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**RESOURCING U.S. PRIORITIES IN THE** 

INDO-PACIFIC FISCAL YEAR 2023 BUDGET

Wednesday, June 8, 2022

House of Representatives,

Subcommittee on Asia, the Pacific,

Central Asia, and Nonproliferation,

Committee on Foreign Affairs,

Washington, D.C.

The subcommittee met, pursuant to call, at 10:12 a.m., in Room 2172, Rayburn House Office Building, Hon. Ami Bera [chairman of the subcommittee] presiding. Mr. <u>Bera.</u> The Subcommittee on Asia, the Pacific, Central Asia, and Nonproliferation will come to order.

Without objection, the chair is authorized to declare a recess of the committee at any point, and all members will have 5 days to submit statements, extraneous materials, and questions for the record, subject to the length limitation in the rules. To insert something into the record, please have your staff email the previously mentioned address or contact full committee staff.

Please keep your video function on at all times, even when you are not recognized by the chair. Members are responsible for muting and unmuting themselves, and please remember to mute yourself after you finish speaking. Consistent with remote committee proceedings of H. Res. 8, staff will only mute members and witnesses as appropriate when they are not under recognition to eliminate background noise.

I see we have a quorum and will now recognize myself for opening remarks.

First, I want to thank the witnesses for participating in this important hearing and express my appreciation for the administration's continued engagement with Congress and the openness.

Today's hearing focuses on the Biden-Harris administration's proposed budget for State Department and USAID programs specifically in the Indo-Pacific. While the subcommittee's jurisdiction includes other important countries that are not directly in the Indo-Pacific, today's hearing will emphasize that focus on the Indo-Pacific. And that is not to minimize Central Asia or other countries of jurisdiction, which we will focus on in a different setting.

What we have seen over successive administrations, both Democratic and Republican administrations, have underscored the economic and strategic importance of

this region. And you have heard, going back to the Obama administration, through the Trump administration, now with the Biden administration, the pivot to the Indo-Pacific and understanding, you know, the dynamic population that lives here, the economic vitality, but also the strategic competition that is taking place. So, again, appreciate the Biden-Harris approach to looking at this region.

And, in fact, you know, if you hear the words of Secretary of State Blinken, you know, a few weeks ago at Davos, while the tragedy that is taking place in Ukraine is taking up much of our time, we also understand in the 21st century, you know, the importance of the Indo-Pacific, the strategic competition that is taking place in the region, and the unique focus that we have to place on this region.

As we think about that and we think about what a budget represents, a budget represents the priorities of an administration. And, you know, to that extent, there are areas where we are pleased with some of the plus-ups and allowing increased staffing and so forth.

But understanding the competition with China, understanding the importance of providing alternatives in terms of aid and development, making sure, as we look at the Pacific islands and, you know, some of what is happening on Solomon Islands, making sure we have a robust presence diplomatically through aid and development, through the Peace Corps and other tools, that is something, you know, I focus on as chair of this subcommittee but also with other colleagues in the Pacific Islands Caucus and elsewhere.

When we think about the vitality of Southeast Asia and the importance of the countries in that region, again, making sure that we are there with robust aid and development packages. You know, when I look at what is happening in Sri Lanka and some of the more coercive economic packages that some of our competitors have provided, I think countries in the region certainly would very much welcome alternatives.

And, again, you know, as we go through this hearing and through the budget, we will certainly talk about that.

And then just making sure that we have the requisite staffing that you need to complete your mission, to make sure -- you know, anything from consular services, passport services, but then also just robust diplomatic engagement throughout the region.

Again, a budget reflects priorities. And, you know, I have long been a champion, along in a bipartisan way, of making sure that we have that robust presence there.

So, again, I look forward to continuing to work with the administration in a bipartisan manner, to ensure that we are adequately resourced in our diplomatic development, economic and security initiatives in this consequential part of the world.

And, with that, let me go and yield 5 minutes to my friend from Ohio, our ranking member, Representative Chabot, for his opening comments.

Mr. <u>Chabot.</u> Thank you, Mr. Chairman. Thank you for holding this important hearing this morning.

And thank you to the witnesses for the testimony that you will be giving here this morning as well.

Mr. Chairman, while the world remains focused on Vladimir Putin's unprovoked and illegal war of conquest in Ukraine, the principal risks to the United States and our Nation's top international opportunities remain concentrated in the Indo-Pacific. Today, we examine whether the Biden administration's foreign affairs budget reflects this largely undisputed reality of the importance of the Indo-Pacific.

The Indo-Pacific region includes over half the world's population and a number of our closest democratic allies and partners, like Japan, South Korea, Taiwan, Australia, Philippines, India. It is also home to islands in the Pacific with whom we have had a very productive engagement and mostly warm relations since World War II.

On the economic side, the region is home to 6 of our top 10 trading partners and a third of the world's economic activity outside of the United States. And in the coming years, the region is poised to account for two-thirds of the future of global economic growth.

So it is very important. It should be no longer a point of debate that the course of the 21st century will largely be determined in this crucial region.

The Biden administration claims to recognize this in its Indo-Pacific Strategy. All of which is why I am puzzled, Mr. Chairman. Despite the administration's rhetoric, the budget requests for the East Asia and Pacific and South and Central Asia bureaus rank at the very bottom when compared to State Department's other regional bureaus.

Specifically, East Asia and the Pacific is slated to receive the lowest amount in foreign assistance, \$1.15 billion, and the second-lowest amount in diplomatic programs, \$327 million. South and Central Asia, allocated the lowest amount in diplomatic programs, \$233 million, and the second-lowest amount in foreign assistance, \$1.2 billion.

Even when we combine these bureaus' budgets, foreign aid for the Indo-Pacific region is dwarfed by the amount given to, for example, Africa and to the Middle East.

Further, the administration has requested less personnel and less diplomatic program funding for EAP and SCA combined than it has for the European bureau alone, despite the fact that we do not face intense competition for diplomatic influence in Europe.

In total, these two bureaus covering the Indo-Pacific region account for only 11 percent of the total foreign assistance budget.

While I appreciate the incremental changes that we see in the EAP and SCA budget requests, the time for incremental change is over. If we are going to truly

compete with the PRC in the Indo-Pacific, we need to see a budget that matches our rhetoric. Because whether we are serious about competition with the PRC or not, the PRC is serious about displacing us from the region.

For instance, China is reportedly spending over a trillion dollars in its One Belt, One Road initiative, much of which will support hard infrastructure in the Indo-Pacific. On the economic front, in 2020, Beijing inked RCEP, an actual trade deal, that will bind it even closer to the economies of ASEAN, while our new Indo-Pacific Economic Framework is merely an agreement to talk, without any offer of market access, which is what the region really wants.

The PRC is also making worrisome gains in the security arena. For instance, Beijing just signed a secret security agreement with the Solomon Islands. While the supposed justification is to aid Honiara in its domestic security capabilities, according to reports, the deal would allow Chinese troops and warships to use the island as a base of operations.

While Beijing's attempt to negotiate a broader security arrangement in the South Pacific has experienced a temporary setback, we expect them to push for additional bases throughout the region. For instance, just last Monday, The Washington Post broke the news that China is building a naval base in Cambodia.

In light of the PRC's gains, I don't think the administration's incremental plus-ups to support our regional engagement are going to cut it.

So, Mr. Chairman, I am interested to learn why we aren't placing a greater prioritization on the Indo-Pacific today and why the administration thinks the request before us is sufficient to counter all the PRC's ambition for regional hegemony. I am hoping our witnesses today can help clarify these critical points.

And I yield back.

Mr. <u>Bera.</u> Thank you, Ranking Member Chabot.

I will now introduce our witnesses in order of seniority.

We first have Mr. Donald Lu, who became the Assistant Secretary of State for the Bureau of South and Central Asian Affairs on September 15, 2021. He has served in many capacities across his 30 years in the Foreign Service, including most recently as the U.S. Ambassador to the Kyrgyz Republic from 2018 to 2021 and the U.S. Ambassador to the Republic of Albania from 2015 to 2018.

Our second witness is Mr. Craig Hart, who is a career member of the USAID Senior Foreign Service and is Acting Senior Deputy Assistant Administrator for Asia. He joined the bureau for Asia in August 2020 as the Deputy Assistant Administrator for East Asia and the Pacific. Prior to this, Mr. Hart served as deputy mission director in Vietnam from 2016 to 2020. Since joining USAID in 2005, he has served as a program officer in Tanzania, Afghanistan, the Republic of Georgia, and Washington, D.C.

Next, we have Ms. Camille Dawson, who assumed the role of Deputy Assistant Secretary of State in the Bureau of East Asian and Pacific Affairs in September of 2021 with responsibility for public affairs, public diplomacy, and regional and security policy. She is a career member of the Senior Foreign Service, with over 22 years of experience, including as the Director of the Office of Public Diplomacy for the EAP Bureau.

I thank all the witnesses for being here today.

And we will now recognize each witness for 5 minutes. Without objection, your prepared written statements will be made part of the record.

I will first invite Assistant Secretary Lu to give his testimony.

STATEMENTS OF THE HONORABLE DONALD LU, ASSISTANT SECRETARY OF STATE, BUREAU OF SOUTH AND CENTRAL ASIAN AFFAIRS, U.S. DEPARTMENT OF STATE; CRAIG HART, DEPUTY ASSISTANT ADMINISTRATOR, BUREAU OF ASIA, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT; AND CAMILLE DAWSON, DEPUTY ASSISTANT SECRETARY, BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS, U.S. DEPARTMENT OF STATE

### STATEMENT OF THE HONORABLE DONALD LU

Mr. <u>Lu.</u> Thank you, Chairman Bera, Ranking Member Chabot.

The Indo-Pacific region is fundamental to our national security interests. I am here to represent the South Asia part of our Indo-Pacific Strategy.

I firmly believe that the U.S. relationship with the countries of South Asia, and in particular India, is one of the things we need to get right for the security of Asia, the security of the United States, and for a world not dominated by countries hostile to our interests.

I am here also to assure you that the money the American people commit in support of our Indo-Pacific strategic goals is money well-spent. Our fiscal year 2023 request increases critical funding for India, the Maldives, and regional activities in South Asia.

The President's overall foreign assistance request for the Indo-Pacific is \$1.8 billion, of which approximately \$600 million is for South and Central Asia. We look forward to working with the Congress in support of these important efforts.

The President's Indo-Pacific Strategy sends the message that the United States

stands for something, not against a particular country or group of countries. It contains five pillars. I would like to offer some examples of the ways we plan to use the fiscal year 2023 funding under each of the pillars.

The first pillar is a free and open Indo-Pacific.

In Nepal, we are supporting programs to develop civil society and to support Nepal's commitments under the Summit for Democracy. Those commitments include working on legislation to counter gender-based violence, strengthening protections for migrant workers, and fighting corruption.

In the Maldives, we are providing funding through the U.S. Department of Justice to implement programs that strengthen the capacity of the judicial sector to investigate and prosecute complex criminal cases. That includes terrorism and corruption.

The second pillar is on building connectivity. Strengthening the Quad -- India, Australia, Japan, the United States -- and delivering on its commitments is a critical component of the Indo-Pacific Strategy.

On May 24th, the President announced the new Indo-Pacific Partnership for Maritime Domain Awareness. This initiative is expected to enable the Indian Ocean partners to better monitor their waters and defend against illegal, unreported, and unregulated fishing, drug trafficking, and other security threats.

The third pillar is promoting prosperity.

The centerpiece of the President's regional economic agenda in the Indo-Pacific is the Indo-Pacific Economic Framework. Together with the 13 countries that have joined the United States in launching this framework, we represent over 40 percent of the world's economy. We plan to use our resources within the IPEF context to support fair trade, resilient supply chains, decarbonization, clean energy, tax enforcement, and anti-corruption. We are also planning to support the growth of women's entrepreneurship through our public-private partnership, the U.S.-India Alliance for Women's Economic Empowerment. One of the many goals of this alliance is to mentor 5 million women business leaders.

The fourth pillar is security. Our fiscal year 2023 foreign military financing request is \$35 million, and amongst its aims is to bolster the maritime capabilities of our partners in the region. We are upgrading Bangladesh's high-endurance naval cutter. We are also using security assistance to provide military medical equipment and training to Nepal that will improve its capacity as a contributor to U.N. peacekeeping. And we are providing explosive-ordnance-disposal equipment to the Maldives, a country that has faced a series of terrorist threats in its history.

The fifth and final pillar is countering transnational threats. The United States has provided, in partnership with COVAX, nearly 73 million doses of life-saving COVID-19 vaccine to South Asia and provided \$456 million in COVID assistance to the countries of South and Central Asia. As I travel in the region, I have seen that these vaccines and the support to hospitals has meant the difference between life and death for millions of people in this region.

Our U.S. assistance to the people of the Indo-Pacific region is critical to demonstrating that we are a reliable partner. I guarantee you that our money is being well-spent and each investment is directly aligned with our national security. We look forward to continuing to partner with the U.S. Congress in implementing our Indo-Pacific Strategy.

Thank you.

[The statement of Mr. Lu follows:]

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Mr. <u>Bera.</u> Thank you for your testimony.

I will now invite Acting Senior Deputy Assistant Administrator Hart to give his testimony.

#### STATEMENT OF CRAIG HART

Mr. <u>Hart.</u> Chairman Bera, Ranking Member Chabot, distinguished subcommittee members, thank you so much for inviting me here today --

Mr. <u>Bera.</u> Mr. Hart, do you want to pull the microphone a little bit closer?

Mr. Hart. How about now? Better?

Mr. <u>Bera.</u> There we go.

Mr. <u>Hart.</u> Chairman Bera, Ranking Member Chabot, and distinguished subcommittee members, thank you so much for inviting me here today to be able to talk about USAID's role in advancing U.S. foreign policy priorities across the Indo-Pacific.

Just last month, I was fortunate enough to be able to be part of a delegation including Assistant Secretary Kritenbrink and others that traveled to Fiji, Papua New Guinea, and the Solomon Islands to assess the impacts of USAID's programs, generously funded by you and making the lives of people there much better. I met with people who were directly affected by climate shocks, by COVID-19, the erosion of democracy and governance, and rising inequality.

In Papua New Guinea, for example, I met with Beatrice Mahuru, a woman who defied gender norms to run for public office. In Papua New Guinea, many people believe that a woman's place is actually in the home, in the kitchen. Beatrice, however, and many leaders like her believes that a woman's place is in the legislature or higher office, and we fully agree and support Beatrice.

She has faced, however, tremendous hurdles and deep-rooted discrimination. Male electoral authorities, for instance, approved her to be able to campaign only in the dead of night, when would-be voters were fast asleep.

But Beatrice persisted. And, in her words, leadership is "not a gender position. It is a rite of passage, qualified by fighting for what is right for our people. We want to write a new narrative for our daughters," end quote.

So I am very proud that USAID supports people like Beatrice who are fighting for more inclusive, more just, prosperous, and democratic countries.

Throughout my travels across the Indo-Pacific, I have also seen many examples how USAID programs have served to save and improve lives. That is why I am here today on behalf of President Biden to request \$1.3 billion for USAID funding in fiscal year 2023, an increase of 14 percent over fiscal year 2022.

This request will allow us to tackle development challenges affecting American security and prosperity, while advancing stability across Asia. In line with the administration's priorities, USAID's request will accelerate progress in four key areas.

First, USAID will elevate combating climate change to a level that is commensurate with this crisis and take targeted, carefully planned mitigation and adaptation actions across Asia.

Second to strengthen global health security. We will bolster Indo-Pacific countries' resilience to infectious disease threats, building on our efforts to end COVID-19.

Third, we will strengthen the democratic systems critical for peace and stability and expand digital infrastructure, which truly is the main gateway for citizens to freely access information and fully participate in the digital economy. And, finally, we will directly address gender gaps and advance the rights and economic empowerment of all people, including women, girls, and marginalized groups, and ensure that everyone benefits from development.

Across each of these priorities, USAID will deepen our engagement with like-minded development partners, which is truly key, including Australia, India, Japan, South Korea, and Taiwan. We will continue playing a lead role in advancing the President's vision for a free and open, prosperous and resilient Indo-Pacific.

And through every line of USAID's efforts to aggressively tackle Asia's toughest challenges with our partner countries, we will focus strategically toward USAID Administrator Power's vision for an inclusive, locally led development that delivers progress, not programs. In her words, we must make aid more accessible, we must make aid more equitable, and we must make aid more responsive.

Through this approach, with your continued support and our continued efforts, USAID will advance sustainable prosperity and security for communities across the Indo-Pacific on behalf of the American people.

I thank you very much and look forward to your questions as well as your counsel. Thank you.

[The statement of Mr. Hart follows:]

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Mr. <u>Bera.</u> Thank you for your testimony.

I will now invite Deputy Assistant Secretary Dawson to give her testimony.

#### STATEMENT OF CAMILLE DAWSON

Ms. <u>Dawson.</u> Chairman Bera, Ranking Member Chabot, and members of the subcommittee, thank you for the opportunity to appear before you to testify regarding the President's fiscal year 2023 budget request for the Indo-Pacific.

The United States is an Indo-Pacific nation; our interests are inextricably tied to the region. And in the decades ahead, no other region will be as pivotal to the future of the United States and the world as the Indo-Pacific. The PRC's coercion and aggression spans the globe, but it is most acute in the Indo-Pacific.

The Indo-Pacific Strategy, released in February, is the Biden-Harris administration's positive vision for what we hope to achieve in the region. In support of the administration's Indo-Pacific Strategy, the President's fiscal year 2023 budget request includes a diplomatic engagement budget of \$472 million and a foreign assistance budget of \$1.15 billion for East Asia and the Pacific.

I would like to provide a brief overview of how the President's budget directly supports the five pillars of the Indo-Pacific Strategy.

First, the Bureau of East Asian and Pacific Affairs is working alongside SCA, USAID, and with other interagency partners to advance a free and open Indo-Pacific. We have seen increasing challenges to democracy, the rule of law, and human rights in the Indo-Pacific, all of which threaten stability, transparency, and prosperity.

To counter these trends, the fiscal year 2023 budget request for EAP will support

programs that advance democratic governance, civil society, and freedom of the press, support human rights, and strengthen the rules-based international order to ensure Indo-Pacific governments can make choices free of manipulation and coercion.

For example, across the region, we have supported media literacy programs to assist journalists and strengthen their capacity to detect and counter disinformation in the Indo-Pacific.

Second, we are building connections in the Indo-Pacific and beyond. America's network of alliances and partnerships is our greatest strength. The President's budget supports our bilateral relationships with countries across the region and also strengthens our engagement with regional groupings, including ASEAN, the Quad, the Pacific Islands Forum, the Mekong-U.S. Partnership, and APEC, to build capacity and address regional challenges.

Third, we are driving Indo-Pacific prosperity. The Indo-Pacific Economic Framework for prosperity is part of President Biden's commitment to putting workers at the center of our economic and foreign policy, while strengthening our ties with allies and partners to increase our shared prosperity and deepen our economic cooperation.

In the Pacific, the President's budget will ensure that we will continue to be an indispensable partner to the region. In Papua New Guinea, for example, the United States, through USAID, in coordination with the interagency, is working together with Australia, Japan, and New Zealand through the Electrification Partnership infrastructure project to connect 70 percent of the population to electricity by the year 2030.

Fourth, we are bolstering Indo-Pacific security. The President's budget will support a network of security partners and allies to uphold international law, deter aggression, and build the capacity of Indo-Pacific partners to enable them to respond to both domestic and transnational security threats and prevent and resolve conflicts. This includes enhancing coordination with regional and global partners in support of Taiwan's security and cross-strait stability.

Fifth, we are building regional resilience. America's security depends on working with our allies and partners to address shared challenges. The President's budget supports COVID-19 recovery to spur economic growth in a region vital to U.S. prosperity. Foreign assistance will also promote energy and climate resilience through decarbonization, clean-energy investment, environmental preservation, sustainability, and climate infrastructure efforts.

Thank you for inviting me today, and I am pleased to answer any questions you may have.

[The statement of Ms. Dawson follows:]

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Mr. <u>Bera.</u> Thank you for your testimony.

I will now recognize members for 5 minutes each. And, pursuant to House rules, all time yielded is for the purposes of questioning our witnesses. I will now recognize members by committee seniority, alternating between Democrats and Republicans. If you miss your turn, please let our staff know, and we will circle back to you. If you seek recognition, you must unmute your microphone and address the chair verbally.

I will start now by recognizing myself.

Once again, I appreciate the administration being here and each of you, as witnesses, for outlining the priorities.

You know, as I heard, you have three top-line priorities: a free and open Indo-Pacific; building connectivity and multilateralism with our major allies in the region; and promoting prosperity, both through trade, as we define the Indo-Pacific Economic Framework, and commerce but also through supply-chain resiliency and redundancy.

Let me start with the first one, a free and open Indo-Pacific.

You know, as chair of the subcommittee, we have focused a lot on maritime security issues, you know, issues of freedom of navigation, et cetera, particularly in the South China Sea, but we are also starting to see the PRC make aggressive moves in the Pacific Ocean, Pacific Islands, as well as, you know, some of the bases that -- they now have a base in Djibouti. You know, certainly, they are looking at other places in Africa and the Indian Ocean region. So we have to take these very, very seriously.

Part of the strategy, as I understand it -- again, this also tails with the DOD budget -- but, on the diplomatic front, we have to have a presence there. I recently visited Tanzania, where the Chinese have been active, talking to our diplomats there and elsewhere. It is important for us to be part of the conversation and, you know, making sure people are looking at things in a wide-eyed way.

I guess maybe I would direct a question to, you know, Secretary Lu.

As we think about that robust presence in the Indian Ocean region, you know, through the Quad and so forth, and we think about that strategy -- or, I will direct this to any of the witnesses.

You know, often, when I am in the region and have traveled through there, you see a robust Chinese presence, but, you know, when I look at our staff and our diplomats, they are doing an outstanding job, but often with limited resources. And I think, you know, as I heard my colleague, Ranking Member Chabot, we want to get you more resources, because we think this is, you know -- this is an incredibly important time in this competition.

Perhaps you could, you know, talk about that.

Mr. Lu. Thank you. Great question.

Maybe I will use the example of the Maldives. I was able to travel there in November. It is such a critical place in the world -- a tiny chain of 180 islands, but it is adjacent to a waterway where 40 percent of all the world's trade passes through and 60 percent of all the world's energy passes through. If that island chain becomes dominated by Chinese presence, military or otherwise, I think it could spell real trouble for not only our interests but the broader interests of our partners.

So we are looking to establish a presence there as quickly as possible. Two years ago, then-Secretary Pompeo traveled to Maldives and announced that we would be opening an embassy there. Secretary Blinken and the President have been working on identifying an ambassador, and my travel there in November was to look for a way to open an embassy very quickly.

Of course, we have elaborate rules governing how to create a safe embassy

presence. In the Maldives, it is a very small place. You can walk the perimeter of the capital island, the city that is on a single island -- you can walk the perimeter in 45 minutes. It is tiny. So actually finding enough space for a U.S. embassy is an enormous challenge.

I was just briefed this week. I think we are on the right track. I think we have the cooperation of a friendly government. I think we have the determination of the Secretary of State and the President. I feel confident we will be notifying to Congress soon opening of a presence there.

Mr. <u>Bera.</u> Great.

Mr. Lu. We need to be doing this throughout the region, and I hope the Congress will support us in doing that.

Mr. <u>Bera.</u> I am sure we will. And, you know, I would also echo that in the Pacific Islands.

In the few seconds I have, Ms. Dawson, you touched on media literacy as important to counter misinformation and disinformation.

For very minimal investments, if we could get more robust personnel on the ground working with smaller newspapers, working with smaller journalists, to get our stories out, to tell our perspective. Because some of our competitors are telling a very different story there. And we have a good story to tell in the region.

If you could just touch on the types of investments that would be needed.

Ms. <u>Dawson.</u> Certainly. Yes. The fiscal year 2023 request does include 51 additional positions, 14 of which, I believe, are public diplomacy positions.

We are also working, as we look to the fiscal year 2024 request, with a very heavy focus on expanding our public diplomacy resources in the Pacific Islands specifically.

Mr. <u>Bera.</u> Great. Thank you.

I recognize I am out of time, so let me go ahead and recognize the ranking member, Mr. Chabot, for 5 minutes.

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

Ms. Dawson, I will begin with you, if I can. Let me pick up on my opening statement. As I said, I am concerned about the relative prioritization of the Indo-Pacific in this budget.

Could you tell me some of the priorities in the Indo-Pacific Strategy that did not receive full funding this year?

Ms. <u>Dawson.</u> So I will start by noting that the Indo-Pacific Strategy was developed and launched following the development of the fiscal year 2023 --

Mr. <u>Chabot.</u> Well, I am not really asking that. I am just asking, are there any things that weren't funded? I only have limited time, so I don't -- if you can't name anything, that is okay.

Ms. <u>Dawson.</u> Sure. I think, if we look to the Indo-Pacific Strategy itself, there is a 10-point action plan in the document, and a number of items there we would look for enhanced funding as we look towards the fiscal year 2024 budget. In particular, there is reference to enhanced support for the Pacific Islands.

Mr. <u>Chabot.</u> All right. Thank you.

Mr. Dawson, it is not something that gets a lot of attention, but the CCP has its cadres, whether business or government personnel, everywhere throughout the region. For instance, they had people in the Solomon Islands while we didn't even have an embassy for a number of years.

We may not be able to match them dollar for dollar, but we ought to be able to match them with at least the caliber of our personnel. Does this budget do that?

Ms. <u>Dawson.</u> Was that for me?

Mr. <u>Chabot.</u> I am sorry. It was for Mr. Lu. I apologize.

Mr. <u>Lu.</u> Thank you for the question.

I think this budget is a budget that will give us the resources we need to go up against the Chinese and to implement the strategy that the Secretary of State laid out in his speech just a few days ago. It has money specifically to compete with our Chinese interlocutors but, in addition, that supports our alignment with our partners in the region.

So I absolutely think this --

Mr. <u>Chabot.</u> Well, it certainly appears that the administration fumbled the ball with respect to the Solomon Islands, but let me go on.

In the Indo-Pacific, we are in an active competition for influence, and that takes diplomacy, both private and public. Meanwhile, in Europe, our relationships are rather secure. Yet we have, as I mentioned in my opening statement, fewer State Department personnel in the two Asian bureaus than we do in Europe.

Was there any discussion during the budget process of shifting personnel perhaps from Europe to the most critical part of the world right now and the other two bureaus that cover that? Was there discussion about possibly doing that?

Mr. Lu. Mr. Chabot, we have seen enormous shifts of personnel over the last 4 or 5 years from many places in the world, including Europe, to the Indo-Pacific. I, myself, have been working in South Asia over these last few years and have seen dramatic shifts in our diplomatic personnel.

I will use Mission India alone. Mission India has over 500 U.S. direct-hire employees. When you add our Indian staff, it is nearly 3,000 people who work in our diplomatic mission. I do think we are well-staffed.

Mr. <u>Chabot.</u> Okay. Thank you. But so, my understanding, it is 11 percent, which doesn't seem like we are looking at it as the priority it needs to be.

Let me ask you this. Ms. Dawson, I will go back to you. On Monday, The Washington Post ran a story discussing the PRC's planned naval base in Cambodia. A few weeks ago, the PRC announced a security deal with the Solomon Islands.

Could you tell me what the administration is doing, beyond sending Kurt Campbell over to wag his finger, to counter those gains?

Ms. <u>Dawson.</u> Yes. Thank you for the question.

In terms of the broader question on the Solomon Islands and Pacific Islands, we have been partnering with the Solomon Islands on a range of issues. We have announced the opening of an embassy in the Solomon Islands. And --

Mr. <u>Chabot.</u> My time has just about run out, but it seems a little late to be doing that. They seem to be eating our lunch in the Solomon Islands, and it is an embarrassment in many ways.

But I am out of time, and I will yield back.

Mr. Bera. Thank you.

Let me now recognize the gentleman from Michigan, Mr. Levin, for 5 minutes of questioning.

Mr. <u>Levin.</u> Thanks, Mr. Chairman.

I would like to start with Burma. I have been dismayed by the continuing crackdown on democracy and human rights there since the coup last February. As Radio Free Asia reports, horrifically, more than 5,600 people have been killed since the coup.

With some of my colleagues on this committee, I introduced a resolution on the 1-year anniversary of the coup in February, and it denounced the Tatmadaw and called for additional sanctions targeting sources of the Tatmadaw's foreign currency revenues, such as state-controlled natural gas, mining, and timber entities. Groups like Human Rights Watch have recommended these sanctions as a way to impose real economic costs on the junta and send the message that the international community expects to see progress on human rights.

Deputy Assistant Secretary Dawson, does the Biden administration plan to enact new targeted sanctions on individuals and entities associated with the Tatmadaw?

Are you there? I can't hear you.

Ms. <u>Dawson.</u> Is that working now?

Mr. Levin. There you go.

Ms. <u>Dawson.</u> All right. Thank you.

Thank you for your question.

We have repeatedly condemned the horrific and widespread violence perpetrated by the Burmese region against the people of Burma. And since the onset of the coup, the U.S. has condemned --

Mr. <u>Levin.</u> I really -- I don't have a lot of time. I want to know whether you plan more sanctions. It is a pretty simple question. I am a big ally of the administration. I am asking a specific question.

Ms. <u>Dawson</u>. I cannot comment on additional sanctions at this time.

Mr. <u>Levin.</u> All right.

Well, I just want to say that, you know, U.S. assistance can only do so much to support democracy in Burma without effective sanctions and putting pressure on the government to see that we must have behavior change.

The budget justification includes requests for Burma in the amount of \$29 million for global health programs at USAID, \$31.8 million for development assistance, and \$42.8 million for economic support funds.

Can you share how you see this money being allocated to ensure that it does not

in any way benefit the junta or treat the status quo as acceptable? Who is getting that money? How are we spending that money without supporting the junta's continued rule?

Mr. <u>Hart.</u> Sir, thank you so much. This is Craig Hart with USAID. I would like to address the fact that, yes --

Mr. Levin. Yeah, please.

Mr. <u>Hart.</u> -- we are definitely planning a significant level of humanitarian assistance, and we stand with -- as we stand with the people of Burma. That is critical.

In addition to that humanitarian assistance, we are also working with our partners throughout Burma to be able to, one, expand the local NGOs, the degree to which we are working with them; to expand the routes that we are able to access that humanitarian assistance to the most neediest of those in Burma.

We are also looking at some of the basic health and education needs, but we are not working through the junta at all, nor is the junta benefiting from any of that. We are working directly through, for example, health clinics and other private-sector clinics, as well as minority-run clinics, that are able to really stand up that need that is so desperate, as the health system has actually failed in Burma significantly after the coup.

Mr. <u>Levin.</u> Okay.

Mr. <u>Hart.</u> And, therefore, we are pursuing a number of different partners there with that.

Mr. <u>Levin.</u> Okay. Well, I really appreciate that. And I would love to follow up with you, with my office, about especially the economic development and economic support, because I would like to understand how we are doing that as well.

But let me ask a question about North Korea. I am gravely concerned about the humanitarian situation there, particularly as the regime admitted to a massive COVID

outbreak. Combined were Pyongyang's decision to launch eight missiles earlier this week and a possible new nuclear weapons test, I fear we are facing a really dangerous and unstable situation, where North Korean leadership chooses a path of escalation and the West responds, in turn, with more sanctions. Whatever the regime does next, we can surely expect the people of North Korea to suffer under harsher conditions as they are further cut off from essential food and medicine.

Deputy Assistant Secretary Dawson, what steps has the Biden administration taken to alleviate restrictions on nongovernmental organizations that seek to provide humanitarian aid to North Koreans but are unable to do so under current sanctions guidance?

You know I have been working on this issue for some time.

And, again, please turn on your mike.

Ms. <u>Dawson.</u> On that question, we have made it clear that we are -- that our commitment to the people of DPRK and to humanitarian assistance is strong. We continue to express that we are open to dialogue and diplomacy with the DPRK Government and have not received response to that outreach.

On your specific question to the nongovernmental organizations, we will work to get back to you with that information.

Mr. Levin. Okay.

Thanks, Mr. Chairman. I yield back.

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

Let me now recognize the gentleman from Pennsylvania, Mr. Perry, for 5 minutes.

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

And thank you all for your testimony today, each one of you.

I will start with Secretary Lu.

One, two, or three -- I mean, this hearing is entitled the "U.S. Priorities in the Indo-Pacific Fiscal Year 2023 Budget." One, two, or three, the Communist Party of China, our biggest -- what is our biggest threat? Or does it fit into one, two, or three, the Communist Party of China, in the Indo-Pacific?

Mr. <u>Lu.</u> Number one.

Mr. <u>Perry.</u> Number one.

Secretary Dawson?

Ms. <u>Dawson.</u> Number one.

Mr. <u>Perry.</u> Number one.

Mr. Hart?

Mr. <u>Hart.</u> I would say it is across the board, sir.

Mr. <u>Perry.</u> Well, so give -- so it is one, two, and three?

Mr. <u>Hart.</u> Correct.

Mr. Perry. Okay. Fair enough.

I will go back to Mr. Hart, since I am with you right now. So does decarbonization include wind, solar, battery technology? Would you consider that as decarbonization, or a component of it, or a heavy component of it?

Mr. <u>Hart.</u> A heavy component of it, definitely. We have definitely prioritized the climate-change aspect of this budget because we think that this is a priority that our partners, our partner countries, are asking for assistance with as they try to assess the different offers on the table when it comes to the infrastructure --

Mr. <u>Perry.</u> Sure.

Mr. <u>Hart.</u> -- that is desperately required.

Mr. <u>Perry.</u> But you would say -- I don't want to speak for you or put words in your mouth, but -- wind, solar, battery technology is a big part of decarbonization.

And I mentioned decarbonization because I think every one of you -- I kind of wrote down some of the words -- in each of your testimony had mentioned decarbonization.

Is that --

Mr. Hart. That is my understanding --

Mr. <u>Perry.</u> Okay.

Mr. Hart. -- sir, when it comes to climate --

Mr. <u>Perry.</u> Where would you assess, Mr. Hart, staying with you, that the vast majority of wind, solar, and battery technology comes from? Produced, where is it produced?

Mr. <u>Hart.</u> Much of it, I think to your point, sir, is that the PRC, the People's Republic of China, does produce a large number of that. We are also working, however, with our partners across the globe and definitely within the Indo-Pacific to be able to look at options --

Mr. <u>Perry.</u> I understand. So, again, I am going to -- look, this is not my title; it was somebody else's. This is priorities in the Indo-Pacific budget. So we are talking about spending money at the Federal level on our priorities in the Indo-Pacific.

And I suspect -- and let me just say also, Secretary Dawson, of everybody on the panel here, you first off mentioned the PRC, so, to me, you get the prize.

But I suspect you already know that your budget, it is not infinite, right? The taxpayers' money is not infinite. We can probably all agree on that, right? So these are supposed to be our -- the administration's, the United States of America's priorities. And each one of you talked about climate, inclusion, decarbonization, electrification. Thank goodness Secretary Dawson discussed Taiwan.

It seems to me we all agree that China is the biggest threat we have. But each of

you -- I don't know if this has become apparent to you, but it has to me, in the discussion here, that we are all talking -- or, at least you are talking about the priority for the United States is to pay China, in some fashion or another, because they are producing most of this stuff. We are going to use tax dollars to influence our friends in the Indo-Pacific to pay China, the biggest threat in the region, to further our priorities. And that seems incredibly wrongheaded to me.

We have a finite amount of funds to spend. This is the Americans' tax dollars. And we are spending it to help the enemy, our enemy. They have said -- the Communist Party of China has said, the United States is our enemy -- not a strategic adversary, not a strategic competitor -- our enemy.

And we are encouraging, by the budget request you are making, our allies, or hopeful allies, in the region to spend their money and our money on policy that promotes the Communist Party of China. I mean, it is as clear as day to me. I just went through everything that you said and just picked out the buzzwords from each one of you.

I have to tell you, this is a hard budget for me to support, based on that, if nothing else.

But one last thing regarding Taiwan, because this is incredibly important.

Secretary Dawson, understanding that Taiwan has paid for/is paying for weapons systems and different defense systems from the United States but we are behind in delivering them, does the administration support a concept like Taiwan Plus to move them forward in the supply chain to make sure that they have the national-security items that they need from the United States to defend themselves from, as you admitted, the greatest threat in the region, the Communist Party of China? Does the administration support anything like that?

Ms. Dawson. I understand a number of proposals are under consideration. We

are currently reviewing those and will be able to comment in the very near future.

Mr. <u>Perry.</u> Thank you, Mr. Chairman. I yield.

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

Let me go and recognize the gentleman from California, Mr. Sherman, for 5 minutes of questioning.

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

Secretary Lu, it was good talking to you by phone recently about my concerns regarding Pakistan.

Just for the record, did the United States Government somehow engineer the defection of many of Imran Khan's parliamentarians and the resulting no-confidence vote?

Mr. Lu. Representative Sherman, lovely to see you. No, we did not.

Mr. <u>Sherman.</u> And since we are focused on fiscal matters, is there anything in your budget that would make it legal for you or any part of the State Department to provide any financial incentive to any parliamentarian to vote this way or that way in Islamabad?

Mr. Lu. Nope. I have no money from the Congress to buy off parliamentarians.

Mr. <u>Sherman.</u> And, shifting a bit, there was nothing that we did last decade more important than getting bin Laden. Dr. Afridi played an important role in that. He remains behind bars in Pakistan. The Pakistanis have suggested -- and it is absolutely outrageous that he is incarcerated. The Pakistanis have suggested a trade for a terrorist under American control, Ms. Siddiqui.

How confident are you that you can get Afridi and his family out of Pakistan, out of jail, without surrendering Ms. Siddiqui?

Mr. Lu. Representative Sherman, we are working this in every meeting at the

highest levels. We are withholding, as you know, \$33 million every year from Pakistan as a result of their continued detention of Dr. Afridi.

I would note that there has been no formal proposal from the Pakistani side for a trade for the convicted terrorist Aafia Siddiqui, but I would also note that the State Department does not endorse such a trade.

Mr. <u>Sherman.</u> Well, every terrorist who tried to kill Americans is evil, but no one is in a class with bin Laden. And the failure of our government to secure Afridi's release is a stain on what was otherwise the most impressive military operation of last decade.

And I would hope that we wouldn't be talking a year from now about how we refused to make the trade and Afridi is still in jail. I don't know how anybody is going to cooperate with us in the future anywhere in the world. If you help us get bin Laden, you would think you would be at the top of the list of the United States.

Just for the record, can you remind us how important it is that we -- and this goes to the Deputy Assistant Secretary for East Asia -- that we renew the Compacts of Free Association with the Pacific Islands?

Ms. <u>Dawson.</u> We feel it is incredibly important.

Recently, the White House announced the appointment of a special Presidential envoy for compact negotiations, Ambassador Joseph Yun. And he and an interagency team are working incredibly hard to ensure that the compact is renewed.

Mr. <u>Sherman.</u> Given how many Americans died in those islands, how strategic they are, and how much ocean territory they have economic control over, I would hope that this would be a high priority.

Finally, Assistant Secretary Lu, we have seen a lot of human-rights concerns in Pakistan, particularly in Sindh. We have seen arrests, disappearances, forced marriages. We have also seen humanitarian concerns. What can you tell us about our efforts in southern Pakistan?

Mr. Lu. Representative Sherman, as we discussed, our consulate general in Karachi and our embassy in Islamabad is very actively raising the issue of human rights throughout the country, including in Sindh province. We have programs that support civil-society actors and human-rights advocates in the region. And we are discussing with the government ways in which the government can improve respect for religious freedom as well as basic human rights of its citizens in that province.

Mr. <u>Sherman.</u> We need to reach out in the Sindhi language. This Congress has appropriated money for doing so, and the administration has decided to shift the money for some other purpose. And I look forward to at least television station time for us to communicate in the Sindhi language.

Thank you very much.

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

Let me now recognize the gentlelady from Missouri, Mrs. Wagner, for 5 minutes of questioning.

Mrs. <u>Wagner.</u> I thank the chairman.

And I want to thank our witnesses, certainly, for their time and their expertise and service.

Security and prosperity throughout the Indo-Pacific are essential to U.S. interests, and the stakes of U.S.-China competition in the region are extremely high. China does not share our vision for a free and open Indo-Pacific. It seeks to intimidate, to entrap, and to coerce its neighbors into increasing China's prestige and furthering its agenda. The United States must continue to foster strong alliances and partnerships among Indo-Pacific states to safeguard our common interests.

The Solomon Islands recently agreed to an expansive security cooperation

agreement with the People's Republic of China, ignoring the strong objections of the United States, Australia, and other partners. This is a hugely concerning development in China's ongoing quest to build its influence over strategically critical Pacific Island nations. And, frankly, China is only accelerating its efforts to undermine U.S. leadership in the region and expand access to dual-use infrastructure throughout the Pacific Islands.

Deputy Assistant Secretary Dawson, where and how does the PRC plan to expand its Pacific Island footprint? And how will the United States counter China's agenda and ensure that our partners do not enter into dangerous agreements with Beijing?

Ms. <u>Dawson.</u> Thank you for your question. I, of course, cannot speak directly to China's plans. I can speak to what the United States is doing in the Pacific Islands.

We are engaging with the Pacific Islands across the board on issues that matter to all of us, including security but also climate crisis, health security --

Mrs. <u>Wagner.</u> What are you doing, ma'am -- what are you doing to counter China's agenda, specifically?

Ms. <u>Dawson.</u> So we are working to expand our diplomatic presence in the region. We have announced that we will be opening the embassy in the Solomon Islands. We are working to do that on as rapid a timeline as possible. We are expanding the number -- increasing the number of diplomats we have on the ground in Pacific Island countries across --

Mrs. Wagner. Number of what?

Ms. Dawson. I am sorry, the number of --

Mrs. Wagner. What --

Ms. <u>Dawson</u>. Oh, the number of diplomat- -- we are working to expand --

Mrs. Wagner. You know what?

Ms. <u>Dawson.</u> -- our diplomatic --

Mrs. <u>Wagner.</u> I am going to reclaim my time. Wholly inadequate answer.

Assistant Secretary Lu, to what extent do China and Russia cooperate in promoting propaganda in the Indo-Pacific, and what are the primary objectives of these campaigns? And how does the U.S. plan to combat adversary propaganda in the Indo-Pacific?

Mr. <u>Lu.</u> Representative Wagner, I have recently been serving as an ambassador in Central Asia and been the victim of Russian and Chinese propaganda almost on a daily basis.

We have robust programs throughout this region, working with universities, working with independent media, to try to develop alternative streams of information that are factual and accurate for the public but also to fact-check the garbage that is coming out of Moscow and Beijing.

These are expensive programs. Getting air time, getting eyeballs of young people looking at their phones reading this information takes real money. And this budget contains lots of provisions for --

Mrs. <u>Wagner.</u> All right.

Mr. Lu. -- funding those programs.

Mrs. <u>Wagner.</u> In my limited time, let me just say that the war in Ukraine has demonstrated that helping our Indo-Pacific partners achieve energy independence is a national-security imperative. Yet I am concerned that some of our very key partners in the region, including India, are actually increasing the amount of energy they import from Russia.

Assistant Secretary Lu and, I will say, Deputy Assistant Administrator Hart, can you detail State and USAID's plans to promote energy security in the Indo-Pacific?

### EDTR HOFSTAD

[11:13 a.m.]

Mr. <u>Lu.</u> One of the things we are proudest of is, an American company called First Solar that is based out of Texas -- I am going there next week -- is producing in Chennai with U.S. Development Finance Corporation money -- half a billion dollars, the biggest loan ever offered by the DFC -- solar modules that will provide 30 gigawatts of clean energy for India.

I agree with you; we are concerned about the uptake in additional Russian crude that is being purchased not only by India but many countries around the world. And --

Mrs. Wagner. I will just say --

Mr. Lu. -- we are having discussions --

Mrs. Wagner. -- my --

Mr. Lu. -- with the -- sorry. Please?

Mrs. <u>Wagner.</u> My time has expired. I don't think solar panels are going to stop India from buying Russian oil.

I will let Administrator Hart from the USAID respond in writing.

[The information follows:]

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Mrs. <u>Wagner.</u> I thank you, Mr. Chairman, for your indulgence, and I yield back. Mr. <u>Bera.</u> Thank you.

Let me now recognize the gentleman from New Jersey, Mr. Kim, for 5 minutes of questioning.

Mr. <u>Kim of New Jersey.</u> Thank you, Mr. Chairman.

Thank you, everyone, for coming together to do this.

And I am looking forward to continuing a conversation going forward about this strategy focused on China, focused on our Indo-Pacific interests going forward. I think this is incredibly important. So I want to applaud the administration in moving forward in this direction and thinking about this in a holistic and comprehensive way. As someone that is both on the Armed Services Committee and the Foreign Affairs Committee, I think it is so critical that we look at this across the board with the totality of our tools at our disposal, and not just think about this solely through security and military means.

That being said, I do think it is incredibly important that we articulate to the American people what is it that we are trying to achieve, what are our objectives, what do we see 10, 20 years down the road, so that we can show them that we are not just engaging in a reactionary foreign policy or reactionary approach to China but we have a vision for where things will go.

Secretary Lu, I wanted to just start with you here. I guess I wanted to just get a sense from you, just overarching here, how does this strategy differ from what we have been doing already? You know, if you can just articulate, what are the key points here that are different from how we have approached -- and we can articulate to the American people that this is, in fact, something new and this is, in fact, something more than just

articulating what we are already doing.

Mr. Lu. I would note that this budget now comes in the wake of a newly announced policy, a newly announced strategy on China that has been described by the Secretary of State in the last 2 weeks. And so we have programs that are designed to counter disinformation, to support the growth of democracy throughout the region, and to thwart PRC economic coercion that are contained in this budget. If you would like any --

Mr. <u>Kim of New Jersey.</u> But, Secretary, I feel like a lot of what you just laid out there in terms of those points about, you know, countering, some of the economic efforts that are happening, and then promoting democracy, aren't these things we have already been doing?

What I am trying to get a sense from you is exactly that, about that strategy, but what is new with the strategy that we haven't already been doing as a country?

Mr. <u>Lu.</u> Well, I will name one thing, which is called the Infrastructure Transaction and Assistance Network, ITAN.

So you are aware that countries around the world, including in the Indo-Pacific, are addicted to working with the Chinese on infrastructure projects, often through coercive loans that create debt that is unsustainable.

This network helps countries to identify sustainable and transparent projects, not just the lowest bidder, which inevitably is the Chinese. It also helps our partners to develop laws and regulations that promote free-market competition and even the playing field.

Mr. <u>Kim of New Jersey.</u> And I would love to be able to dig into that more. I agree with you; I think that is a place where we can certainly plus up and a place where we could have some novel and interesting approaches.

A lot of this is focused on building those regional allies and partnerships, investing in some of these regional organizations like the Quad. But I guess I just wanted to kind of ask you just kind of a blue-skies situation here, but, I mean, I think one thing that we learned with the situation in Ukraine is that it is not just about the investments and building up those allies and partnerships, but it is about understanding what we would want them to do and how far we want to be able to utilize them for some of the interests and priorities that we have.

So, you know, I guess my question to you is, do you feel like this strategy is articulating that? Beyond just the good of building up these regional partnerships, alliances and other relationships, but do you think we are fully articulating as a country what these can be used for and how much we can lean on them during, you know, potentially, some very difficult crises to come.

I feel like I don't always have a sense of how that works on the Indo-Pacific side quite like I do when it comes to NATO and our European partnerships, which I think are more clearly defined, at least as of now, in terms of what we think we can expect from them.

Mr. Lu. Thank you.

I think these relationships with our partners in the Indo-Pacific are essential. One of the things, I think, to look for in this budget is the foreign military financing element. We are looking now at creating new relationships throughout the region that will help us to get these countries to diversify away from their dependency on Russian and Chinese military equipment. FMF is one of the tools we use to do that.

The Secretary of State, the Secretary of Defense are looking at other ways that we take advantage of this moment in time when Russia is on its back foot. When Russia cannot provide military equipment to many of these countries, can we be one of those

providers?

Mr. <u>Kim of New Jersey.</u> Yeah. Well, look, I would love to work with you on that.

Mr. <u>Lu.</u> Excellent.

Mr. <u>Kim of New Jersey.</u> Mr. Chair, I know I am out of time, so I will yield back. Thank you.

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

Let me go ahead and recognize the gentleman from Tennessee, Mr. Green, for -- or Dr. Green, for 5 minutes of questioning. Thank you.

Mr. <u>Green.</u> Thank you, Dr. Bera, Chairman Bera, and I also want to thank Ranking Member Chabot for holding this critically important hearing on the State Department's budget for the Indo-Pacific. And I am particularly eager to hear from our witnesses today since we weren't able to hold this, I think it was last year, the hearing last year.

You know, America's leadership in the Indo-Pacific is essential. We are a Pacific nation. Our freedom is critical to this region. Our allies' freedom in the Indo-Pacific is also critical, and they need us to have a robust presence in the world's most populous region to counter China's malign influence on its neighbors and our friends.

On this committee, we recognize diplomatic and soft power is some of our most potent tools to advance the American interest in Asia. When given the choice, the people of the Indo-Pacific choose to live in free, open, and prosperous societies allied with the United States, but the Chinese Communist Party is seeking to rob them of that choice.

The Biden administration has talked a good game on countering the China threat, and I commend actions like AUKUS, the submarine deal with our Quad partner Australia, as a step in the right direction. But the reality of President Biden's leadership in the Pacific, I would suggest, is lacking.

With significant real-dollar cuts in the foreign military financing account with our closest defense partners in the region, such as India, while radical climate proposal funding skyrockets, this budget is more interested in pleasing a liberal domestic audience than matching the pacing threat from China.

In fact, just a few short weeks ago, Special Envoy for Climate Change John Kerry said at the Davos World Economic Forum that, and I quote, "maybe we can help with technology of some kind to help China move faster," end quote.

That doesn't sound like the language of a diplomat who takes the China threat seriously. What it sounds like is someone who has a fundamentally flawed understanding of what the Chinese Communist Party is and what it wants in the region and the world and, I might add, what the Chinese have done to steal allies from the United States through its Belt and Road Initiative, what it has done to steal the technology of our businesses and put some of those businesses, you know, out of business, companies out of business, and steal our own military technology.

The CCP has always had the express purpose and goal of oppressing their own people and conquering their neighbors, but many of our top diplomats in the Biden State Department don't seem to understand this reality. I hope that more sensible heads at the Department of State can prevail and that our diplomats can be empowered to lead for American interests in the Indo-Pacific.

And I look forward to asking a few questions.

Assistant Secretary Lu, can you clarify what Special Envoy Kerry's remarks meant, regarding helping China move faster on technology? Doesn't the CCP steal enough of our technology as it is?

Mr. <u>Lu.</u> Thank you for the question. I have not heard that comment myself, and nor do I have the background to know what former Secretary Kerry meant by it.

Mr. <u>Green.</u> Well, here is another question for you too, then, Mr. Assistant Secretary. If China decided to invade Taiwan, are you guys going to continue to hold climate-change talks with the CCP?

Mr. <u>Lu.</u> I am going to yield that to my colleague Camille Dawson.

Ms. <u>Dawson.</u> On that question, I would say that we have made clear there are areas of potential cooperation with China, including climate, but that issues such as climate will not prevent us from competing with China where we must.

Mr. <u>Green.</u> Well, I mean, you know, the question is, if they invade Taiwan, you know, taking 94 percent -- I mean, Taiwan makes 94 percent of the high-end semiconductors. We can't make a fighter plane or a missile, right, if they invade Taiwan because they make 94 percent of the world's high-end semiconductors.

So, if they invade Taiwan, am I hearing you correctly that there are areas where we would still cooperate with China?

Ms. <u>Dawson.</u> I was speaking to the current situation where we talk about areas in which we --

Mr. <u>Green.</u> Yeah, my question is, what happens if they invade Taiwan? Are we going to keep talking to them about climate?

Ms. <u>Dawson.</u> I can't go into a hypothetical, but, no, I would expect our priorities would shift considerably in that instance.

Mr. <u>Green.</u> Well, that is really good to hear.

I had some other questions. I will send them in writing. I am out of time.

[The information follows:]

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

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

Let me now recognize the gentlelady from North Carolina, Ms. Manning, for 5 minutes of questioning.

Ms. <u>Manning.</u> Thank you, Chairman Bera and Ranking Member Chabot, for holding today's hearing.

Thank you to our witnesses for your service.

Deputy Assistant Secretary Dawson, I am glad to see the Indo-Pacific Economic Framework, which is a great step in the right direction for increased economic engagement in the region, though not a comprehensive free-trade agreement like the CPTPP.

As you know, the IPEF leaves market access off the table, which would help encourage allies and partners in the region to meet high U.S. standards while driving growth and prosperity in ways that would benefit our security.

Along with the IPEF, how is the administration working to help promote diversification away from China? And what else can we do to help our key allies and partners move up the value chain?

Ms. <u>Dawson.</u> Thank you so much for the question.

As you well know, the Indo-Pacific Economic Framework was officially launched in Japan just recently with 12 original partners, Fiji being added as the 13th. These economies are extremely diverse. They represent the very far-reaching ambition of the framework itself, and, together, these economies represent 40 percent of world GDP.

So this arrangement is designed to tackle 21st-century economic challenges, everything ranging from setting the rules for the digital economy to ensuring secure and resilient supply chains.

Ms. <u>Manning.</u> So let me ask about prior initiatives that were taken by the last administration along these lines.

In 2018, Congress and the Trump administration launched a number of initiatives intended, at least in part, to counter China's state-directed investments in infrastructure development in Asia. These included an Infrastructure Transaction Assistance Network, \$113 million in funds for U.S. economic engagement in infrastructure assistance, and the better utilization of investments, leading to development in 2018 of the BUILD Act, which established the U.S. International Development Finance Corporation.

Have those initiatives worked? Can you talk about ways that these initiatives have actually produced results?

Ms. Dawson. I will defer to my --

Mr. <u>Hart.</u> Ma'am, if I could?

Ms. Manning. Yes. Thank you.

Mr. <u>Hart.</u> Craig Hart with USAID.

So, indeed, we thank you very much for the support that the Congress has been able to provide in terms of working with our countries and our partners to be able to understand what is on the table for them when it comes to responding to especially energy needs and being able to truly understand how they can take green energy -- that, as Assistant Secretary Lu mentioned, we are looking for options for that and actively pursuing options exactly with the same set of countries, given the significant economic growth and the interest in terms of pursuing green energy. Because there are very few communities that I have seen that are interested in pursuing coal-fired plants versus green energy.

That civil-society aspect of this and making transparent engagements as the

government considers its options on table when it comes to green energy and satisfying the energy needs of the growing business sector is quite significant.

And so we have had significant traction when it comes working with the private sector specifically on the creation of green energy, looking at direct power purchase agreements, for example, between companies that are very much committed to going 100 percent green energy and those companies who are able to produce at a slightly higher tariff, and having these types of agreements out there as pilots to be able to understand how this can happen best.

Those are exactly the types of things that we have been working with across the Indo-Pacific and have gotten the most traction with, in terms of developing those critical opportunities and options to what the PRC provides.

Ms. Manning. Thank you, sir.

Assistant Secretary Lu, I want to go back to a conversation you were having with Representative Kim. You were talking about the announcement that Secretary Blinken recently made in laying out the new approach to China. You mentioned a new infrastructure approach as an effort to wean the Indo-Pacific countries away from the Chinese infrastructure projects, the Belt and Road projects.

What kind of reaction are you seeing, if any, to that announcement? And what will you be looking for to see if this new approach is having an effect?

Mr. <u>Lu.</u> You know, I think the Chinese are our best admin for the projects we are seeing throughout the region, these terrible infrastructure projects that are causing real financial turmoil now with the other problems we see in the economy, with rising fuel prices and food prices.

But I will use Sri Lanka as an example. So the Chinese offered to build this port in Hambantota that no economist believe needed to be built, but they were going to finance the whole thing. And, lo and behold, they build it and nobody comes. The thing is completely unsustainable. So the poor Sri Lankans can't pay back the loan, because they have built this white elephant project that nobody needs.

And so what happens? The Chinese swoop in, and they renegotiate the terms, and they get a 99-year lease for a strategic port in Sri Lanka. You know, what more predatory behavior can you possibly show than stealing a port from an alleged partner country?

And so I think this has resulted in a wake-up call for countries all around the region that they need to do better, that they cannot merely throw open these tenders and allow the Chinese to swoop in and get every one of them but on terms that are unsustainable for their economies. If you look today at the economic collapse in Sri Lanka, it owes its origins, in part, to the predatory loans from China.

So we are constructing mechanisms to support countries, but the Chinese are really helping us in terms of showing, themselves, what their loans result in.

Ms. <u>Manning.</u> Thank you, sir.

My time has expired. I yield back.

Mr. <u>Bera.</u> Let me now recognize the gentleman from Kentucky, Mr. Barr, for 5 minutes of questioning.

Mr. <u>Barr.</u> Thank you, Mr. Chairman. Thank you, Chairman Bera and Ranking Member Chabot, for this hearing.

And thanks to our witnesses.

You know, let me start with Deputy Assistant Secretary Dawson. This is a question you have probably received quite a bit recently, but explain again for us why Taiwan was not included in the Indo-Pacific Economic Framework.

I recognize that the USTR and Commerce led that framing of the IPEF and that the

USTR has set up a parallel trade initiative with Taiwan, which is of course welcome, but why not include Taiwan directly in the IPEF?

Ms. <u>Dawson.</u> Thank you very much for your question.

As you mentioned, there are ongoing discussions with Taiwan now, with the U.S.-Taiwan 21st-Century Trade Initiative. That determination was made in light of the unique circumstances of Taiwan. It allows us greater ability to respond to those unique circumstances. That --

Mr. <u>Barr.</u> Let me be -- can I just interrupt, sorry, and just be blunt? Is it that other nations in the IPEF objected, or did we preempt ourselves by not even trying to include Taiwan from the outset?

Ms. <u>Dawson.</u> So what we have said is that the Indo-Pacific Economic Framework is open and inclusive, and the existing membership does not mean that additional members will not be added in the future. So there are --

Mr. <u>Barr.</u> Yeah, I just think it sends the wrong signal that Taiwan was excluded, even as we have this parallel trade initiative, which is welcome, I applaud it. Let's continue that open-mindedness, and let's see what we can do with our partners and allies to incorporate Taiwan in the framework.

A followup for you, Ms. Dawson. There are currently significant delays in the delivery of U.S. weapons systems to Taiwan. What is the State Department doing to ensure timely delivery of these systems, many of which have already been bought and paid for.

Ms. <u>Dawson.</u> I know that a number of mechanisms are currently under review. We are working to address those issues and are looking to --

Mr. <u>Barr.</u> Could -- it needs to happen yesterday. We, I think, in the Congress are growing impatient about the delivery. I know there are supply-chain issues and all

kinds of things, but that is a deterrence issue that we need to step up. I addressed this directly with Secretary Blinken and encourage everyone at State to be laser-focused on that issue.

Finally, if the CCP were to invade Taiwan tomorrow, speed would be imperative to defend Taiwan and our interests. What authorities would the administration want in advance from Congress so that the administration could respond immediately to such aggression?

Ms. <u>Dawson.</u> I don't know offhand the specific authorities. I do know we are working, as we speak, with Taiwan to identify the specific asymmetric capabilities that are most needed and working to ensure those can be delivered.

Mr. <u>Barr.</u> Assistant Secretary Lu, let me move to you on the Pacific Islands and follow up with Congressman Chabot's good questions about the Solomon Islands.

You know, this secret security deal that the CCP inked with the Solomon Islands is very troubling. Were we aware that these negotiations were underway? And why were we or Australia not able to offer a better deal that builds our relationship with the Solomon Islands?

Mr. <u>Lu.</u> I am going to have to defer that again to my colleague Ms. Dawson.

Mr. <u>Barr.</u> Okay.

Ms. <u>Dawson.</u> To the question as to whether we were aware in advance, I am not aware that we had advance notice of that.

We are working in very close concert with our partners and allies in the region. You mentioned specifically Australia. We are certainly working closely --

Mr. <u>Barr.</u> Yeah.

Ms. <u>Dawson.</u> -- with them on engagement in the region and --

Mr. Barr. Well, the lack of awareness is, I think, a lack of commitment to the

Pacific Islands.

And let me move into what Mr. Sherman was speaking to, and that is the compacts, the negotiations of the Compacts for Freely Associated States. Do we have any idea when those negotiations might be completed? Are we making progress?

Ms. <u>Dawson.</u> I would say that, yes, we are making progress. We have a number of upcoming negotiation dates set this month, beginning this month, with the freely associated states, and we are looking to advance those negotiations as quickly as we possibly can.

Mr. <u>Barr.</u> Okay. Thank you.

Finally, Secretary Lu, since Russia's invasion of the Ukraine, we have seen our partner India placed in a very precarious position, with their longstanding sourcing of Russia for military equipment and supplies.

What is State doing through arms sales or other means to offer practical, legitimate alternatives to India's sourcing of defense equipment from Russia?

Mr. Lu. We had excellent discussions in April at what we call the Two-Plus-Two Dialogue, Secretary Blinken, Secretary Austin, with their counterparts here in Washington. We had detailed discussions about what is possible from our side, in terms of what we can offer, but also to help them think about the transition. They have lots of legacy systems; they are going to continue to need spare parts and munitions. We are taking to them about whether Europe can help, other countries around the world.

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

I yield.

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

Let me now recognize the gentlelady from Virginia, Ms. Spanberger, for 5 minutes of questioning.

Ms. <u>Spanberger.</u> Thank you very much, Mr. Chairman. I appreciate the time. And thank you to our witnesses for being here today.

I want to touch on a couple of the topics that my colleagues have raised, but I first want to begin by talking about semiconductor supply-chain challenges.

Certainly, China's recent efforts to expand and exert control over parts of the semiconductor supply chain, specifically rare-earth minerals, presents a real risk to our economic and national security. And when Deputy Secretary Sherman was here earlier this spring, I did ask her about the criticality of the semiconductor supply chain to the U.S. and larger global economic security issues, so I just want to follow up on this.

Can you describe -- and I think this question is best directed to you, Ms. Dawson. Can you describe specific efforts that State Department and your bureau in particular has taken, either independently or in coordination with the Commerce Department, to work with our allies in the region to secure global supply chains for semiconductor manufacturing, specifically critical minerals?

Ms. <u>Dawson.</u> Through the Indo-Pacific Economic Framework, that is one of the pillars of the arrangement. We are working as we speak to identify the specific details there.

In addition, of course, there are already ongoing conversations with a number of our partners and allies. And we will be happy to get back to you with specific details of --

Ms. <u>Spanberger.</u> And the partners and allies that we have been addressing this issue with, could you just give us an idea of who we have had these conversations with, even if they are just preliminary ones?

Ms. <u>Dawson.</u> Certainly conversations have been happening with the Republic of Korea, as an example.

Ms. Spanberger. Okay. And how about Japan.

Ms. <u>Dawson.</u> Yes, also Japan.

Ms. Spanberger. Okay.

Mr. <u>Lu.</u> I would add India to that as well.

Ms. <u>Spanberger.</u> Oh, excellent. Thank you.

And when we are looking at the fiscal year 2023 budget and how that specifically reflects the top priorities that Congress and the administration have placed on securing our semiconductor supply chain, is there anything that you would point to in that budget to sort of demonstrate the plans and intentions and the focus that your department has on securing the supply chain?

Mr. <u>Lu.</u> I think that is a question for Craig Hart.

Mr. <u>Hart.</u> So, in terms of the work that we have done with the supply chain across the Indo-Pacific, I think, one, we very much are working together with parties such as Australia, South Korea, Japan, and others, and we are also working very much with the private sector.

And so, a few months ago, as a number of these questions arose, one of the things that we did was reach out to our American chambers of commerce, reach out to the connections that we have built over the years with American companies and other companies overseas to be able to best understand, what are the specific roadblocks for the specific supply chains? Because we have several that have been affected, of course, across the reaction to COVID and other issues in the last couple of years.

So the presence that we have overseas in our missions, be that in the Pacific Islands or in the representative posts that we have in Japan or in Australia, with USAID, those are absolutely critical to understanding what are the specific roadblocks. If it is shots in arms when it comes to getting the COVID vaccine out there, if it is the communication tools that we need sometimes to be able to get information about, accurately, the threat of COVID and the need for vaccines, communication campaigns could be part of that, and we also have wraparound services.

Those are some of the issues --

Ms. <u>Spanberger.</u> So, Mr. Hart, just to pull it back a little bit to the supply-chain issues, particularly with critical minerals, is your response predominantly that, within the budget, kind of, operational ongoing efforts to keep our missions fully staffed, to keep people out and about and engaging with our partners, that that is kind of a core element of how we continue to work on this supply-chain issue? Is that essentially the assertion?

Mr. <u>Hart.</u> Yes, ma'am, absolutely.

Ms. <u>Spanberger.</u> Okay.

Mr. <u>Hart.</u> We absolutely need those key positions overseas to be able to make those connections.

We also need to work with partners such as ASEAN. And we are being able to -- when it comes to some of the supply-chain issues, one of the things that we are very proud of is the fact that USAID over the last decade has helped ASEAN build the ASEAN Single Window for trade, to be able to share digital information.

That Single Window for trade we are now proposing and working with the Customs and Border Protection to be able to think about linking that digital window with the U.S. Single Window as well. So looking for efficiencies in terms of where are the specific roadblocks, that is critical.

Ms. <u>Spanberger.</u> Thank you very much to the witnesses.

Mr. Chairman, thank you for letting us go over by a couple seconds.

To the witnesses, we will be submitting some followup questions related to the Solomon Islands and some follow-on questions related to the answers that you have

given to some of my colleagues.

[The information follows:]

\*\*\*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*\*\*

Ms. <u>Spanberger.</u> Thank you so much for being with us. Thank you for your service.

Mr. Chairman, I yield back.

Mr. Bera. Thank you.

Let me now recognize the gentlelady from Nevada, Ms. Titus, for 5 minutes of questioning.

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

I would like to talk about the countries in the Mekong Delta. They are projected to grow 5 to 8 percent annually in the next few years. This growth is good, it is important to these developing nations, but unfortunately it puts a major strain on the region and the ecosystems there, and it has resulted in land loss, water resources degradation, declining bio-diversity, and just a general reduction in the ecosystems.

I am wondering, Assistant Secretary Lu, what actions the State Department has taken to encourage economic development but to assure that it is sustainable and it doesn't result in maybe overfishing, deforestation, and greater pollution along the Mekong River.

Mr. <u>Lu.</u> Thank you. I am going to allow Ms. Dawson to answer that -- Mr. Hart. Sorry. Super.

Mr. <u>Hart.</u> Yep. Thank you so much. Thank you for the question, ma'am.

In terms of the Mekong, having spent 4 years in Vietnam and worked with our Vietnamese counterparts to be able to understand how best to manage the natural resources with the saltwater intrusion, for example, introducing new rice varieties that are more responsive in those growing conditions, looking at how we can reduce water, freshwater, usage on some of those rice crops -- those are all very much ongoing efforts to be able to respond to that.

In addition to that, for IUU fishing, for example, whether it is in the Pacific, where we are working with folks, which is a critical issue both in terms of tourism but also in terms of the management, and in competition with the PRC directly is what I saw, is being able to manage both the near-coral areas as well as the Extended Economic Zone areas in terms of fishing.

So we are working with multiple partners here for the extended areas for IUU fishing. We are working with both NASA, looking at Coast Guard collaboration, looking at how we bring the data down from the satellites to be able to interpret that data, but also then understanding what actions can be taken when it comes to legal reforms, et cetera, that would need to be addressed.

In the near-shore efforts, there are a lot of great efforts when it comes to civil society, and, again, both in the Mekong as well as within the Pacific Islands, that I have seen. Being able to engage our civil-society folks for greater transparency on some of these deals that the PRC is attempting to make is a very critical aspect of keeping that in check; being able to work with press to educate them as to what is going on. Giving that transparency and that openness is a very important point when it comes to competing with the PRC in the area of natural resource management.

That is exactly what I saw and what I heard about when I visited the Solomon Islands as well, the importance of engaging both private sector as well as civil society in addressing some of these challenges.

Ms. <u>Titus.</u> Well, that is encouraging. I am glad to hear that. Because some of the best practices that you may develop there can be transferred to other places.

Also, I will go back to the question from Mr. Sherman about the COFA meeting. I am glad to hear about that. It is nice that the Ambassador is going to go next

week -- first time in a long time. I just would encourage you to be sure that the nuclear cleanup remains the priority in all these negotiations.

Finally, just real quickly, the trend across Southeast Asia as more countries become more authoritarian has been that we have seen human rights suffer. You mentioned earlier Burma, but I think the whole region is targeting especially LGBT communities and disabled communities. And I wonder if we are doing anything to be sure that those groups are protected.

I would ask Administrator Hart.

Mr. <u>Hart.</u> Yes, ma'am. Thank you so much for the question. And we are working across the board, again with civil society organizations but also private sector and the linkage of these two things.

So one of the things that we have been working with is, where we have civil society organizations that are specifically catering to the needs of specific populations, minority populations, we have actually been able to work with those folks in being able to flip into private-sector-led growth as well, looking at the organization's ability to take those with a focus on as their new market.

And so looking at the sustainability of that approach is excellent. Being able to figure that out when it comes to addressing health issues such as HIV/AIDS is quite critical as well.

And I think one of the most exciting things in terms of Southeast Asia, working with Southeast Asia, is that there is more disposable income to be able to look at some of those critical sustainability aspects, which makes working with the private sector across all of our sectors to be very important. And that is an analysis we are always doing and updating, to figure out how we can build in innovation to some of these approaches as well, as we figure out how to address those minority populations that are absolutely critical.

Ms. <u>Titus.</u> Thank you, Mr. Chairman.

And thank you, Mr. Hart. I hear you say about the private sector a lot, and that is important, but we need to hold some of these governments accountable as well.

I yield back. Thank you.

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

And thank you to our members for their questions and to the witnesses for their responses.

With member questions now concluded, I will go ahead and move to my closing remarks and then move to the ranking member for his closing remarks.

You know, we have covered a wide variety of topics, and I think, by the member questions on both sides of the aisle, there is a keen understanding of the importance of the Indo-Pacific region in the 21st century and wide-eyed understanding of the strategic competition that is taking place with the PRC, both direct competition, which is not a bad thing, but also indirect competition. You know, we see the PRC use tools of economic coercion and then direct coercion as well, the aggressiveness in the region. Having traveled extensively in the region, you can't go to a country in that region without seeing evidence of that influence.

But the truth is, when we engage with countries in the region, the conversation is not the United States or the PRC. They very much understand that it is their neighborhood, that they will, you know, have to learn how to work with the PRC. But I also walk away from, you know, each one of these visits, whether it is Indonesia, Malaysia, Nepal, Sri Lanka -- they very much want us there.

They understand that the way we do business, the way we do aid and development is a much better model. The Chinese will come in -- as, you know,

Secretary Lu, you alluded to Sri Lanka. When I was there, you know, clearly this was a bad deal, and, you know, they are now seeing the repercussions of that financing.

And they understand that, you know, when we do aid and development, you know, Mr. Hart, we are going in there, we are identifying the assets, we are trying to create jobs and industries and infrastructure using their workers, whereas the Chinese have a very different model.

You know, some of the MCC compacts that we have had, you know, I am glad that -- you know, I applaud the Nepalese Government for getting that across the finish line, but we also, you know, ran into some headwinds in Sri Lanka. And, you know, I have to think that, you know, if they had worked with us on this, you know, that that would have been to the benefit of the Sri Lankan people.

And, Ms. Dawson, you know, and to our diplomatic and development representatives across the board, they do a remarkable job. But for relatively small investment, you know, I see these men and women out there, you know, being the frontline face of the United States of America, but we need more of it. And, you know, if we were well-resourced, had the human capabilities, we could multiply this.

We have a good story to tell in the region. You know, we have a historic story to tell in the region, given, you know, our presence there. We have great partners to work with, and you are seeing those multilateral coalitions come together.

I am heartened by, you know, the words that the new President in Korea, President Yoon, said, you know, that Korea now has to look beyond the Peninsula and, as the 10th-largest economy in the world, has to start engaging with others in the region.

And I think one way that I would like to work with the administration is: We need to build these partnerships with, you know, Korea, Japan, New Zealand, Australia, Singapore, and others, whether that is through the Indo-Pacific Economic Framework or other mechanisms, to leverage and multiply our investments in the region, particularly in Southeast Asia.

And, you know, my message to the Southeast Asian nations is: This is not about China; this is about recognizing the unique attributes that the countries in Southeast Asia have, the dynamic economies that they have.

And there are real opportunities for us, as we recognize the risk of having an over-reliant supply chain on a single source. And, in this case, that is the PRC. We saw the impact that it had during the pandemic.

The American people are continuing -- and the people around the world are continuing to feel the inflationary impact that an over-reliance on a single supply chain has, and the risk, you know, if, Heaven forbid, there was a direct confrontation with China, directly or indirectly. We see how Russia is using economic coercion around energy. The real impacts and the real risks to the American people if they were to use those types of coercive mechanisms or cut off critical supply chains -- whether it is semiconductors, whether it is rare-earth elements, or, you know, APIs for pharmaceuticals, there is a real national-security risk there.

So we have to, as Congress, work strategically with the administration, as well as with the private sector, to make sure that, you know, where it makes sense, to certainly bring manufacturing back to the United States to create jobs here, but where it doesn't make sense, to create redundant supplies in key countries that have a capable workforce and have the ability to support that. And, you know, whether that is rare-earth elements in Australia, Malaysia, and elsewhere, I think that is something that we have to think about as a long-term strategy.

So, again -- and I guess, you know, one last area that was touched on was foreign military assistance. And I think, you know, countries in the region that have been using

Russian military equipment, I think they recognize, you know, some of the capabilities, or limited capabilities, you know, in this tragic conflict in Ukraine.

I think there is a real opportunity through FMA to strategically work with countries like India and others to move them off of Russian equipment, especially as parts and munitions become more limited, and work directly with those countries as well as our industry to have them move towards, you know, whether it is U.S., Korea, and Israeli, European equipment, in a way that is very strategic for us. So I look forward to working with the administration on that.

Again, I want to applaud the men and women of our aid and development and diplomatic corps around the world for the work that they do every day representing us. We know it is a complicated world, but thank you for their service, and thank all of you for your services.

And now I will turn it to the ranking member, Mr. Chabot, for his closing remarks. Mr. <u>Chabot.</u> Thank you, Mr. Chairman.

Mr. Hart, Mr. Lu, and Ms. Dawson, thank you very much for your testimony here this morning.

Just a few comments. I first of all want to compliment my Democratic colleague Mr. Sherman for actually bringing up Dr. Afridi.

And for those who may be watching this and not familiar with that name or have forgotten it, Dr. Afridi was a Pakistani doctor who was personally responsible for letting us pinpoint where Osama bin Laden was, who obviously was responsible -- most responsible for the deaths of almost 3,000 American lives on September 11th. And rather than getting accolades and praise and being celebrated, Pakistan threw him in prison. And God only knows what has happened to him since then, but he is still there.

And Dana Rohrabacher, to his credit, used to bring this up all the time. And we

brought it up, and Presidents and Secretaries of States and everybody else saying we bring it up with Pakistan, but he is still behind bars. And it is outrageous. It is a human-rights abuse. It is an embarrassment.

And whatever we can do -- and I would just -- if anybody in leadership in Pakistan is listening, they could buy an awful lot of goodwill if they finally did the right thing on this.

And, Mr. Lu, I noticed you are strongly nodding your head, and I appreciate that. We even got a thumbs-up there.

So, Pakistan, you ought to free Dr. Afridi. It is way beyond time for that.

And then right next-door to Pakistan, of course, Afghanistan. And we saw a -- "debacle" is the best word I can think of. The pullout from that was just incompetent and unfortunately sent out a message to the bad actors across the globe, a message of weakness and incompetence in the administration.

And we have seen the world's worst actors took that message and some have acted on it. We have seen the mullahs in Iran; we have seen Putin. And I think it is quite likely that he took that message and decided that this was an opportunity in Ukraine, and we have seen that. And we were also concerned with President Xi taking this message of weakness and acting relative to Taiwan.

And some of my colleagues have brought up Taiwan this morning already. And I happen to be one of the co-chairs of the Congressional Taiwan Caucus, and I am one of the original founding members, about 20 years ago, of the caucus as well. And one of those others was Dana Rohrabacher, who I had mentioned, as well as one of my two Ohio Senators, Sherrod Brown, and the other was Robert Wexler from Florida. In any event, they are all gone, but I am still here in the House.

And relative to Taiwan, Mr. Perry mentioned the slowness, the delay in getting the

weapons to Taiwan. And that is what we really need to do. And much of the problem is right here within our structure here at the Federal level. And a lot of the weapons have been bought, paid for, but not delivered.

And when we had Secretary Blinken and Deputy Secretary Wendy Sherman here, they said that they are working on it. But I would just take this back: We need to get this resolved. We need to get the weapons there.

And the greatest threat really, I think, is China taking -- or, the PRC taking action relative to Taiwan if they think Taiwan is weak or they think that we don't have the resolve to back them up.

And I compliment President Biden for actually being out there and saying that we would be there for Taiwan. I know the State Department has walked back a lot of those things. But I am with President Biden on this; he is absolutely right. And it is much less likely military action will occur if the PRC believes that we would be there. And so, by saying and actually preparing to be there, we can avoid war, I believe.

And then, finally, again relative to Taiwan, Mr. Barr brought up the Indo-Pacific Economic Framework. And, of course, that is a successor to TPP, the Trans-Pacific Partnership. We had candidates from both parties -- my party, President Trump decided that he didn't want to go there, and unfortunately Hillary Clinton and the other party said the same thing. So we stayed out of TPP, but they moved ahead without us, those other countries. And so, ultimately, we are allowing PRC to write the rules, if we are not careful, because they are trying to get in it now.

So this administration's so-called alternative is the Indo-Pacific Economic Framework, and Taiwan was left out. And I think that is an embarrassment -- one of our key allies in the region left out. And they wanted to be in there, and they should have been in there and, I think, still might be in there if we play our cards right. And I completely understand that some of the countries, our allies, were being bullied by the PRC. But I think if we all stick together and they don't pick us off one by one, we can all be there for Taiwan, which is where we ought to be, because they are a good ally, not only to us but to those other countries in the region.

So I would encourage this administration to fully back Taiwan. You know, they say all the right things, but let's do the right thing here too.

With that, I will yield back.

Mr. <u>Bera.</u> Thank you, Ranking Member Chabot.

I want to thank our witnesses and the members who participated in this important hearing.

And, with that, this hearing is adjourned.

[Whereupon, at 12:02 p.m., the subcommittee was adjourned.]