are looking to disrupt us. It is actually a much lower bar. It is easier to accomplish. It is the games they play in the Balkans and other areas. They are not building. They are disrupting. And so they need cheap wins essentially to trip us up.

They cannot compete economically with us. This is part of the loss during the Cold War. How do they keep up on the military modernization? I think that is why the sanctions regimes that we have in place because of their behavior are so important. Putin's conclusion after the Georgian invasion that he could get away with it without consequence is part of what we have been dealing with. I think this multilateral sanctions regime with our European allies and Asian allies actually is quite important to help ensure that they do not have the ability to compete with us as long as this is the type of their behavior.

The energy security issue is fundamental. Russia wields energy as a way to influence, coerce decisions from its neighbors. There has been significant progress, but unfortunately, it has not been rapid enough. But we are seeing progress through many of Central Europe, still much more of a problem along Russia's periphery and its neighbors. I think our pressure and working with the European Union and others as a first order priority is important. Efforts like Nord Stream today actually undermine what should be a coherent Western strategy on diversifying our European energy supplies.

Finally, I think a coherent effort where we are thinking about our defense strategy and engaging with allies and partners where we are bolstering their capabilities. I think we do need a permanent, continuous modest presence in the Baltic States for deterrent purposes. But it is about an intentionality of whether it is Sweden, Finland, the Baltic States, Georgia, Ukraine building a strong set of capabilities that those countries have on Russia's perimeter.

Senator MCSALLY. As a deterrent. Great. Thanks.

Mr. Colby?

Mr. COLBY. Yes. Thank you, Senator.

One thing I would really say is that we really do not want to increase the incentives for the Russians and Chinese to come together. Recent reports indicate that they are coming more together. The Russians are actually moving. The conventional wisdom which said, oh, they are actually relatively distant is starting to fall apart. This is a very grave situation. We have very, very serious differences with the Russians, obviously.

My sense is from a geopolitical perspective we have specific deterrent requirements vis-á-vis the Russians which relate in particular to our eastern NATO allies. We should focus most of our effort, at least in the military sphere and the kind of security sphere, on defending those allies and a credible method to do so. I lay out a lot of this in detail.

One thing that I would raise for the committee's attention is the CAATSA [Countering America's Adversaries Through Sanctions

Act] provisions. I am not familiar with the entire bill, but the provisions that penalize places like India, Vietnam, Indonesia are really, really, really harmful and counterproductive for us. I totally support deterring and penalizing, as appropriate, Russia, but we need to do it in a way that is consistent with our strategy vis-á-vis China and that is counterproductive.

Senator MCSALLY. Great. Thanks. I am running out of time.

I do have a follow-up question unrelated on Venezuela. So the influence of both China and Russia is apparent in helping to destabilize the situation there, and it is unfolding every single day. Do any of you have any comments on their influence there and how we prevent that in the future and help manage the situation right now?

Dr. RATNER. Well, only that I think it is a harbinger of what China-led order would look like if they had a much broader sphere of influence in terms of protecting and defending non-democratic regimes and also impeding the ability of the international community to galvanize to be able to respond. If we do not get our act together in Asia, we are going to see this movie over and over and over again throughout the developing world.

Senator MCSALLY. Thanks. I am out of time. I yield back.

Chairman INHOFE. Thank you, Senator McSally.

Senator Warren?

Senator WARREN. Well, thank you, Mr. Chairman, and thank you to our witnesses for being here.

We are here today to talk about the strategic challenges presented by Russia and China, and that is important. But we just concluded the longest government shutdown in American history because President Trump wants to build a monument to division on our southern border.

Now, this shutdown had terrible consequences not just for families but for our economy as a whole. The White House's own internal models reportedly showed that the shutdown reduced our economic growth. The President's own chief economist warned last week that if the shutdown continued, our economic growth in the first quarter of this year could be very close to zero. We cannot afford to shoot ourselves in the foot with dumb political stunts like government shutdowns if we want to remain competitive.

Let me start by asking Dr. Ratner. Do you think the government shutdown that risks grinding our economic growth to a halt makes us more competitive with China or less competitive with China?

Dr. RATNER. Senator, earlier Senator Shaheen asked the same question. I think my answer was clearly there are direct economic costs which hurt our competitiveness with China, and this also has negative effects on our alliances and partnerships, given perceptions of dysfunction of American democracy, and it hurts us in the ideological battle against an emergent form of authoritarianism.

Senator WARREN. So let me just go a little bit more on this. I serve on the Banking Committee, and in 2017, we heard testimony from James Lewis, a former senior Commerce Department official responsible for national security and China. He told us that our underinvestment—and here I want to focus on scientific research. He said underinvestment in scientific research, quote, creates a self-imposed disadvantage in military and economic competition

with China. He also said that maintaining our competitiveness requires, quote, investment both by encouraging private sector investment and by government spending in those areas like basic research where private sector spending is likely to be insufficient.

Dr. Ratner, do you agree?

Dr. RATNER. I do agree, Senator. I would add to that that I think not only do we need to invest more in research, but we need to invest more in STEM education and have strategic visa and immigration policies that attract and retain the best talent from around the world.

Senator WARREN. And can I ask you? I know that Senator Reed mentioned this, but I just want to emphasize and ask you to maybe put a little more meat on the bones on this. What do we need to be doing domestically to enhance our competitiveness in this area with China?

Dr. RATNER. Senator, I said in my opening statement that ultimately how America fares in the strategic competition with China is going to be about us, not about them. It is going to be about American competitiveness. It is, of course, going to have a foreign policy component, but it is going to have a domestic policy component as well that includes the type of research and education and immigration and visa initiatives that I just spoke to, as well as enhancing American infrastructure, having a robust health care system, fixing our fiscal policy, and making a whole set of bureaucratic reforms that get us ready for this competition. Clearly, getting our own house in order but being our strongest selves is task number one.

Senator WARREN. Thank you. I agree. I worry that we view competition with China too often just through a military lens. In order to project our power abroad, we must be strong here at home. Strong, sustained investments in education, in scientific research are not only related to our strength abroad. They are truly the foundation of it.

Thank you very much, Mr. Ratner, and thank you all for being here.

Thank you, Mr. Chairman.

Chairman INHOFE. Thank you, Senator Warren.

Senator Blackburn?

Senator BLACKBURN. Thank you, Mr. Chairman.

Thank you all so much for your time and your testimony and talking with us about this today.

When I was in the House, I spent a good bit of my time working on issues that pertain to the virtual space. I think we all appreciate and recognize that with China American displacement is indeed one of their goals. They are approaching what they do as not only through their traditional military lens but also technology and fighting a virtual war or a war in the virtual space that we are being hit with every single day.

One of the things we have really not touched on today that, Mr. Ratner, I want to come to you and have you talk a little bit about it because I think it is so instructive as we look at how China and Russia are organized, authoritarian states, different ideology, integration, we silo private sector, government sector. There it is all one platform.

I want you to talk about scale because as we look at fighting 21st Century warfare, fighting in the virtual space, I think scale is going to be important for us as we adapt, as we move forward. I will come to you, and then, Mr. Wilson, if you add to that. Mr. Colby, too.

Dr. RATNER. Well, Senator, I have a couple reactions.

First, I do think the authoritarian, state-led model is at the core of this competition, and many of the contradictions between the Chinese Government and the United States stem precisely from that and from the interests of the Chinese Communist Party. I do think that is an important factor.

In terms of scale, I think we ought not overestimate the success of that model, and our own success is not going to be in replicating it. In fact, we ought to not violate our own tenets about what we believe in terms of market mechanisms and democracy so as to chase after a China model because they have enormous resources, but they have enormous inefficiencies, some of which are coming home to roost now and many of which we are going to see over the next decade or so.

I think my response to the question of how do we look at their model against ours is certainly we need to make some of the investments, and there is a role for government here in terms of investing in science and technology, some of the issues we talked about earlier. There are opportunities for the private sector and the government to integrate better, and there is a lot of work to do on that front. But I do not think the answer is—and I do not think this is what you are suggesting—to adopt China's model. I do not think that is how we achieve scale. I think we need better integration.

Senator BLACKBURN. No. I am not suggesting that at all. Quite the contrary. But I think as you look at artificial intelligence, as you look at the expansion of 5G and the commercialization of 5G, and look at how China is developing this partnership with Russia, and scalability is important to them because they want to set the standards and displace us in that realm. It is an awareness that we should have as to what they are seeking to do.

I agree and have supported the premise for years that we should not use technology from Huawei or ZTE because of the embedding of spyware and malware.

Dr. RATNER. And, Senator, I would just say I think to the extent that the Belt and Road Initiative is part of China's strategy to gain that kind of scale, what has gotten most of the attention to date are the bridges and the ports. But it is the digital Silk Road that we ought to be really worried about and focused on, and we ought to be competing in the developing world to ensure that China does not control the communications and data throughout the world.

Senator BLACKBURN. Yes.

Mr. Wilson and Mr. Colby to answer.

Mr. WILSON. Thank you, Senator, for that question.

I think your point on scale is very appropriate because it is a sense of scale in which the trajectory is intimidating where China could go on scale. That is why we are concerned about how they can use big data AI or how they can become peer competitors, how, as Mr. Colby said, you can imagine a scenario where we actually potentially could lose, and as you I think just rightly very impor-

tantly pointed out, scale providing a potential power to set global standards whether on trade practices or other norms or even ultimately military interoperability.

I think that is why it comes back to us having confidence in our model and understanding that we win through the power of our ideas, that we are competing for influence, that we are in a very competitive space around ideas and ideology, and to demonstrate the vibrancy of a free market, democratic system as the best delivery vehicle for our citizens I think ultimately is part of the key success story of how we mitigate and neutralize the sense of scale that China can leverage over time.

Senator BLACKBURN. Nothing to add, Mr. Colby?

I yield back.

Chairman INHOFE. Thank you.

Senator Kaine?

Senator KAINE. Thank you, Mr. Chair, and thanks to the witnesses.

I want to ask you about NATO and about Space Force. So let me begin with NATO.

The 70th anniversary is April. The President's comments or reports about thinking about withdrawing from NATO have raised great concerns. Those have been addressed.

But they have also raised an interesting question which is the Constitution says that the Senate must ratify treaties, but the Constitution is silent about the U.S. withdrawing from treaties. On a matter like this, if the Constitution is silent, it creates an ambiguity, but an ambiguity can be resolved by statutory action.

I have introduced a bill, together with eight colleagues, four Democrats, four Republicans, largely members of this committee and the Foreign Relations Committee, to do two things: one, to say that a President cannot withdraw from NATO without either a two-thirds vote in the Senate or an act of Congress—that would be both houses subject to veto and override—to try to clarify that a treaty entered into with this treaty ratification could not be unilaterally abandoned by the President.

The second piece would be if a President decided to do that unilaterally, there would be no funds available to be spent for the withdrawal of U.S. troops who are deployed with NATO, et cetera.

Do you think a provision like that, if passed in a bipartisan way, would send a positive message to both allies and adversaries?

Mr. WILSON. Senator Kaine, thank you for that question. Thank you for your leadership on the alliance as well.

I do. I think the clear signal coming from Congress of rock solid support—we have seen votes in the House and the Senate on various issues related to the alliance over the past 2 years with astounding majorities. It has sent a very important signal I think to all of our allies and to the world.

The premise of this is that NATO is for our interests, remembering that the first time article 5 was invoked was for allies to come to our defense.

Senator KAINE. After 9/11.

Mr. WILSON. In every operation we have been in since, we have had allies by our side.

It was at the acrimonious Brussels summit where the presence of Senator Tillis and Senator Shaheen sent a very clear message to our allies about the strong support.

So I support these discussions. I support this measure.

I think it is important that we manage the debate in our country responsibly, however, so that we do not give a sense of the credibility of the proposition that this is a serious issue of American withdrawal from the Alliance.

Senator KAINE. Could I just quickly ask, Mr. Colby and Mr. Ratner? Would you also agree that it would be a positive message to allies and adversaries to pass this NATO provision?

Mr. COLBY. Well, Senator, I do not know enough. I do not have enough to say about the constitutional aspects. But I certainly think withdrawing from NATO would be a grave mistake of historic proportions, and anything of that gravity should only be done, I would think as a matter of prudence and good judgment, in consultation with the other parts of the body.

Senator KAINE. In fact, just because you said it that well, let me ask is there any treaty that the U.S. now part of that you think is as monumental or consequential as NATO?

Mr. COLBY. Probably not, not even the UN maybe. I do not know.

Senator KAINE. Right. There are all kinds of treaties, but if this is the most momentous and consequential treaty that the U.S. is in and it was ratified by a two-thirds vote of the Senate, to have sort of an ambiguity and have a possibility that a President may withdraw when a Congress wants to stay in, that would be pretty destabilizing. The idea on something of that magnitude, whether we are in or whether we are out, it would be a good thing if there were political consensus between the Article I and II branches about that. Would you not agree?

Mr. COLBY. I would just say, Senator, that I think I would agree that having a consensus is good. I also think it is crucial to have, as I was trying to have with Senator Hawley, a new discussion about burden sharing that actually harkens back to some of the roles—I guess it was the Foreign Relations Committee with the Mansfield Amendment. There needs to be a serious conversation with the NATO allies about this, but we should be committed to NATO.

Senator KAINE. Mr. Ratner, quickly before I get to Space Force.

Dr. RATNER. I would support that effort from Congress, sir.

Senator KAINE. Great. Thank you.

Mr. Chair, I hope we might take this up as part of the NDAA discussion because I think especially in this 70th anniversary year of NATO, it would be really good to make sure that what we do moving forward, moving backward, getting out, is done as a consensus between the Article I and II branches and that unilateral action I think could be very dangerous.

Space Force. We have not had a presentation in this committee by the Pentagon and making their pitch about the Space Force idea. I am an agnostic. I am very open to it. We see the Chinese landing on the dark side of the moon. Maybe we need to do something different.

Based on what you know right now, do you think the administration's Space Force idea is a good one or a bad one, or is it kind of too early to say?

Mr. COLBY. Senator, I am kind of with you. I am agnostic on it on principle, but I would say it is too early to say. I mean, part of me says, oh, God, another bureaucracy. Just what we need. But then very serious people on space have consistently said that space is being neglected. And to Senator Duckworth's point, it is one of those areas that is a little bit more back-officey that is actually vital for the warfighting effort. I think I would really look forward to the Department's presentation saying this is not just going to be another bureaucracy, but it is actually going to increase focus in an intelligent, cohesive way that is consistent with the National Defense Strategy.

Senator KAINE. I am over time. But good, bad, or too early to say? Can you just quickly?

Dr. RATNER. I would agree exactly with what Mr. Colby said.

Senator KAINE. Great. Thanks.

Thanks, Mr. Chair.

Chairman INHOFE. Thank you, Senator Kaine.

Senator Tillis?

Senator TILLIS. Thank you, Mr. Chair.

Actually I thought Senator Kaine's questions were very good and very important.

I happen to be, Mr. Wilson, in Brussels while the NATO summit was going just about to get in front of a group of people to talk about the importance of the Alliance when the President I think expressed frustration that some people logically assume that we are only 1 day away or 24 hours away from withdrawing from the Alliance. Look, General Mattis famously said the only thing worse than going to war with allies is going to war without allies. I think that there is a person with stars on their shoulders in any line of service that thinks that withdrawing from the NATO Alliance is a good idea, and I believe that the President would heed their advice.

My concern is mainly making sure that the NATO partners, the NATO allies recognize we understand the importance of it. I think, Mr. Colby, you said it would be a grave mistake of historical proportions. I believe that that is true. And what we want to do in the work that I have done with Senator Shaheen is continue to reinforce the message.

By the same token, if you are particularly facing down the threat of Russia, in addition to, Mr. Colby, everything you put in your written testimony and in your opening statement, the thing that really matches up to make that an unlikely conflict is a very strong NATO alliance where the NATO allies and partners are investing their fair share, making sure they are ready, they are capable and interoperable while we are working on all the other things that we need to do.

But, Mr. Wilson, I do appreciate your comment about the allies, and I think that we just have to continue to reinforce that message. I think anybody here on the panel would all share Mr. Colby's view of the dire consequences not only in Europe, but really around the world. You all agree with that. Right? Yes.

Now, Mr. Colby, you said something in your opening statement and your written testimony that I am trying to figure out. On the one hand, you say we have got to muster more resources. We have to match the challenge. We are capable of doing it, but we are either losing right now or losing ground at least.

You also alluded to the concept of—I think you called them—elective activities in the Middle East. We also know that in the Middle East, in Africa, South America, that both Russia and China are playing there.

What does a cessation of activities in the Middle East look like? Is it a withdrawal or just a different kind of engagement? Because if we create a vacuum there, the two adversaries that we are focused on today will absolutely take advantage of it in my view.

Mr. COLBY. Thanks for the opportunity, Senator.

I think the main point here is what do we want our military to focus on. The point is that in the most strategically significant, plausible scenarios in the central theaters, we are in a position where we increasingly could lose a war. What the Chinese and the Russians are up to, what certainly al Qaeda is up to, and others are up to in the Middle East, in Africa, et cetera are important. What the strategy is saying is the military should focus on making sure that it is prepared to fight and win the nation's war along with our allies and partners.

It is not a withdrawal strategy. It is saying we are going to be in the Middle East over the long haul in fact, but we need to do it more efficiently. Things like light attack aircraft instead of B–1, things SFAB [Security Force Assistance Brigade], Army advise and assist units. These are ways of allowing essentially a high-low mix of the force, most of the force focused on the high end, going to Top Gun, going to Red Flag, going to NTC [National Training Center], but then portions of the force, including unmanned and working with allies and partners to help out and keep stability in those areas.

I think the main point, though, is that we should not get distracted by what the Russians or the Chinese are doing in these secondary theaters because, as I said to Senator Shaheen earlier, that is secondary. I mean, secondary is still important. But if the Chinese can basically suborn Taiwan, which I think is a possibility—I really want to try to ring the alarm bell on Taiwan because I think something could happen in the near future if we are not careful about it. Everybody in Asia is going to look at that. Nothing that serious is going to happen from what the Chinese are doing, say, in Latin America. So I think that is where our focus needs to be.

Senator TILLIS. Got you.

Mr. Ratner, I think in your opening comments and your written testimony, you talked about the concept of competing with versus challenging China. I agree with that to a certain extent. I have worked in the high tech sector most of my career and am very familiar. I have actually got a company down in North Carolina that has a facility now that the Chinese have stood up in China that are Carolina Pipe and Foundry. It literally looks like you transported yourself to Charlotte, but it is in China.

I think, on the one hand, we want to compete, but in order to compete and compete on a level playing field, we have to challenge. I think it is working that balance, particularly with intellectual property, particularly with competition in the global space. We will go back to your testimony but would like some more thoughts on how you really flesh that out.

But I do think that some of the President's pressure on China to challenge them, to make it very clear that we understand the financial underpinnings of their economy and that without a good relationship with the United States, then their 50-year plan probably is not going to work out. We have got to strike a balance there. I look forward to continued discussion beyond the limits of the time we have here.

Dr. RATNER. Senator, I will just say briefly I do not disagree with you. I would be happy to clarify my remarks. The statement I made was about being confrontational without being competitive, not challenging China.

Senator TILLIS. Thank you.

Chairman INHOFE. Thank you, Senator Tillis.

Senator Jones?

Senator JONES. Mr. Chairman, if it please, with your permission, I would like to defer to Senator King. He has got an important presidential nominee coming in.

Chairman INHOFE. Very good.

Senator KING. Thank you, Mr. Chairman.

To follow up on the question—and I do not think this is something we are going to do in 5 minutes. You all may not be aware, but we have these little digital clocks up here.

But there is a fundamental question that I have asked several times at this committee, once of Henry Kissinger, as a matter of fact. What does China want? In other words, we are building up our military. They are building up their military on the assumption that we are both defending against the other. My question is, are they looking for economic hegemony in the world, in the region? Are they looking for territorial conquest?

I mean, I think of China as differently motivated than Russia, for example. Can one of you give me a minute or so on what China wants and then perhaps follow up? I would love to see some scholarly work on this because I think we need to understand our potential adversary's motivations in order to formulate a strategy. If it is simply economic competition, let us talk about intellectual property and all those things. Mr. Ratner, do you want to tackle that?

Dr. RATNER. Sure. In short, I think what China wants is to make the world safe for authoritarianism and to ensure the stability of the Chinese Communist Party. Because they view the U.S.-led order as antithetical to their interests, their economic interests and their security interests and their political interests, they are looking to back the U.S. military out of the region. They are looking to undermine the ability of——

Senator KING. Are they looking to invade Hawaii or California? I mean, do they have territorial ambitions, or do they just want us to tend to our region and they tend to their region?

Dr. RATNER. They certainly have territorial ambitions in the South and East China Sea.

I think I would say, Senator, they do not have a strategy in a vault like we do in terms of these very detailed, forward-looking grand strategies, but where we ought to look is what the interests of the leadership are, but also what the interests of the Communist Party are. And the interests of the Communist Party are to have a region of Asia and beyond that is not free, in which the United States is excluded from the economics and trade of the region and technology standards, in which institutions are inert, in which democracy and freedom is not advancing, in which the U.S. military is not able to operate, and in which U.S. alliances and partnerships erode over time. It is an illiberal sphere of influence that will expand and, if left unfettered, will undermine severely U.S. interests and peace and prosperity.

Senator KING. Well, I think the other piece is they currently have not the will but the will can always be a change of regime 5 minutes away.

I want to move on. I realize this is a provocative question, and I hope you all will think about some writing on this. You know, that is the title of the article, "What Does China Want"?

You talked about NATO, and I think you covered that very thoroughly in the answers to Senator Kaine's questions. Is there anything that Vladimir Putin would like better than the U.S. withdrawing from NATO? Mr. Wilson?

Mr. WILSON. I think his goal of restoring the prestige of the former Soviet Union comes hand in glove with seeing the destruction of the alliance.

Senator KING. The two are related. Somebody said you cannot understand Putin unless you understand Frederick the Great. There is Russian history involved here.

Mr. Colby, do you want to comment on that question?

Mr. COLBY. Yes. I think the Russians seem to want to divide and ultimately probably get rid of NATO.

I would just say, Senator, I think on the earlier question on China, very briefly.

Senator KING. I could tell you were aching.

Mr. COLBY. I know. I know. Actually I am working on a book on this.

But I think fundamentally you do not have to have that aggressive a conception of the Chinese leadership to be very worried because it is totally in their interest to secure hegemony, not territorial control but basically sway, the internal policies of the regional countries. That is the largest economic bloc in the world. Do the American people think they are going to be immune from that kind of influence?

Senator KING. Did we make a mistake by withdrawing from the TPP?

Mr. COLBY. Well, I supported the TPP at the time.

Senator KING. Because we have ceded that regional——

Mr. COLBY. I think we absolutely need to have an economic strategy, as Dr. Ratner has eloquently put it, that is integrated. What the right trade agreement looks like I do not know, but we definitely need something.

Senator KING. Final point, and this is not Russia or China, but it is so topical I have to ask. Venezuela. This morning in an Intel-

ligence Committee hearing, where I was before I came here, Senator Rubio listed refugee flow, human rights violations, corruption, alliance with adversaries. My problem is you could read that list along a lot of countries in the world. How do we define our vital interests in terms of intervening in another country no matter how bad the leader is? We have not had good luck with that.

Mr. COLBY. I think you are absolutely right, Senator. I think the main thing is maintaining favorable regional balances of power in the key regions of the world, which are Asia and Europe. Venezuela is a human tragedy and it is important for our interests, but it should not, as Senator Rubio I think said, be something of primary focus for our military forces, at least at this stage.

Senator KING. Mr. Wilson?

Mr. WILSON. I agree that the focus is not military, but I do think the scale of the crisis unfolding in Venezuela is often underestimated. This is, I think, a first tier international crisis, and a strategy that is focused on how do you bolster the strong regional alliances and a lot of the democratic states willing to stand and help support the Venezuelan people, democratic forces in Venezuela, and for us to have a very keen sense that China, Russia, Cuba have been looking at how to use Venezuela as a base for their operations in this hemisphere. That is something I think we have to stay on top of.

Senator KING. Of course, ironically one of the results of our obviously and openly coming out against Maduro would be to strengthen Maduro. He could say this is 100 years of American imperialism. It is a very difficult situation. I appreciate your thoughts and thanks for joining us today.

Thank you, Mr. Chairman.

Chairman INHOFE. Thank you, Senator King.

Senator Sullivan?

Senator SULLIVAN. Thank you, Mr. Chairman.

Gentlemen, thank you for—this has turned into a really good hearing—all of your public service to our country. I know all of you have served in different capacities, and I appreciate that as well.

I want to continue this discussion on allies. Would you not all agree that probably our most important strategic advantage is that we are an ally rich Nation and our adversaries and potential adversaries are ally poor? Not a lot of countries looking to join the Iran team or the North Korea team or the Russia team or, for that matter, even the China team unless their arms are twisted. Is that not correct?

I think Senator Kaine's line of questioning was really important. But in my discussions with the President—I do not see him—you know, the "New York Times" like to breathlessly report unnamed sources on the impending pullout of NATO. I do not believe that is happening. It is a problem, though, when you have countries like Germany that consistently spend about 1 percent of their GDP. I do not even know if they are hitting 1 percent now. Is that not a problem, Ambassador Wilson?

Mr. WILSON. It is a problem.

Senator SULLIVAN. What do we do about this? The President is trying to press them. I do not think he—or certainly there is not going to be support on pulling out of NATO. But at the same time,

they are a very powerful country economically. They compete really hard against us, and they do not pull their weight. Is that not part of the problem?

Mr. WILSON. Senator Sullivan, a couple points in response to that. Thank you.

First, you are right. This is an alliance that, as the National Defense Strategy puts, is built on free will and shared responsibility, a fundamental difference. It is an incredible alliance structure not based on coercion and intimidation, but essentially inspiration. I think that is an important strategic asset.

Second, the point of our clarity of resolve behind the alliance is so that we do not have our allies involved in hedging. Right now, there is an unhealthy debate, frankly, in Europe of whether we can count on the United States. I think it is a waste of time. The discussions in Europe about strategic autonomy are completely misplaced because it applies autonomy from the United States.

Senator SULLIVAN. I am going to let you finish. But there is this notion that again comes up in the papers. But in terms of actions that we, this Congress and this administration, have taken with regard to Putin—let me just—Javelin missile system to Ukraine. Pretty important. Right?

Mr. WILSON. Absolutely.

Senator SULLIVAN. The previous administration would not do that. The previous President was essentially afraid to do that. We did that.

A lot more troops in the Baltics and Poland. Correct?

Mr. WILSON. That is correct.

Senator SULLIVAN. Does Putin not understand, you know, 101st Airborne on the ground and armor on the ground more than rhetoric?

Mr. WILSON. I think there is no doubt that we have done more to bolster the alliance in recent years.

Senator SULLIVAN. With actions.

Mr. WILSON. Yes, with actions, with actions.

Deterrence is credibility and capability, and we are moving on that capability side. We have to keep that credibility piece connected.

Senator SULLIVAN. Are our European allies recognizing that? They recognize that the Ukrainians can now take out T–72 tanks in eastern Ukraine when a couple years ago they did not have that capacity. Or that we have troops in Poland or that we have troops in the Baltics? Is that recognized?

Mr. WILSON. It is. Yes, it is.

Senator SULLIVAN. What more do we need to do? This is just for all of the panelists because is there not a strategic competition for allies right now, and would Russia not love to splinter our NATO alliances? And would China not love to splinter our Japan, Australia, Korean alliances and troop deployments there? What should we be thinking, and what should this administration be doing more with regard to making sure that we double down on this strategic advantage, deepening current alliances and broadening alliances to other countries for both our competition with Russia and China?

Mr. WILSON. I think that is exactly right. That premise is exactly right, Senator.

As I see it, we need an intentional strategy on how—we are not just thinking about U.S. presence, which matters, but a U.S. strategy to bolster the capability and defenses of our allies, particularly those that are most capable and those that are closest to Russia.

This is where I think our pressure has had some effect. We see $40 million more on the table this year. Germany is one of the key challenges. It now has set a pathway to achieve 1.5 percent, not the 2 percent threshold.

Senator SULLIVAN. By when?

Mr. WILSON. By 2020—by 2024.

Senator SULLIVAN. Is that not a problem?

Mr. COLBY. I think it is 2021 actually.

Mr. WILSON. Yes, 2021.

Mr. COLBY. Can I just jump in?

I think we need to be very clear that our burden sharing strategy has failed over the last generation, and it is absolutely unacceptable for our allies not to be carrying their weight. The Trump administration has, as you said, done more for European defense than anybody in a long time and has made more progress on burden sharing. There is a lot more to go. Things can be done better.

I think, Senator, to your point, the National Defense Strategy was actually very consciously sketched out with this in mind, which is we got to get somewhere between, obviously, abandonment and basically giving the Europeans and the Asians the impression that we are going to be able to do everything. What it is saying is we are committed, but we cannot do everything. It is a credible signal of our limited ability to do everything. They need to step up.

If they really want to be independent, if you are Japan, for instance, and you have had 1 percent—look, we have been trying to get the Japanese to do more on defense spending since the 1950s. In Germany, we had huge debates. The balance of payments crisis, and the Congress was very involved in that. We are going to need to be tough on them. The Germans cannot go to places like Davos and the Munich security conference and say we are the moral leaders of Europe without spending what is required of them. Now, they are making progress. But I think this body and others do need to maintain pressure even as we maintain the fundamental commitment. That is going just have to be a balancing act that policymakers are going to have to deal with.

Senator SULLIVAN. I am finished unless Mr. Ratner wants to mention China.

Dr. RATNER. I would be happy to respond if I had another 60 seconds, Mr. Chairman.

Chairman INHOFE. Yes, I know you would.

[Laughter.]

Chairman INHOFE. Thank you, Senator.

Senator Blumenthal? Oh, I am sorry. Senator Jones.

Senator JONES. Thank you, Mr. Chairman.

And thank each of you for your service and also for being here today.

Mr. Ratner, I would like to follow up on an area that has not really been touched on, but you touched on it primarily in your written statement. That is the idea about tariffs and how that is affecting our standing, particularly where we are with China. You

talked about the harms caused by the administration's section 301 tariffs and section 232 tariffs, and I could not agree with you more on that.

I have, last Congress, introduced a bill with Senator Alexander and others. I think Senator Blackburn is joining us on that, the Automotive Jobs Act, which really focuses on the automobile industry, but also a bill, the Trade Security Act, with Senator Portman and Senator Ernst that would really take the national security designation away from Commerce and put it with people who really know what they are talking about over at the Department of Defense.

I was struck with Senator Sullivan's comments about we are an ally rich Nation and we are competing for allies. I think you alluded to this. We are kind of kicking our allies in the shins a little bit as we are focused on our trade and our tariffs with China.

I would like for you, if you would, just elaborate a little bit on the negative consequences that you are seeing from the trade war, the trade strategy, for lack of a better term, that we see coming with the administration right now.

Dr. RATNER. Sure, Senator. Thank you.

As I said in my written testimony, I do think the way in which the Trump administration has applied tariffs against our allies and partners has been extremely harmful for a couple reasons. One, it has limited their political space to cooperate with us on other aspects of the China challenge and, in addition, has created an international narrative around American protectionism that is not differentiated between the illegal and unfair trade practices of the Chinese which should be our focus and around which we should be mobilizing our partners in the international community, differentiated from some of the lower level disagreements we have with allies and partners. So the fact that the administration led with the 232 tariffs I think was unwise compared to a strategy that was very focused on China specifically.

Senator JONES. Do you think we should try to move that designation of national security out of Commerce and over to Defense, or have you even had a chance to look at the bill that we introduced?

Dr. RATNER. I have, Senator. In fact, in my recommendations, I would encourage Congress to constrain the ability of the administration in a variety of ways from having this authority on—particularly against U.S. security partners to use the national security authority for tariffs.

Senator JONES. You mentioned targeted tariffs and other tools for curbing China's illegal behavior. Can you give me some specifics about what that might look like?

Dr. RATNER. Sure. I think the Trump administration says they have done their best to target the tariffs at issues associated with some of their subsidies and Made in China 2025 Plan. I think the reality is they are much more indiscriminate than that. I would certainly support tariffs against Chinese companies that are particularly benefiting from their unfair practices and some of their subsidies in a way that harm American interests.

I think there is a space for tariffs particularly against the state-owned enterprises but indiscriminately I think is a less effective tool than targeted tariffs, as well as law enforcement measures and

export controls and investment restrictions and the full suite of other defensive measures we have to deal with China's behavior.

Senator JONES. Thank you.

Mr. Colby, along the same lines, is Russia looking at this? Are they exploiting these divisions particularly by acting more aggressively abroad such as in the Baltic States?

Mr. COLBY. Well, I defer to Mr. Wilson. I think he knows a lot about that.

I would say that the Russians are looking to exploit divisions within the alliance and the potential for them to use coercive measures, including military measures, that would play upon a lack of resolve and cohesion among the allies.

Senator JONES. Mr. Wilson, do you want to respond?

Mr. WILSON. I would just add that very much a Russian strategy is divide and conquer, where can they coerce decisions favorable to them through intimidation and coercion.

The Baltic States actually have quite strong resolve across all of their political parties to manage this challenge. Where they see them being more effective is where they can peel off parties, peel off forces, influence the debate within countries, and we see that playing out very actively in a place like Ukraine today.

Senator JONES. Well, thank you all for being here.

Thank you, Mr. Chairman.

Chairman INHOFE. Thank you, Senator Jones.

Senator Blumenthal?

Senator BLUMENTHAL. Thank you, Mr. Chairman.

Thank you all for being here today.

I want to ask a kind of bigger picture question. I am struck being on this committee by how new forms of technology, whether it is hypersonic missiles or cyber, seem to be making some of our conventional weapons platforms more vulnerable, for example, aircraft carriers. They cost $12 billion, $13 billion or more. That is what the latest one costs. But I think there is growing evidence that they may be more susceptible to attack in various ways or disruption as contrasted with submarines that are still strong, stealthy, reliable not only as a means of nuclear deterrence but also the Virginia class fast attack is a very versatile and important force.

I wonder if you could—and I am struck by your mention, Mr. Colby, about theories of victory that our adversaries may have. To what extent are our weapons platforms becoming more vulnerable? I am not going to say obsolete, but more vulnerable as a result of those new technologies.

Mr. COLBY. Well, thank you, Senator. I think the Chinese and the Russians have both spent the last 10 to 20 years specifically trying to do that.

Essentially much of the force we have today is what you could think of as a middle weight force. It was designed to fight two simultaneous wars against a Middle East state and basically North Korea. And that assumed that something like an aircraft carrier could get close and pound the enemy or that we could operate from very concentrated nodal bases in the Pacific.

We now have to go back to a situation, as we did during the Cold War, when we would expect our forces to be under attack. The fact that our forces are becoming more vulnerable is inevitable. Space

satellites are going to be vulnerable. The carrier is going to be more vulnerable to things like anti-ship ballistic missiles.

So the key question is, what do you do with it and how do you balance it against buys with things like submarines?

As you know, the industrial base on our submarines is constrained. Unfortunately, it is decisions dating back to the early 1990s, which we now rue. I think a lot of what we need to be doing is certainly trying to keep as many submarines as possible in the fleet, maximizing magazine capability, including through, say, prepositioning, as well as developing things like unmanned underwater systems and the like and bringing our allies. The Japanese national defense planning guidelines that they just released are very commendable, focused on blocking potential adversary attacks on their islands and so forth. That is a lot of the things we can do.

Senator BLUMENTHAL. Any of you have thoughts about that topic?

Dr. RATNER. No. Just that I agree. There are, of course, powerful bureaucratic and political interests in maintaining our existing force, and the effort to see the kind of substantial reform that is called for in the National Defense Strategy is going to require real leadership. I think intellectually people agree with this argument, but getting from here to there is the challenge before us.

Mr. COLBY. Senator, if I could just say—I am not sure you were here, but I think this, once more, gets back to the point of the threat, to Dr. Ratner's point about bureaucratic and organizational and political interests. These are life in the big city.

But I think the point is if people truly understand and appreciate the degree and severity of the threat, it will be harder to make the sort of legacy-style arguments. You know, the carrier has a bright future if you look at things like longer-range unmanned aviation and these kinds of things. But that itself is a hard slog.

Senator BLUMENTHAL. You are ditto.

Mr. WILSON. I defer to my colleagues on this.

Senator BLUMENTHAL. Thank you very much, Mr. Chairman.

Thank you all.

Chairman INHOFE. Thank you very much.

First of all, we appreciate very much—this has been a real education I know for me and some of the others here. I appreciate it very much. It was not intended to go this long, but that was the level of interest in hearing from you folks and we appreciate it very much.

With that, we are adjourned.

[Whereupon, at 12:12 p.m., the subcommittee adjourned.]

APPENDIX A

Atlantic Council
SCOWCROFT CENTER
FOR STRATEGY AND SECURITY

PREVIEW

Permanent Deterrence: Enhancements to the US Military Presence in North Central Europe

December 2018

by General Philip Breedlove and Ambassador Alexander Vershbow

In September 2018, the Atlantic Council established a Task Force on US Force Posture in Europe to assess the adequacy of current US deployments, with a focus on North Central Europe. The Task Force is co-chaired by General Philip Breedlove, former supreme allied commander Europe, and Ambassador Alexander Vershbow, former NATO deputy secretary general. A full report will be completed in January 2019. This paper is a summary of the task force's conclusions and recommendations.

The force-posture recommendations have been approved by the two co-chairs as the appropriate response to the current and projected military and geopolitical situation in North Central Europe. All recommendations have been endorsed by the other members of the task force as steps that would strengthen the US posture in the region, in order to bolster NATO deterrence and political cohesion.

The Scowcroft Center for Strategy and Security brings together top policymakers, government and military officials, business leaders, and experts from Europe and North America to share insights, strengthen cooperation, and develop common approaches to key transatlantic security challenges.

The Issue

North Central Europe has become the central point of confrontation between the West and a revisionist Russia. Under President Vladimir Putin, Russia is determined to roll back the post-Cold War settlement—to thwart US-led efforts to build a Europe whole, free, and at peace, and to undermine the rules-based order that has kept Europe secure since the end of World War II. Moscow's invasion and continued occupation of Georgian and Ukrainian territories, its military build-up in Russia's Western Military District and Kaliningrad, and its "hybrid" warfare against Western societies have heightened instability in the region, and have made collective defense and deterrence an urgent mission for the United States and NATO.

To strengthen deterrence and effectively defend against Russian aggression, the United States and NATO have taken significant steps

since 2014 to enhance their force posture and respond to provocative Russian behavior. US efforts included rotating an armored brigade combat team (BCT) to Europe in "heel-to-toe" rotations every nine months, and prepositioning equipment for a second BCT that would deploy from the United States in a crisis. NATO efforts included deploying battalion-seized battle groups to each of the Baltic states and Poland through its enhanced Forward Presence (eFP) initiative; the United States leads the NATO eFP battalion based in northeastern Poland, near the Suwalki Corridor.

Despite these and other US and NATO efforts, the allies in North Central Europe face a formidable and evolving adversary, and it is unlikely that Russian efforts to threaten and intimidate these nations will end in the near term. The US military presence in the region is predominantly rotational, which offers both geopolitical and operational advantages and disadvantages. Looking forward, assessing whether the United States should transition to a more permanent deterrence posture in the region, one that features a mix of permanent and rotational capabilities, has become timely and urgent.

It was against this backdrop that the Republic of Poland submitted a proposal earlier this year offering $2 billion to support a permanent US base in the country. The offer underscored Poland's commitment to contribute to regional stability, burden sharing, and making the concept cost-effective for the US government. Still, the issue of an enhanced US presence in Europe is broader than Poland; it is fundamentally about NATO and defending all of Europe. Any decision about an enhanced US presence in Poland would have serious implications for the region, and for the Alliance as a whole.

The US Congress has expressed high interest in this Polish concept and, in the National Defense Authorization Act (NDAA) for Fiscal Year 2019, tasked the US Department of Defense with producing a report on the feasibility and advisability of establishing a more permanent presence in Poland, due March 1, 2019.

As underscored at the September 2018 summit between US President Donald Trump and Polish President Andrzej Duda, the US government is carefully considering the Polish offer and exploring concrete options. However, the discussions could significantly benefit from an independent perspective outside the US government. That is the goal of this Atlantic Council Task Force, established to consider the broader political and military implications of an enhanced US presence in Poland and the wider North Central European region.

The Need for Enhanced Deterrence

Over the past four years, the United States, together with its NATO allies, has taken important steps to bolster the level of deterrence needed to counter an increasingly aggressive Russia. As a result of the 2014 Wales Summit, the Alliance adopted the Readiness Action Plan, which called for the creation of a Very High Readiness Joint Task Force (VJTF) and expansion of the NATO Response Force (NRF) to increase the Alliance's capacity to reinforce any ally under threat.

The United States simultaneously launched the European Reassurance Initiative (now called the European Deterrence Initiative), which has financed, among other things, a "heel-to-toe" rotation to Europe of an armored BCT, which exercises with allied forces from the Baltics to the Black Sea, and prepositioned equipment to fill out an additional armored BCT.

NATO's *"existential deterrence"* created by the Wales Summit initiatives relied heavily on the existence of these relatively small spearhead units. This limited rapid-reaction capability was judged to be insufficient to deter Russian aggression, whether large-scale conventional attack or a scenario involving ambiguous "hybrid" methods, such as those Moscow demonstrated in Crimea and eastern Ukraine.

At the 2016 Warsaw Summit, the Alliance took the next step in building deterrence by agreeing to deploy four multinational NATO battle groups of about 1,200 troops in each of the Baltic states and Poland. This enhanced Forward Presence (eFP) adds a more effective element of *"deterrence by trip wire,"* making clear to Russia that any aggression would be met immediately—not just by local forces, but by forces from across the Alliance. However, while the NATO battle groups and the US rotational brigade combat team both have warfighting capabilities, they lack a comprehensive and coordinated battle plan between NATO and the United States, as well as adequate enablers—including intelligence, surveillance, and reconnaissance assets; air and missile defense; and long-range fires. A determined Russian conventional attack, especially if mounted with little warning, could defeat these forward-deployed NATO and US forces in a relatively short period of time, before reinforcements could be brought to bear. Deterrence rests on the certainty that NATO would respond to an attack quickly, because allied soldiers would be killed in the attack. Yet, concerns have grown that a quick Russian land grab might present the Alliance with a *fait accompli*, dividing the Alliance and paralyzing decision-making before reinforcements could arrive.

To ameliorate this problem, NATO sought at the 2018 Brussels Summit to shorten the period of time that it would take for substantial forces to reinforce North Central Europe in time of war. The NATO Readiness Initiative, the so-called "Four 30s" plan, would designate thirty ground battalions, thirty air squadrons, and thirty major naval combatants to be ready to deploy and engage an adversary within thirty days. Other steps were taken to bolster the NATO Command Structure and reduce mobility problems through Europe. This effort has promised to further strengthen the credibility of NATO's deterrence and improve the defense of NATO's eastern frontier, creating what might be called *"deterrence by rapid reinforcement."*

Notwithstanding this progress, the Alliance's deterrence posture could be improved further. Even after the "Four 30s" Readiness Initiative has been implemented, the thirty-day gap between an initial attack on the Alliance and the time when major reinforcements arrive would be significant. Closing this gap would rely heavily on airpower to prevent or slow advances by enemy ground forces until allied reinforcements could arrive. But, deterrence may still lack credibility. A 2018 RAND report concluded:

> In the event of a ground attack on a NATO member in the Baltic region, Russia would have a substantial time-distance advantage in the initial days and weeks of its ground campaign because of its strong starting position and ability to reinforce with ground and air units from elsewhere in Russia.[1]

Additional steps can, and should, be taken to reduce this thirty-day readiness gap and enhance US and NATO capacity to deter, defend, and, if necessary, retake Alliance territory.

Striking the Right Balance

The members of the task force believe that significant enhancements to the existing US presence could be undertaken, while maintaining the framework of deterrence by rapid reinforcement reaffirmed by allied leaders at their 2018 summit. A carefully calibrated mix of permanent and rotational deployments in Poland and the wider region could bolster deterrence and reinforce Alliance cohesion, while avoiding a divisive debate on whether such deployments are consistent with the 1997 NATO-Russia Founding Act.

In 1997, seeking to reassure Russia that NATO enlargement would not pose a military threat to it, allies agreed that "in the current and foreseeable security environment, the Alliance will carry out its collective defense and other missions by ensuring the necessary interoperability, integration, and capability for reinforcement rather than by additional permanent stationing of substantial combat forces." The Alliance has not explicitly renounced the Founding Act, despite Russia's repeated violations of its commitments under that agreement. Allies have deployed the eFP battlegroups and other enhancements to NATO's deterrence posture, on the understanding that "additional permanent stationing" of forces up to the level of a brigade per country is consistent with any reasonable definition of the limits implied by "substantial combat forces."[2]

With a view to maintaining the current allied consensus, the task force began by establishing a set of eight principles that should guide deployments of US forces to Eastern and North Central Europe. Then, the task force designed a set of proposed additional US deployments consistent with those principles.

Principles for Enhanced Deterrence

In considering the proposed forward deployment of additional US military forces into Eastern and North Central Europe, the United States should be guided by the following principles.

The deployment should

- enhance the United States' and NATO's deterrent posture for the broader region, not just for the nation hosting the US deployment, including strengthening readiness and capacity for reinforcement;
- reinforce NATO cohesion;
- promote stability with respect to Russian military deployments;

1 Scott Boston, Michael Johnson, Nathan Beauchamp-Mustafaga, and Yvonne K. Crane, *Assessing the Conventional Force Imbalance in Europe Implications for Countering Russian Local Superiority* (Santa Monica, CA: RAND, 2018), https://www.rand.org/pubs/research_reports/RR2402.html.

2 The United States and NATO, in order to maintain flexibility, never agreed to a precise definition of "substantial combat forces" (SCF). However, during NATO deliberations on an enhanced Forward Presence in 2016, they referred to Russian proposals during negotiations in the late 1990s on the Adapted CFE Treaty as providing a reasonable benchmark. In those negotiations, Russia sought to set a limit of one army brigade per country as the definition of SCF. See William Alberque, *"Substantial Combat Forces" in the Context of NATO-Russia Relations* (Rome: NATO Defense College, 2016), http://www.ndc.nato.int/news/news.php?icode=962.

- be consistent with the US National Defense Strategy and its concept of "dynamic force employment;"[3]
- include increased naval and air deployments in the region, alongside additional ground forces and enablers;
- promote training and operational readiness of US deployed forces and interoperability with host-nation and other allied forces;
- ensure maximum operational flexibility to employ US deployed forces to other regions of the Alliance and globally;
- expand opportunities for allied burden-sharing, including multilateral deployments in the region and beyond; and
- ensure adequate host-nation support for US deployments.

In addition, US and NATO decisions should be made in a way that strengthens the foundation of shared values and interests on which the Alliance rests.

Possible Enhancements to US Force Posture in North Central Europe

The following enhancements to the current US force posture would be consistent with the eight principles articulated above. Many of the recommended enhancements would take place in Poland, because its size and geographic location make it a key staging area for most NATO efforts to defend allied territory in the three Baltic states. These enhancements would largely build on the significant US capabilities already deployed in Poland (see Appendix 1) and could be complemented by capabilities from other NATO allies.

Recommended enablers would also strengthen the ability of US forces currently deployed in Poland to defend themselves. The recommendations would not move currently deployed US forces from the territory of another NATO ally to Poland.

The package would make certain elements of the current US deployment in Poland permanent, strengthen other elements of that deployment by reinforcing the BCT deployed there with various enablers, assign another BCT on a permanent or rotational basis to Germany, reinforce the impact of US forces on defense and deterrence for the Baltic states, where US presence has been limited since the deployment of the NATO eFP Battle Groups, and do so while maintaining NATO cohesion.

Specifically, the task force recommends the following changes.

Headquarters

- Upgrade the existing US Mission Command Element in Poznan to a US Division HQ to serve as the hub for ensuring the mobility and rapid flow of US reinforcements from Europe and CONUS to Poland and the Baltic states in time of crisis. Make the HQ a permanent deployment without dependents. Maintain close coordination between this HQ and MNC-NE (Szczecin) and MND-NE (Elblag).

Ground Forces

- Commit to maintaining a continuous rotational presence of one BCT in Poland centered at Żagań, along the Polish-German border, with some elements deploying for exercises throughout North Central Europe and, as necessary, to other regions. This might be called a "continuous rotational presence based at a permanent installation."
  - The US rotational armored BCT currently operates out of several training sites near Żagań. US troops are housed in Polish barracks, or sometimes in tents. The Polish government has indicated a willingness to upgrade these facilities if the United States plans to stay. With a US commitment to a continuous rotational presence of one reinforced BCT, the Polish government should undertake providing the funds needed to upgrade and expand these facilities and, more importantly, to modernize and expand associated training areas to meet US standards. The upgraded training facilities should be made available for both allied and US use.
  - Under the European Deterrence Initiative (EDI), the United States will enlarge the runway at Powidz, build up railheads to offload equipment, build a prepositioning site to store a brigade set by 2023, create new fuel-storage sites, and build new ammunition-storage sites. As part of a package of enhancements, the United States should accelerate these plans as much as possible.

3 Dynamic force employment is an effort to prepare the US military to transition from a focus on fighting terrorist groups to a possible great-power conflict with about the same force size. It calls for greater agility, more lethality, less operational predictability, higher readiness, irregular deployments, and maximum surge capacity. See Department of Defense, *Summary of the 2018 National Defense Strategy of the United States of America* (Washington, DC: Department of Defense, 2018), p. 7, https://dod.defense.gov/Portals/1/Documents/pubs/2018-National-Defense-Strategy-Summary.pdf.

- Commit to maintaining the US lead for the NATO eFP Battle Group at Orzysz, near the Suwałki Gap, for the indefinite future. (The Battle Group currently consists of about five hundred and fifty US soldiers from an armored unit, together with troops and equipment from Croatia, Poland, Romania, and the UK.)
- Deploy a new armored BCT to Germany on a permanent or rotational basis, and deploy one battalion of that BCT to Poland and one to the Baltic states on a regular basis for training/exercises.
- Deploy some of the short-range air-defense units and rocket-artillery units now slated for stationing in Germany (to be completed by 2020) to Poland on a rotational basis.
- Station a mid-range air-defense capability in Poland to protect US forces, to train with Polish Patriot units, and to reinforce the Baltic states in a crisis.
- Station enablers such as intelligence, surveillance, and reconnaissance (ISR) and engineers in Poland on a continuous basis.

Special Operations Forces (SOF)

- Make the 10th Special Forces Group near Kraków a permanent platform for training Polish SOF, and expand the group to support US SOF training in the Baltic states in tandem with Polish SOF.

Aviation

- Establish a new HQ for one Combat Aviation Brigade (CAB) in Poland to support a rotational CAB for training missions throughout the region.
- Enlarge and make permanent the US aviation detachment at Łask Air Base to facilitate rotational deployments of US fighter and cargo aircraft, as well as possible aviation deployments by other allies.
- Make permanent the US aviation detachment at Mirosławiec Air Base in support of the squadron of US MQ-9 reconnaissance drones.
- Commit to a higher level of US Air Force exercises in the region.

Naval

- Establish a new, small naval detachment in Gdynia, Poland, to facilitate more frequent US Navy visits to Poland and to other Baltic Sea ports.
- Home-port US destroyers in Denmark, with continuous patrols in the Baltic Sea and port visits to allied ports in the region. The mission might include anti-submarine warfare, maritime domain awareness, amphibious operations, and counter-A2AD (anti-access/area denial).

Missile Defense

- Recommit to the NATO Aegis Ashore missile-defense site at Redzikowo, which is already considered a permanent site.

NATO Coordination and Multinational Participation

- As the plans for enhanced US deployments develop, there should be close consultations and full transparency with NATO allies. While these are US bilateral efforts, they affect the security interests of all allies and need to be compatible with NATO decisions.
- It should be stressed that the enhanced deployments would not exceed the agreed understanding of "substantial combat forces" mentioned in the NATO-Russia Founding Act, since the deployment remains a reinforced brigade plus some enablers. While the division HQ might be in Poland, most of the division itself would not be deployed there.
- The supreme allied commander Europe (SACEUR) should develop plans to transfer authority over US European Command (EUCOM) forces in Poland to NATO command in the event of an emerging Article 5 situation, and should be delegated standing authority to prepare and stage those forces by the North Atlantic Council.
- The United States should seek a few European partners to participate beyond their contributions to the US-led NATO eFP battle group in Poland.
  - Allies could contribute in several ways: increased rotational presence (e.g., the UK, Germany, or another ally could deploy forces with the current US rotational BCT), deployment of enablers, deployment of SOF units, and deployment of their own aviation and naval detachments to support exercises and training.
  - NATO should be encouraged to create an air-operations HQ at Powidz Air Base.

Funding of New Infrastructure and Long-term Sustainment

- While some of the deployments and facilities proposed above will be funded by the US EDI or the NATO Security Investment Program (NSIP), the United States should look to Poland and other host nations to shoulder a share of the burden—both upfront construction costs and long-term sustainment.

- The Polish offer of $2 billion is a good starting point and, as noted above, could be used to construct more permanent facilities for the US rotational BCT and upgrade associated training facilities to US standards. The overall cost of the required construction, however, is likely to exceed $2 billion.
- Poland could also fund some, or all, of the cost of facilities for the proposed division headquarters and naval detachment, the Combat Aviation Brigade HQ, the MQ-9 squadron, and the rotating mid-level air-defense unit.
- Estonia, Latvia, and Lithuania could help fund new facilities or sustainment costs associated with increased US-led SOF training and other rotational deployments in the Baltic states.

- This would mirror the host-nation support provided by other US allies in Europe and Northeast Asia.

Conclusion

Measures along the lines proposed by the task force would build on the existing US presence in Poland, strengthen deterrence for the wider region, and promote greater burden-sharing among allies. While adding important military capabilities and increasing NATO's capacity for rapid reinforcement, the scale of the proposed measures should remain within the NATO consensus, thereby ensuring continued NATO cohesion and solidarity. The task force strongly recommends that the United States, Poland, and the rest of the Alliance move forward on this basis.

Appendix 1: Current US Force Posture in Poland

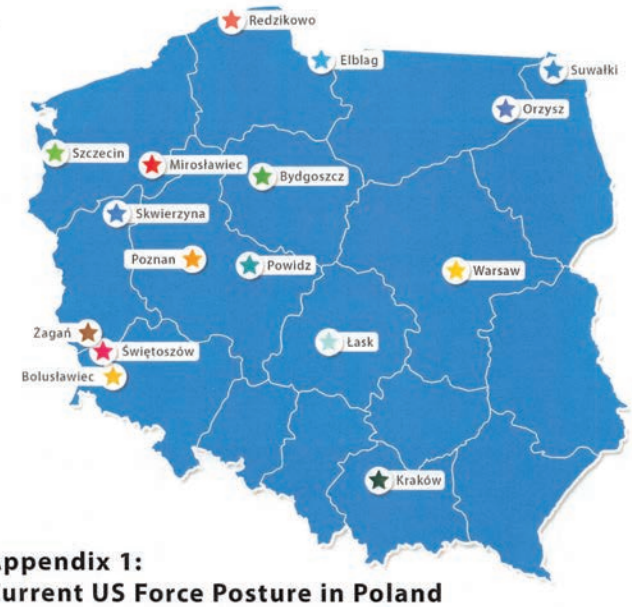
Appendix 2: US Force Posture in Europe by the Numbers

Appendix 3: Index of Acronyms

Members of the Atlantic Council Posture Task Force

- **General Philip Breedlove (Ret.)**, is a board director at the Atlantic Council. Previously, he served as commander of US European Command and NATO's supreme allied commander Europe. Prior to that, he commanded US Air Forces in Europe and Africa and NATO Allied Air Command.
- **Ambassador Alexander Vershbow (Ret.)**, is a distinguished fellow at the Atlantic Council. Previously, he served as deputy secretary general of NATO, US assistant secretary of defense for international security affairs, as well as US ambassador to NATO, the Russian Federation, and the Republic of Korea.

- **Mr. Ian Brzezinski**, former deputy assistant secretary of defense for Europe and NATO Policy (project director)
- **Dr. Hans Binnendijk**, former senior director for defense policy and arms control, US National Security Council
- **Ambassador Paula Dobriansky**, former undersecretary of state for democracy and global affairs
- **Dr. Evelyn Farkas**, former deputy assistant secretary of defense for Russia/Ukraine/Eurasia
- **Ambassador Daniel Fried**, former assistant secretary of state for Europe and Eurasia
- **Mr. Robert Nurick**, senior fellow, Atlantic Council
- **Mr. Barry Pavel**, former senior director for defense policy and strategy, US National Security Council
- **Ms. Lauren Speranza**, deputy director, Transatlantic Security Initiative, Atlantic Council (rapporteur)
- **Mr. Jim Townsend**, former deputy assistant secretary of defense for Europe and NATO policy
- **Mr. Damon Wilson**, former senior director for European affairs, US National Security Council



Appendix 1:
Current US Force Posture in Poland

- Armored Brigade Combat Team (BCT): four maneuver battalions totaling about 3500 soldiers at 4-6 training sites (HQ at **Żagań**, elements at **Skwierzyna**, **Bolusławiec**, and **Świętoszów**)
- Leadership of NATO enhanced Forward Presence (eFP) Battle Group: 550 soldiers from 278th Armored Cavalry Regiment (**Orzysz**)
- Battalion of 4th Combat Aviation Brigade and Air Base (**Powidz**)
- US Command personnel at NATO's MNC NE (**Szczecin**) and MND NE (**Elbląg**)
- US Mission Command Element: about 90 rotational personnel from 1st Infantry Division (**Poznan**), serves as HQ for US rotational deployments under Operation Atlantic Resolve.
- Aegis Ashore: about 100 US military and civilian personnel at construction site (**Redzikowo**)
- US Aviation detachment to support US Air Force flights via Air Base (**Łask**)
- US Aviation detachment for MQ9 ISR reconnaissance unit (**Mirosławiec**)
- 10th Special Forces detachment (**Kraków**)
- Reserve transportation battalion and combat service support unit (**Powidz**)
- US personnel at NATO Force Integration Unit (**Bydgoszcz**)
- Defense Attaché Office at US Embassy (**Warsaw**)

Additional facilities under construction

- Building storage to preposition one Army brigade set
- Building fuel and ammunition storage sites
- Enlarging runway (**Powidz**) and building up railheads

Appendix 2: US Force Posture in Europe by the Numbers

Baltics

Country / Total Troops	Key Capabilities ■ Rotational	■ Permanent
Poland ~4,400	1 armored BCT (15+ Paladins, 85+ Abrams, 130+ AFVs)[1] 1 eFP armored battalion[2] Transportation battalion and combat service-support unit[3]	Army aviation detachment—8 Black Hawks, 4 Apaches[4] Operation Atlantic Resolve Mission Command Element[5] Special Forces Group detachment
	Personnel at NATO Force Integration Unit[6] Personnel at NATO MNC NE and MND NE 2 aviation-support detachments for ISR and Air Force flights[7]	Aegis Ashore missile-defense facility (ready 2020) Prepositioned brigade-level armor and artillery (ready 2021)[8]

Central / Eastern Europe

Country / Total Troops	Key Capabilities ■ Rotational	■ Permanent
Bulgaria ~300	2 armored cavalry companies[9]	
Hungary ~100	1 armored cavalry company[10]	
Kosovo ~675	1 infantry battalion[11]	1 helicopter fleet—UH-60 Black Hawks[12]
Romania ~1,000	1 armored cavalry battalion[13] Black Sea rotational force[14]	1 Army aviation detachment—8 Black Hawks[15] 1 engineer battalion[16]
	Aegis Ashore missile-defense facility[17]	
Ukraine ~300	1 armored cavalry detachment[18]	

Western Europe / Turkey

Country / Total Troops	Key Capabilities ■ Rotational	■ Permanent
Belgium ~900	Strategic signals battalion[19]	Prepositioned brigade-level sustainment equipment[20]
Germany ~37,500	2 armored cavalry battalions[21]	1 combat aviation brigade[22]
	1 cavalry regiment[23] 1 infantry battalion[24] 1 combat aviation brigade[25] 1 special-forces battalion[26] 1 fighter wing—28 F-16s[27] 1 airlift wing—14 C130s[28] EUCOM	US Army Europe 1 theater logistics command[29] 1 signals brigade[30] 1 military-intelligence brigade[31] 1 missile-defense command[32] Prepositioned munitions center—25,000 tons and 400 vehicles
Greece ~400	MQ-9 Reaper drones[33]	
	Naval support facility	
Italy ~12,000	1 airborne brigade combat team[34] 1 fighter wing—21 F-16s[35] 1 ASW squadron—4 P-8A Poseidons[36]	Southern European task force HQ US Navy Europe HQ
Netherlands ~400	Prepositioned field-support-brigade equipment	(M1 Abrams tanks, M109 Paladins, and additional armored and support vehicles)[37]
Norway ~700	Marine Rotational Force—700 Marines[38]	
	NALMEB prepositioned equipment and 30 days' supply for a Marine expeditionary brigade[39]	
Spain ~3,200	Naval station Rota 4 US Navy destroyers	USMC SPMAGTF—crisis-response unit[40]
Turkey ~2,700	1 attack squadron—12 A-10 Thunderbolts[41] 1 tanker squadron—14 KC-135s[42] 1 CISR squadron—MQ-1B Predator[43]	1 ELINT fleet—EP3 Aries II[44] 1 AN/TPY-2 X-band radar station[45]
United Kingdom ~8,300	1 fighter wing—47 F-15s[46] 1 ISR squadron—OC-135s[47] 1 tanker wing—15 KC-135s[48]	1 special-operations group—8 CV-22 Ospreys and 8 MC-130s[49] 1 early warning and spacetrack radar facility

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Appendix 3: Index of Acronyms

A2AD—Anti-access/area denial

ABCT—Armored brigade combat team

AFV—Armored fighting vehicle

AN/TPY-2—Army Navy Transportable Radar Surveillance

ASW—Anti-submarine warfare

BCT—Brigade combat team

CAB—Combat aviation brigade

CISR—Combat intelligence, surveillance, and reconnaissance

CONUS—Continental United States

EDI—European Deterrence Initiative

eFP—enhanced Forward Presence

ELINT—Electronic intelligence

EUCOM—European Command

HQ—Headquarters

ISR—Intelligence, surveillance, and reconnaissance

MNC-NE—Multinational Corps Northeast

MND-NE—Multinational Division Northeast

NALMEB—Norway Air-Landed Marine Expeditionary Brigade

NDAA—National Defense Authorization Act

NRF - NATO Response Force

NSIP—NATO Security Investment Program

SACEUR—Supreme allied commander Europe

SOF—Special operations forces

SPMAGTF—Special Purpose Marine Air-Ground Task Force

USMC—United States Marine Corps

VJTF—Very High Readiness Joint Task Force

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