

**EVALUATING U.S.-CHINA POLICY IN THE ERA  
OF STRATEGIC COMPETITION**

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**HEARING**

BEFORE THE

**COMMITTEE ON FOREIGN RELATIONS  
UNITED STATES SENATE**

ONE HUNDRED EIGHTEENTH CONGRESS

FIRST SESSION

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# EVALUATING U.S.–CHINA POLICY IN THE ERA OF STRATEGIC COMPETITION

THURSDAY, FEBRUARY 9, 2023

U.S. SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
*Washington, DC.*

The committee met, pursuant to notice, at 9:51 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Robert Menendez presiding.

Present: Senators Menendez [presiding], Cardin, Shaheen, Murphy, Kaine, Merkley, Booker, Van Hollen, Risch, Rubio, Romney, Ricketts, Paul, Young, Barrasso, Hagerty, and Scott.

## OPENING STATEMENT OF HON. ROBERT MENENDEZ, U.S. SENATOR FROM NEW JERSEY

The CHAIRMAN. This hearing of the Senate Foreign Relations Committee will come to order.

Before we start with the hearing, although they may not be here because they have other assignments as well, but I do want to welcome three new members to the Senate Foreign Relations Committee—Senators Duckworth, Scott, and Ricketts, who each bring valuable and varied experience.

Senator Duckworth has demonstrated a long-standing commitment to advancing U.S. national security and values through her military service and position on the Armed Services Committee.

It is a pleasure to be joined by Senator Scott, who serves also as the ranking member of the Banking Committee, which is where he is now of which I sit on as well, and Senator Ricketts, who serves as Governor of Nebraska.

We look forward to working with all of our new colleagues on China and other critical issues the United States faces around the world and we warmly welcome them to the committee.

Inside the barbed-wired fences of China's concentration camps, guards force Uyghur detainees to sing patriotic songs praising Xi Jinping to drown out screams from torture, rape, and forced sterilizations. Show them "absolutely no mercy," Xi said in a secret speech which was leaked to *The New York Times*.

For many years Chinese leaders' focus was directed inward, but that is no longer the case as we saw with the recent spy balloon passing over the United States, a blatant violation of our sovereignty by a country that claims to be a responsible actor.

Either this was a huge mistake by some entity within the Chinese Government or it was a test of our resolve by Xi. If it was, he got a clear answer.

Whether it was the cancellation of Secretary Blinken's bilateral visit to Beijing or the debris recovered from the bottom of the Atlantic, the U.S. response should settle any question of our resolve to stand up to such brazen violations of our sovereignty.

We responded with strength and I believe that is the way you deal with Xi. We have to remain vigilant because Beijing is reaching beyond its borders, spreading authoritarian values by exporting high-tech surveillance tools to any dictator that wants them, wielding influence at international institutions like the United Nations so Xi can block debate on critical issues and avoid scrutiny.

China has made huge financial investments across the world, from ports in Sri Lanka to railroads in Kenya to bridges management and logistics in the Panama Canal, each adding to Xi's leverage over nations who find themselves heavily indebted to China and unable to push back on Beijing's demands.

This puts pressure on countries committed to democracy like Lithuania when they took steps to deepen their unofficial relationship with Taiwan, and we think about our own posture in the world, we must recognize that China has also invested heavily in proactive diplomacy.

China now has more diplomatic posts than any other country. Chinese diplomats are on the ground making the case for China's values, pushing for Chinese investment, and the United States is not keeping up.

While China is pouring money into Africa, for example, we have got a 40 percent vacancy rate at our embassy in Niger and chronic staffing shortfalls from Mali to Mauritania to Chad.

Secretary Sherman and Dr. Ratner, let me be clear. I am planning a robust agenda in Congress—in this particular Congress and China will be a big part of it.

I have had conversations with the ranking member, working together to come together, which I think we will on a comprehensive China legislation.

Today I released a detailed 46-page majority staff committee report outlining what needs to happen to realize the Administration's vision for the Indo-Pacific, but I will give you the short version.

The China challenge affects every region in the world and you are going to have to do a better job of resourcing these efforts. That means more people in our embassies. It means modernizing the way we do business. It means offering an alternative to China.

Secretary Sherman, since the buck stops with you on China in the State Department, I want to hear what you believe you need to do to ensure that happens.

We appreciate your appearing before us today. I will note that the Secretary will have a hard stop at about 11:15 because the leadership decided to hold an all-members briefing at 11:30 and she needs to be there for that. We will get to as many questions as we can.

I am looking for a full and frank assessment of what the Administration is doing well and what it needs to do better.

I applaud the passage last year of the *CHIPS Act* and the *Inflation Reduction Act*, although I was disappointed that ultimately the legislation did not include the Senate-passed *Strategic Competition*

*Act* that Ranking Member Risch and I authored with so many members of this committee.

I look forward to working with my colleagues to reintroduce and expand upon that legislation this Congress. These efforts to secure our supply chains and increase our domestic competitiveness are critical for American families' bottom line.

When it comes to our global competition, right now China has the upper hand. I am pleased that, in contrast to the last Administration, you are working to shore up allies and partners.

This is difficult and essential work, but if we are serious about this competition with China, the State Department needs to be more ambitious. The Biden administration needs to be more ambitious.

We here in Congress want to do more and right now we have got something in Congress unheard of in today's Washington, which on this issue is bipartisan consensus.

I hope you will not squander it, because while you have laid out a compelling vision on paper for what we need to do, it does not seem to me that we have an equally ambitious resourcing strategy to make it happen.

The State Department you inherited is simply not postured for a global competition with China and it is harder for us to argue for more resources or authorities if you are not out there arguing for more yourselves.

United States has to step up and defend democratic values, not just the might of our military, but the power of our diplomatic persuasion, and I expect you to make the Senate and this committee in particular a partner in this effort.

With that, let me turn to the ranking member for his opening remarks.

**STATEMENT OF HON. JAMES E. RISCH,  
U.S. SENATOR FROM IDAHO**

Senator RISCH. Thank you, Mr. Chairman.

As we all know for a long time the China challenge was foremost on our minds and, of course, along came the Ukraine war, which presents new challenges.

Having said that, we cannot take our eye off the ball either since China is, I think we all agree, the challenge of the 21st century.

While this hearing was planned before the unfortunate Chinese spy balloon flyover, last week's episode highlights just how important addressing this competition really is. China messed up publicly, but this only highlights what it has been doing behind the scenes for years.

Every country around the world should take note because the Chinese will do this to other countries also. Secretary Blinken's trip postponed was a good step.

I hope, Deputy Sherman, that you will shed more light on where we go from here. This was an egregious assault on U.S. sovereignty and, obviously, it requires a response and it requires a plan, going forward.

Another note, I am concerned that the Administration still does not consider Congress a true partner on China, I believe. I have heard about a lot of briefings and phone calls from reporters and

think tanks since last week regarding the balloon incident, but the outreach to the Hill was slow and sloppy at best.

I have said for years that we Republicans and Democrats—the executive and legislative branch—have to work together if we are going to confront what China is doing. Without that, we will not be successful.

The first place—and this is not a partisan issue. This is truly an American issue and a bipartisan issue. The first place where we should demonstrate resolve is through better support for Taiwan. Nothing is more urgent than ensuring Taiwan has the capabilities and training to deter Chinese aggression. If we do not help them prepare now, we may all pay a much higher cost later.

Another priority this year will be oversight of the implementation of the *Taiwan Enhanced Resilience Act* signed into law last December, but it was not adequately funded in the appropriations process. I was very disappointed in this.

The Biden administration said over and over again that it supports security assistance to Taiwan. However, it did nothing to advocate for Taiwan during the appropriations process.

Similarly, this committee and the Armed Services Committee has asked the Administration last summer for a prioritized list of Taiwan’s military needs. Despite repeated requests, we still do not have that list.

Beyond Taiwan, we must counter the CCP’s malign influence both in the U.S. and abroad. I expect to hear about how the Department addresses issues like influence in universities, Chinese police stations here in the United States and in other countries, and corruption.

I also hope to hear that the Administration is going to counter the flow of Chinese fentanyl into the United States via third countries like Mexico. Steps we take domestically, of course, matter, but China actively avoids actions that could reduce the supply of chemicals that are illegally sent to the United States.

Various parts of the U.S. Government, including myself, have asked the Chinese Government to take basic steps like passing a “Know Your Customer” type law.

The CCP’s response? That it will not cooperate until we remove a Chinese scientific institute from the Entity List and that we should just tell U.S. citizens not to do drugs.

The Chinese Government’s tacit endorsement of this massive drug trade is just not right.

Also, we need the Chinese to do more to alleviate human suffering in the U.S. and abroad on this very important drug issue.

Finally, I want to highlight legislative priorities. As the chairman has already stated, the chairman and I have met and discussed at length our ideas on China.

China is certainly our high priority in this legislative session as we go forward and we are going to have a joint bill, we hope, to be introduced and, of course, that will include parts of the Senate bill in 2021 that we passed, the *Strategic Competition Act*.

The chairman and I have already discussed collaborating on China legislation this year and I look forward to working with him on that.



Also, we have the *ECON Act* that was previously introduced and probably will be part of what we put in our joint bill.

With that, we have a lot to cover and I thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Risch, and we do look forward to working together on this.

Our witnesses today are Deputy Secretary of State Wendy Sherman, Assistant Secretary of Defense for the Indo-Pacific Security Affairs Dr. Ely Ratner.

I understand that Deputy Secretary Sherman provides some brief opening remarks as will the Assistant Secretary. Both will be available to answer any questions we may have.

I will remind members again that there is an all-senators classified briefing on the PRC surveillance balloon scheduled at 11:30 immediately following this hearing.

That is a setting which our witnesses may be better able to answer some of your questions on the balloon specifically, although this hearing was called well before the balloon incident and it is focused on broader China policy.

With that, Secretary Sherman, why do we not begin.

**STATEMENT OF THE HON. WENDY SHERMAN, DEPUTY SECRETARY OF STATE, U.S. DEPARTMENT OF STATE, WASHINGTON, DC**

Ms. SHERMAN. Chairman Menendez, Ranking Member Risch, distinguished members of this committee, thank you for the opportunity to testify today.

Please let us add our welcome to the newest additions to the rostrum—Senators Duckworth, Scott, and Ricketts. I and this entire State Department looks forward to working with you.

Before we address our main topic, I just want to make one quick comment about the deadly earthquake in Turkey and Syria. The numbers of those lost keep rising. Our hearts ache for the families and communities devastated by this tragedy.

I know that we all express our solidarity and are doing whatever we can for those who are suffering and will do whatever we can to support the recovery in the days and months ahead. It is truly a tragic, tragic situation for all the people in the region.

Now to the subject at hand, the People's Republic of China—the geopolitical challenge, quite frankly, that will test American diplomacy like few issues in recent memory, and I associate myself with both of the comments of the chairman and the ranking member about the challenges that we face.

The PRC is the only competitor with the intent and means to reshape the international order, a fact borne out in the PRC's provocations in the South China Sea, its human rights abuses, its use of economic coercion, its threatening behavior against Taiwan and, of course, what we have just witnessed and much more.

Last week, the American people saw the latest example of that reality after the U.S. Government detected, closely tracked, and shot down the PRC's high-altitude surveillance balloon that had entered our territorial airspace in clear violation of our sovereignty and international law.

The Biden-Harris administration responded swiftly to protect Americans and safeguard against the balloon's collection of sensitive information.

We made clear to PRC officials that the presence of this surveillance balloon was unacceptable and along the way we learned a thing or two, which you will hear in the classified briefing, about the PRC's use of the balloon.

Last Friday, Secretary Blinken called Director Wang Yi to say it would not be appropriate to visit Beijing at this time.

On Saturday, as you all know, at the President's direction the U.S. military successfully brought down the balloon off the East Coast. This lawful and deliberate action was achieved with no harm to civilians and with maximum ability to recover the payload. Again, more to say about this in the classified briefing. I look forward to joining you in that briefing to go through the full details with my interagency colleagues.

Our response to this incident reaffirmed our core priorities, as the President said Tuesday evening. We will always act decisively to protect the American people.

We will never hesitate to defend U.S. interests and the rules-based international order. We will confront the dangers posed by the PRC with resolve and keep demonstrating that violations of any country's sovereignty are unacceptable.

This irresponsible act put on full display what we have long recognized, that the PRC has become more repressive at home and more aggressive abroad.

It reinforced the need for us to double down on our strategy—invest, align, compete. Simply put, with legislation like the bipartisan *CHIPS and Science Act* and the bipartisan infrastructure law we are investing in the foundations of our strength on our shores.

We are also modernizing our work at the State Department, as the chairman has implored us—and the ranking member—to do, to mobilize our embassies and resources to take on this challenge, particularly through the China House, which we stood up with your support in December.

We are aligning with like-minded allies and partners overseas with the G-7 and the EU—that tough work the chairman talked about—with Japan, South Korea, Australia, Thailand, the Philippines, with India and countries on every continent.

We have made a concerted effort to share information that reinforces the scale of the threats posed by the PRC and the necessity of unity in confronting them.

We do not seek another Cold War, but we do ask everyone to play by the same set of rules. Investing in ourselves and aligning with our partners strengthens our hands to compete with the PRC.

With authorities provided with bipartisan congressional support we will keep pushing back against the PRC's aggressive military, diplomatic, and economic practices.

We will continue to oppose Beijing's unlawful acts in the South and East China Seas, hold accountable those involved in human rights violations in Tibet and Xinjiang, support the people of Hong Kong, and do everything possible to bring home unjustly-detained Americans.

If I may, Mr. Chairman, I would ask for just a few more seconds for my opening remarks.

We will continue to warn the PRC against providing military support to Russia, crack down on PRC entities engaged in harmful activities, and address the PRC's transnational repression including, as the ranking member mentioned, the overseas police stations designed to restrict the rights of Chinese diaspora.

Almost done. We will continue to prevent the PRC's exploitation of U.S. technology to enable its own military modernization. We will continue—and I will be glad to answer questions—about working for peace and stability across the Taiwan Strait.

We remain committed to our long-standing One China policy and oppose any unilateral changes to the cross strait status quo.

Our policy has not changed. What has changed is Beijing's growing coercion. We will keep assisting Taiwan in maintaining a sufficient self-defense capability. Through it all we have and will maintain open lines of communication so we can responsibly manage the competition between our countries.

We do not seek conflict with the PRC. We believe in the power of diplomacy to prevent miscalculations that can lead to conflict.

We are ready to work together where areas of cooperation are vital for our own interests, from climate and public health to food security, narcotics, and more, anywhere it can enhance U.S. interests and global peace and security.

As President Biden said in his State of the Union, "Today, we are in the strongest position in decades to compete with China or anyone else," adding that, "winning the competition with China should," as the chairman and the ranking member has said, "unite all of us."

With your bipartisan support, with the resources approved by this committee, as the chairman has challenged us on, we will stand unified in the face of this challenge.

Thank you very much, Mr. Chairman.

[The prepared statement of Ms. Sherman follows:]

#### **Prepared Statement of Ms. Wendy Sherman**

Chairman Menendez, Ranking Member Risch, distinguished members of the Senate Foreign Relations Committee: thank you for the opportunity to testify today and thank you for your consistent, bipartisan focus on our nation's approach to the People's Republic of China.

The PRC is the pacing geopolitical challenge of our era—one that touches nearly every facet of our Department's leadership on a daily basis; one that will test American diplomacy like few issues in recent memory.

The PRC is also the only competitor with the intent and the means to reshape the international order. We see proof of this point across the globe—in the PRC's provocative acts in the South China Sea; its human rights abuses in Hong Kong, Tibet, and Xinjiang; its use of economic coercion; its threatening behavior against Taiwan; and more.

Last week, the American people saw the latest example of that reality, after the United States Government detected, closely tracked, and ultimately shot down the PRC high-altitude surveillance balloon that had entered our territorial airspace in what was a clear violation of our sovereignty and international law.

We worked swiftly and deliberately. We kept leaders and members of Congress up-to-date and informed on the latest developments. We stayed in close touch with our allies. We communicated directly with PRC officials, making it clear that the presence of this surveillance balloon in our airspace was an unacceptable violation of our sovereignty and a breach of international law.

On Saturday, at the President's direction, the U.S. military successfully brought down the balloon off the east coast. This was achieved without posing undue risk to American civilians under the balloon's path.

We also took immediate steps to protect against the balloon's collection of sensitive information. Shooting the balloon down prevented it from returning to the PRC and enabled us to recover debris for investigation.

I would make one additional note: while we took all necessary steps to protect sensitive information, the surveillance balloon's overflight of U.S. territory was of intelligence value to us. We were able to study and scrutinize the balloon and its equipment, and I look forward to briefing you further in a classified setting.

Taking the surveillance balloon down was a lawful and deliberate action reaffirming our core priorities: we will always act responsibly and decisively to protect the safety and security of the American people. We will continue to answer the dangers posed by the PRC with determination and resolve. We will make clear to the PRC that violations of our sovereignty and the sovereignty of other countries are unacceptable.

As you know, in the course of these developments, Secretary Blinken called Director Wang Yi and made clear that it would not be appropriate to visit Beijing at this time.

From the start of this Administration, we have been clear-eyed about the challenge posed by the PRC. This unacceptable and irresponsible action put on full display what we've long recognized—that the PRC has become more repressive at home and more aggressive abroad.

It reinforced the need for us to double-down on our strategy: to never hesitate to defend U.S. interests and ideals, promote universal human rights, and stand up for the rules-based international order—and to keep reinvigorating the core pillars of our policies: "Invest, Align, Compete."

Here's what that means: with your help, we are investing in the foundations of our strength on our shores, with funding from bills like the CHIPS and Science Act, the Bipartisan Infrastructure Law, and the Inflation Reduction Act.

We are aligning with likeminded partners around the world to strengthen our shared interests and values—of democracy, openness, and fairness—and to address the challenges posed by the PRC.

To that end, over the past 2 years, we have brought together the G7, and used it to drive outcomes on the world's most pressing problems. We have never been more aligned with our partners in Europe. We have deepened our alliances with Japan, the Republic of Korea, Australia, Thailand, and the Philippines. We have invested in the Quad partnership with India, Australia, and Japan. We have advanced Transatlantic cooperation and democratic approaches to trade, technology, and security through the U.S.-EU Trade and Technology Council (TTC).

We have instructed our diplomats to engage on this challenge in the Indo-Pacific and in every region and on every continent. We have made a consistent and concerted effort to share information with our partners to reinforce the scale and scope of the threats posed by the PRC—and the necessity of our unity in confronting them.

To be clear, we don't seek another Cold War. But we do ask that everyone play by the same set of rules. We want to ensure that all countries have the ability to make their own choices, free from coercion.

Investing in ourselves and aligning with our partners gives us a stronger hand to compete with the PRC and push back against their aggressive military, diplomatic, and economic practices that seek to coerce other nations, distort markets, and undermine American workers and businesses.

With the resources and authorities provided by this committee and the Congress, we will keep taking concrete actions to meet this moment.

We will continue to oppose Beijing's unlawful acts in the South and East China Seas.

We will continue to do everything possible to bring home unjustly detained American citizens.

We will continue to make clear to the PRC that providing military support to Russia in its war against Ukraine, or systemic evasion of sanctions, would have significant consequences for its relationships with the United States and countries around the world.

We will continue to support the people of Hong Kong, as they confront the steady erosion of their rights. Just 2 weeks ago, President Biden authorized a 2-year extension of Deferred Enforced Departure for Hong Kong residents in the U.S.

We will continue to call out the egregious and unacceptable human rights violations in Tibet and Xinjiang and hold accountable those involved in these practices.

We will continue to crack down on PRC entities engaged in harmful activities, such as those with ties to their military or those violating sanctions on Iran's oil industry or that support Russia's war against Ukraine.

We will continue to work with allies and partners to address PRC transnational repression efforts, including the establishment of so-called "overseas police stations." These stations raise serious issues of respect for sovereignty and the rights and interests of Chinese diaspora communities around the world.

We will continue to take decisive steps to prevent the PRC's exploitation of U.S. technology to enable its own military modernization. In October, this Administration imposed systematic and technology-specific restrictions on the PRC's ability to purchase and manufacture certain advanced semiconductors and related equipment. With the CHIPS and Science Act, we have more tools to build up the strength of our industry at home while protecting our technology across the globe.

Finally, we will continue to maintain peace and stability across the Taiwan Strait, which the PRC's provocative behavior is undermining, and to support Taiwan in line with our longstanding policy.

Our approach to Taiwan has been consistent across decades and administrations: we remain committed to our longstanding one China policy, as guided by the Taiwan Relations Act, the Three Joint Communiques, and the Six Assurances. We oppose any unilateral changes to the cross-Strait status quo. But while our policy has not changed, what has changed is Beijing's growing coercion.

In response, we will continue to deepen our unofficial relations with Taiwan, to meet our obligations under the Taiwan Relations Act to assist Taiwan in maintaining a sufficient self-defense capability, to maintain our own capacity to resist any resort to force or forms of coercion that would threaten Taiwan, and to work with our allies and partners to underscore that peace and stability in the Strait is critical to regional and global security and prosperity.

Even with everything already on our agenda, we know we must bring an elevated level of expertise to meet this challenge at the State Department. Thanks to bipartisan support from Congress, we are doing so with the launch of the China House, which opened its doors in December to guide a shift in how the State Department makes, manages, and messages policy on the PRC.

This office will help us better coordinate efforts across our bureaus and our embassies worldwide. It will grow our capabilities to share information more quickly, sharpen our communications more effectively, and adapt to developments in real time. It will ensure that data and intelligence flow in all directions—moving back and forth between China House, our posts in the PRC, our bureaus at headquarters, and our diplomats throughout the globe.

It will ensure that we see the PRC for what it is: a challenge that touches virtually every issue under the sun—security, trade, technology, human rights, and more.

China House serves as a force multiplier for our Department's leadership on the PRC. It is a key piece of our broader modernization agenda, as we seek to apply the right resources to the big-picture issues of our time, from the PRC to cybersecurity and digital diplomacy to public health.

For our country, the PRC is a generational challenge, and there is no higher priority at the State Department than answering it.

We will compete vigorously with the PRC, while managing that competition responsibly. We will maintain open lines of communication, so we can keep miscalculations from veering into conflict and responsibly manage the competition between our countries.

We do not seek conflict with the PRC, and we are ready to work together on areas where our cooperation is vital—from climate and public health to food security, narcotics, and more—to enhance U.S. interests and global prosperity and security.

We bear no illusions about the road ahead. This competition will intensify. The stakes couldn't be higher.

The commitment of this Administration—to upholding our interests and values, to collaborating with our partners, to defending global norms—will remain steadfast.

There are few issues where bipartisan action is more critical. In coordination with this committee and with your colleagues across Capitol Hill, we are confident that we can sustain the resources and policies we need to compete with the PRC and fortify our country's position.

Thank you.

The CHAIRMAN. Thank you.  
Secretary Ratner.

**STATEMENT OF THE HONORABLE ELY RATNER, ASSISTANT SECRETARY OF DEFENSE FOR INDO-PACIFIC SECURITY AFFAIRS, U.S. DEPARTMENT OF DEFENSE, WASHINGTON, DC**

Dr. RATNER. Chairman Menendez, Ranking Member Risch, distinguished members of the committee, thank you for the opportunity to testify on U.S. policy toward the PRC.

The National Defense Strategy rightly identifies the PRC as the Defense Department's pacing challenge. This is because, as articulated in the Administration's Indo-Pacific strategy, the PRC is, "combining its economic, diplomatic, military, and technological might as it pursues a sphere of influence in the Indo-Pacific and seeks to become the world's most influential power."

China's military is central to these aims. In fact, in recent years the PRC has increasingly turned to the PLA as an instrument of coercive statecraft in support of its global ambitions including by conducting more dangerous, coercive, and aggressive actions in the Indo-Pacific region.

In contrast to these revisionist goals, today I would like to provide an update on the steps we are taking with our allies and partners to advance an alternative vision of a free and open Indo-Pacific, a vision that is widely shared throughout the region and the world.

In particular, I would like to highlight the steps we are taking, first, to strengthen our alliances capabilities, second, to develop a more distributed and resilient force posture, and third, to build stronger networks of like-minded allies and partners.

Let me underscore the Department's view that today our deterrent is strong and that these efforts will play an essential role in sustaining and further strengthening deterrence in the years and decades ahead.

I will say at the outset that 2023 has already been a groundbreaking year for U.S. alliances and partnerships in the Indo-Pacific.

First, as it relates to alliance capabilities, with Japan we have expressed our support for Tokyo's decision to acquire new capabilities that will strengthen regional deterrence, especially counter-strike capabilities.

Under AUKUS we remain encouraged by the significant progress we have made on developing the optimal pathway for Australia to acquire a conventionally-armed, nuclear-powered submarine capability.

Additionally, we are making significant investments in our defense ties with India to uphold a favorable balance of power in the Indo-Pacific, and we will continue to fulfill our commitments under the Taiwan Relations Act and its principles, which include providing Taiwan with self-defense capabilities and maintaining our own capacity to resist any use of force that jeopardizes the security of the people of Taiwan.

Second, on force posture, DoD has recently announced major upgrades throughout the region that will make our force posture more mobile, more distributed, more resilient, and lethal.

In December, with Australia, we announced several new force posture initiatives that increase our capabilities across a range of domains in Australia, including U.S. bomber task force rotations,

fighter rotations, and future rotations of Navy and Army capabilities.

Weeks later the United States and Japan announced the first U.S. forward deployment of a Marine littoral regiment to Japan, and just days ago Secretary Austin was in Manila, where the United States and the Philippines announced four new EDCA sites at strategic locations across the country.

Third, on networking, despite PRC efforts to divide the United States from our allies and partners, DoD is focused on developing a constellation of coalitions to address emerging threats.

That includes enhanced trilateral cooperation with Japan and Australia and with Japan and the Republic of Korea. It also includes our work in the Indo-Pacific with ASEAN, AUKUS, the Quad, and European allies.

In closing, as I have done before, I will conclude today by noting, as you did, Mr. Chairman, the powerful bipartisan consensus that has emerged around the China challenge and the commensurate need for the U.S. Government to focus its time, energy, and resources on the Indo-Pacific region.

It is my enduring belief that we should be vigilant in preserving and advancing a bipartisan approach which will remain fundamental to our ability to compete effectively against the PRC.

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

[The prepared statement of Dr. Ratner follows:]

**Prepared Statement of Dr. Ely Ratner**

Chairman Menendez, Ranking Member Risch, and distinguished Members of the Committee: thank you for the opportunity to testify on U.S. policy toward the People's Republic of China (PRC).

The 2022 National Defense Strategy (NDS) rightly identifies the PRC as the Department's "pacing challenge." This is because, as articulated in the Administration's Indo-Pacific Strategy, the PRC is "combining its economic, diplomatic, military, and technological might as it pursues a sphere of influence in the Indo-Pacific and seeks to become the world's most influential power." China's military is central to these aims. In fact, in recent years, the PRC has increasingly turned to the PLA as an instrument of coercive statecraft in support of its global ambitions, including by conducting more dangerous, coercive, and aggressive actions in the Indo-Pacific region.

In contrast to these revisionist goals, today I would like to provide an update on the steps we are taking alongside Department of State colleagues with our allies and partners to advance an alternative vision of a free and open Indo-Pacific region; a vision that is widely shared throughout the region and the world. This is the "align" pillar of the Administration's "invest, align, compete" China strategy. In particular, I would like to highlight the steps we are taking: First, to strengthen our alliance capabilities; second, to develop a more distributed, resilient, and lethal force posture; and third, to build stronger networks of likeminded allies and partners. Let me underscore the Defense Department's view that today our deterrent is strong, and that these efforts will play an essential role in sustaining and further strengthening deterrence in the years and decades ahead.

**STRENGTHENING ALLY AND PARTNER CAPABILITY**

I'll say at the outset that 2023 has already been a groundbreaking year for U.S. alliances and partnerships in the Indo-Pacific region.

With Japan, we have expressed our support for Tokyo's decision to acquire new capabilities that will strengthen regional deterrence, especially counterstrike capabilities.

Under AUKUS, we remain encouraged by the significant progress we've made on developing the optimal pathway for Australia to acquire a conventionally armed, nuclear-powered submarine capability. And we thank the Members of this Committee

for their continued support of this initiative, which will reinforce deterrence and advance our shared vision for a free, open, and secure region.

With the Republic of Korea, DoD and the Department of State joined in September in the Under Secretary-level Extended Deterrence Strategy and Consultation Group, a forum for comprehensive discussions on strategy and policy issues to strengthen Alliance deterrence on the Korean Peninsula and stability in the Indo-Pacific region.

Additionally, we are making significant investments in our defense ties with India to uphold a favorable balance of power in the Indo-Pacific region. Earlier this month, the U.S. Government launched our inaugural technology initiative (iCET) with India, including in-depth discussions about opportunities for co-production of major defense platforms.

Finally, we will continue to fulfill our commitments under the Taiwan Relations Act (TRA), which include providing Taiwan with self-defense capabilities and maintaining our own capacity to resist any use of force that jeopardizes the security of the people of Taiwan. The TRA is backed by strong, bipartisan support and has formed the bedrock of peace, stability, and deterrence in the Taiwan Strait over the last four decades.

#### DEVELOPING A DISTRIBUTED, RESILIENT, AND LETHAL FORCE POSTURE

DoD has also announced major upgrades throughout the region that will make our forward posture more distributed, resilient, and lethal. In just the past several months, we have seen that hard work come to fruition in several important ways.

First, in December, Secretary Austin and Secretary Blinken joined their Australian counterparts for the 2022 Australia-U.S. Ministerial Consultations, where they announced several new force posture initiatives to increase the rotational presence of our capabilities across a range of domains in Australia, including U.S. Bomber Task Force rotations, fighter rotations, and future rotations of U.S. Navy and U.S. Army capabilities.

Weeks later in early January, Secretary Austin co-chaired the Japan 2+2 ministerial meeting with Secretary Blinken, where the United States and Japan announced the first U.S. forward deployment of a Marine Littoral Regiment (MLR) to Japan. The MLR is the Marine Corps' most advanced formation, and it exemplifies how DoD is working with one of our closest regional allies to bolster deterrence and enhance our ability to respond rapidly to regional contingencies.

Finally, just days ago, Secretary Austin was in Manila, where the United States and the Philippines announced four new Enhanced Defense Cooperation Agreement (EDCA) Annex sites at strategic locations across the country. This achievement will not only bolster U.S. rotational presence—it will also strengthen our combined ability to address a range of shared challenges across the Indo-Pacific region.

#### NETWORKING LIKEMINDED ALLIES AND PARTNERS

Meanwhile, despite PRC efforts to divide the United States from our allies and partners, DoD is developing a constellation of coalitions to address emerging threats.

Trilateral cooperation between the United States, Japan, and Australia represents one of our most advanced network of alliances. We invited Japan to participate in force posture initiatives in Australia, we held our first trilateral asset protection exercise, and we are expanding collaboration on research and development.

With Japan and the Republic of Korea, we are continuing to enhance trilateral security cooperation and address common security challenges in the Indo-Pacific region.

Finally, in addition to ongoing efforts with ASEAN, we are also working with a range of partners to bring greater transparency to the region, including through the Indo-Pacific Partnership for Maritime Domain Awareness (IPMDA). This initiative aims to provide space-based maritime domain awareness to countries across the region—including in Southeast Asia, in the Indian Ocean, and the Pacific Islands.

#### SEEKING OPEN LINES OF COMMUNICATION

Before I close, I would like to offer a brief word on DoD's belief in the importance of maintaining open and constructive lines of communication between the United States and the PRC in order to responsibly manage our relationship. On Saturday, February 4, immediately after taking action to down the PRC high-altitude surveillance balloon, the Department of Defense submitted a request for a call between Secretary Austin and PRC Minister of National Defense Wei Fenghe. Lines between our militaries are particularly important in moments like this. Unfortunately, the



PRC has declined our request. Our commitment to open lines of communication and to responsibly managing the relationship will continue.

#### CONCLUSION

As I have done before, I'll conclude today by noting the powerful bipartisan consensus that has emerged around the China challenge and the commensurate need for the U.S. Government to refocus its time, energy, and resources on the Indo-Pacific region. It is my enduring belief that we should be vigilant in preserving and advancing a bipartisan approach, which will remain fundamental to our ability to compete effectively against the PRC.

Thank you for your time and attention today, and I look forward to your questions.

The CHAIRMAN. Thank you both. We will start a series of 5-minute rounds. We will go as long as we can.

Let me start off, Madam Secretary.

I view the China challenge as a multi-dimensional issue. It is not simply a simple economic competition, security, cultural. It goes across so many different dimensions and in so many different parts of the world.

I look at that multi-dimensional challenge and, in my view, it is no secret that I believe that our diplomacy and resourcing lags when it comes to meeting China's investments in diplomacy.

I will be asking OMB to—and the Administration to significantly staff up if we want to meet the China challenge. This is a huge dimension of what we need to meet.

How is the Department looking at making sure that its operations and resourcing, particularly through staffing and personnel expertise, are sufficient to meet the diplomatic challenges we face with an increasing influential China around the world?

Ms. SHERMAN. Thank you very much, Mr. Chairman.

Could not agree with you more that the scale and scope of the challenge is enormous and as a result the Secretary of State asked me to take special responsibility, as you pointed out, for the organization and I want to thank this committee and the Congress for supporting us in launching what is the China Office of Coordination, better known as China House, in the Department.

This is really a new matrix organization that is not just a rearrangement of the chairs at the State Department, but rather a way to make sure that we have a multi-dimensional, multi-domain awareness, integration of everything we are doing around the world—that we not only have an integrated strategy towards China working with the interagency as well, but every single mission around the world has a bespoke China strategy because, as you pointed out, China is everywhere in the world.

I run a China strategy group on a regular basis, bringing together all of those dimensions. I cannot give you specifics because we are still working on the FY24 budget to be released next month.

You will see in the budget a deep and broad commitment and a significant increase in our resources for the Indo-Pacific, as you have long advocated for. In the FY23 budget, our foreign assistance reached \$1.8 billion, a 50 percent increase from just 7 years ago.

Yes, I would agree with you we are not where we need to be yet, but I believe we are changing our approach. To give you one specific example, in the Indo-Pacific and the Pacific Islands where, quite rightly, China has positioned itself, we have taken a very new and bold approach, again, with bipartisan support.

We just opened an embassy in the Solomon Islands. We are working on posts and will be announcing them soon in Tonga and Kiribati. We are returning the Peace Corps to that part of the world.

Every single place we have a bespoke approach. We are following through on those strategies and we are working on the resources to match that ambition.

The CHAIRMAN. I look forward to seeing the budget proposal as a pursuit of that.

Here is another dimension when we talk about multi-dimensional. The PRC is pursuing new and alarming ways to influence and control the United Nations, including attempts to curtail or defund U.N. efforts to improve its human rights system.

Recently in the U.N. Budget Committee the PRC led efforts with Russia to slash budgets for several key human rights investigative mechanisms.

How is the Department pushing back against their systematic effort to subvert the ability of the United Nations human rights systems to confront abuses in China and beyond?

Ms. SHERMAN. I think it is a very important point. It is why it was important for the United States to be able to rejoin the Human Rights Council and to engage in a much more effective way at the U.N.

You are quite right, the Chinese operate in the U.N. system very effectively for years. They have put people in junior positions, which you simply can sign up for financially, and put people into slots and then those people move up the chain in the U.N. system.

Our U.N. Ambassador, Linda Thomas-Greenfield, is very engaged in looking at all the ways that the Chinese have penetrated the U.N. system and figuring out with our international organization bureau ways to challenge all of that.

I quite agree with you. We have a lot of work to do.

The CHAIRMAN. If we could take—again, not to want to copy too many things from the Chinese—

Ms. SHERMAN. Sure.

The CHAIRMAN. —but we could definitely take a page from their book. They have systematically, methodically implemented their people in a way that ultimately leads them to have influence in a wide variety of cross sections of the U.N.

That is not the only place—World Health Organization. I could go on and on.

Ms. SHERMAN. Yes.

The CHAIRMAN. Finally, what is the Administration doing? Chinese imports of Iranian oil have exceeded 1 million barrels per day over the past 3 months. That relationship is mutually beneficial. Iran gets to export its oil despite U.S. sanctions and Beijing receives a steep discount.

What is the Administration doing to increase the costs on China for helping Iran evade U.S. sanctions? How does it plan to make a measurable dent in Iran's oil exports to China and others such that Iran is not reaping the benefits of steady oil prices?

Ms. SHERMAN. Excellent question. I do not have a full answer for you today, Mr. Chairman, but I will get back to you on that.

[EDITOR'S NOTE.—The requested information referred to above follows:]

The United States remains concerned about Iran's sanctions evasion activity, including activity involving the PRC. We regularly engage with the PRC and strongly discourage them from taking steps vis-à-vis Iran that contravene U.S. sanctions. Special Envoy for Iran Malley delivered this message to PRC Director General for Arms Control and Disarmament Sun in a February 1 phone call.

On February 9, the United States sanctioned nine entities across multiple jurisdictions that have played a critical role in the production, sale, and shipment of millions of dollars' worth of Iranian petrochemicals and petroleum to buyers in East Asia. The United States has taken numerous actions against sanctions evaders around the world under the Biden administration, including several recent rounds of sanctions designations targeting Iran's petroleum and petrochemical trade.

Ms. SHERMAN. What I will say is that we are working on sanctions evasion including by seeing what is happening to tankers around the world and taking actions that we can to interdict and stop those oil shipments and to sanction those companies that are undermining our sanctions regime around Iranian oil.

I agree with you this is a problem and it is——

The CHAIRMAN. I look forward to hearing back from you and the Administration.

Listen, you do not hide a million barrels a day for the last 3 months and not know it is out there and it is happening and it is happening, largely, with impunity. A multi-dimensional China challenge is another one, but it also involves Iran, which is also part of our target. We should be doing much better.

Senator Risch.

Senator RISCH. Thank you, Mr. Chairman.

I want to pick up on a point that the chairman raised and that is we are all aware—you too and the Department is—of the intrusion of China all over the globe—different countries, different entities.

The chairman mentioned the U.N. They have got a particular target for the U.N. to get involved there in every nook and cranny that they can.

One that concerns me is they are doing a similar thing here in the United States at the colleges and universities and that went on for years pretty much under the radar with most people not knowing what was going on in the former what they called the Confucius Institutes on these campuses. Now, the first thing that happened is it stopped. The universities quit adding them and now they are actually dismantling them and there is getting to be less and less.

Having said that, the Chinese now instead of going through the Confucius Institute are buying chairs in the various departments or they are funding research in places like that and, again, this goes widely unreported and occasionally it rears its head as we saw when we had a confirmation from a person from the University of Pennsylvania and I was staggered by the amount of money that China is putting into these universities.

They are not doing it out of the goodness of their heart or to see that our universities are doing a good job. What kind of program—what kind of effort do you have in that regard to monitor that and do what is necessary to unwind that?

Because it is—when this happens there is no doubt that those colleges and universities are going to get soft on China. They just are. Money has a way of doing that.

Your thoughts on that, please?

Ms. SHERMAN. Thank you, Senator.

As you point out, after peaking at a hundred Confucius Centers in 2018, there are now only about 15, and so putting a spotlight on these issues is very critical to putting pressure on universities to understand what is happening and what they are doing. I greatly appreciate the work that was done by this Congress and by the State Department to put a spotlight on the Confucius Centers.

In addition, we are, in fact, doing the same thing, putting a spotlight where, in fact, there are other things you mentioned in your opening statement—police stations that are being created. One was closed down in New York.

When I was in Europe recently, in every capitol where I know there are police stations. I have raised this issue and putting a spotlight on this. Asking governments, asking universities to take a look at what they are doing is critical.

I do want to make one point, though, which I think we all have to be very careful of. We think that people-to-people exchanges are important. This Congress on a bipartisan basis has supported over the years people-to-people exchanges.

We have, I think, over 290,000 Chinese students who come to American universities. We are very careful about looking at visas and making sure that in strategic departments where it might influence or create a problem for national security we do not have those students come, but it is very important that we not close down these people-to-people exchanges.

On the other hand, we only have about, I think, 385 Americans who are studying in China and we probably need to do something to increase the number of Americans who are willing to study in China.

The final thing I would say is we all know that anti-Asian American hate has increased and we have to be very careful as we put a spotlight on China that we not increase hate against Asian Americans.

It has led, as we have all seen, to horrifying circumstances in our country and we need to make sure that does not happen as we, in fact, crack down on exactly the kinds of things that you have outlined, Senator.

Thank you.

Senator RISCH. Thank you. I appreciate those thoughts.

We have asked for that list about what the Taiwanese are asking for. Do you know anything about that? Is that in your wheelhouse about the—

Ms. SHERMAN. What the Taiwanese are asking for in what sense?

Senator RISCH. In materials. Military materials.

Ms. SHERMAN. Oh, sure. Jessica Lewis, who—

Senator RISCH. We know Jessica.

Ms. SHERMAN. I know you know Jessica well—is the Assistant Secretary for Political-Military Affairs, and last year we notified 13 different sales to Taiwan, including 10 new sales, three amendments to previously notified sales.

It represents the largest single number of notifications for Taiwan in the last 20 years. These included F-16 munitions, spare parts for the Taiwan Air Force, Army and Navy's existing capabilities and continued support for Taiwan's radar program.

Since 2010 we have notified Congress of over \$37 billion in arms sales to Taiwan, including more than \$21 billion since 2019.

We think this is quite critical. We believe we need to help them in asymmetric weapons capabilities, help them train and integrate their reserves, make sure that they have mobile and agile systems, and this is what Jessica is very focused on to make sure that Taiwan has what it needs.

I do not know whether Dr. Ratner would like to add something from the defense point of view on this.

Senator RISCH. Briefly, because my time is up.

Dr. RATNER. Senator, I will just echo what Secretary Sherman said.

We are extremely focused on understanding and communicating with Taiwan about what specific articles—defensive articles they need for their defense and for deterrence, and we are laser focused on that with all of the attention and urgency it deserves.

Senator RISCH. Thanks to both you. I do want to underline that in September of last year we wrote a letter asking some specific questions about what the Taiwanese were asking for and what it had given.

If you would dig that out and see if we could get an answer to that it would be very helpful.

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

The CHAIRMAN. Thank you.

Senator Murphy.

Senator MURPHY. Thank you very much, Mr. Chairman, and I appreciate you raising the challenge of resources at the State Department right now.

A quick example of how this plays out in reality. Prior to the pandemic, I was in Dublin and our embassy there told me that in the lead up to my visit there had been a dramatic infusion of Chinese diplomatic personnel to their embassy there.

The reason was there was a pending telecommunications tender in Ireland at the time and the Chinese were able to send in literally dozens of individuals to help Huawei compete.

We were represented in our embassy by a very capable defense attaché, but we did not have the ability as the Chinese did to be as nimble in making sure that we are supporting our efforts, to make sure that it is Western companies and Western technology that is ultimately being able to keep pace with Chinese technologies. Just another example about how our resources just do not match Chinese resources now and I appreciate the chairman for making that a priority.

I am trying to sneak in one question for each of you. I wanted to talk to you, Secretary Sherman, about the challenge of fentanyl.

We saw in 2019 that things changed. China had been the primary driver of illicit fentanyl and related equipment into the United States. China made some decisions internally and the pace of that trade changed, but it just moved. All of a sudden the precursor and the equipment was moving to Mexico.

We had had a collaboration with China that we do not have today and it has not resumed since the President's meeting with Xi.

Can you talk about how we can rebuild this cooperation if cooperation is, indeed, the way to go and what practical effect did the 2020 designations of a few forensic institutes and laboratories in China have on our ability to work together on this challenge?

Ms. SHERMAN. Senator, I suspect that every single one of us knows a parent who has lost a child to an overdose. I certainly do.

This is an incredibly high priority for the President, as you heard in the State of the Union, an incredibly high priority for Secretary Blinken, and certainly will be when he does get back to meeting in Beijing, which we will do when we think conditions are right. This will be a topic of conversation.

Previously, as you noted, the PRC agreed to impose class-wide controls on fentanyl in 2019, which brought direct shipments to the United States to almost zero, but we still continue to see PRC precursor chemicals, which are quite concerning, being used in illicit fentanyl production and, as you noted, we are now seeing fentanyl come in through Mexico.

We have engaged not only Mexico, but other countries to put pressure on China and other countries where there are precursor chemicals in not only fentanyl, but methamphetamine and other illicit synthetic drugs.

This is a really terrible problem. We are taking a laser-focus on organizing an international effort to stop this.

Senator MURPHY. Thank you, Madam Secretary.

Secretary Ratner, a short question for you.

Recently, U.S. Air Force General Mike Minihan suggested in a memo to his troops that, "My gut tells me we will fight China in 2025. I hope I am wrong." This kind of rhetoric around the U.S.-China relationship, it undermines rather than furthers our goal of avoiding war. We want to be ready for conflict, but our goal is to avoid war.

Two questions. One, do you believe that China has made the decision to pursue reunification with Taiwan through force? And, two, do you believe that armed conflict between the United States and China is, as this general suggested, inevitable?

Dr. RATNER. Senator, as Secretary Austin has now said repeatedly, he and the Department do not believe that an invasion of Taiwan is imminent or inevitable. That continues to be our assessment.

The Department is laser-focused on maintaining deterrence today, tomorrow, and into the future and we are going to continue working with our allies and partners to do what is necessary to ensure a free and open Indo-Pacific.

Senator MURPHY. Thank you. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Senator Rubio.

Senator RUBIO. Thank you both for being here. Thank you, Mr. Chairman.

I want to get a little broader because I think it is important to understand sort of the strategic vision behind our tactics on everything that we do.

If we go back to the late eighties, early nineties, end of the Cold War, the gamble at the time was if we created this international economic order led by the U.S. and the West built on this global commitment to free trade and commerce would bind nations together via trade, via commerce, international interest, and economic interests, that it would lead to more wealth and prosperity, that it would lead to democracy and freedom, basically, domestic changes in many countries, and that it would ultimately ensure peace.

The famous saying now seems silly, that no two countries with McDonald's in them have ever gone to war. That is obviously no longer the case.

The point being is that that was the notion behind it. It was what the then Secretary General or Director General of the WTO called that world without walls, rules-based international order. Others call it globalization. Basically, our foreign policy has been built around that. Even though it is an economic theory, basically, it is what we have built our foreign policy on.

I think it is now fair to say that—we admitted China to the World Trade Organization, Russia as well—I think it is now fair to say that while wealth certainly increased, particularly in China through its export-driven economy—a massive, historic, unprecedented amount of economic growth in that regard—I do not think we can say either China or Russia are more democratic.

In fact, they are more autocratic. I do not think we can say that they are more peaceful. Russia has invaded Ukraine now twice and the Chinese are conducting live fire drills off the coast of Taiwan.

I think it is fair to say that gamble failed and I think the President actually hinted at some of that in his speech the other night—and we are now entering a new era.

What is that new era? What is our vision now for that world in which not just the global international order and world without walls did not pacify or buy nations, but, in fact, have now placed us into situations where autocracies through a joint communiqué are openly signaling that we need to reject Western visions of democracy and the like.

Before we can talk about what we are going to do, we have to understand what our strategic vision is. What is the strategic vision of this Administration on what the new order of the world is?

Secretary Sherman?

Ms. SHERMAN. Senator Rubio, that is a—

Senator RUBIO. Can you answer that in 2 minutes and 30? Yes.

Ms. SHERMAN. Yes. I was going to say that is a really profound question that I probably cannot fully answer in 2 minutes and 30 seconds.

Let me say this. I think we all hoped for that vision, but what changed is that Xi Jinping is not the Xi Jinping of the 1990s that we all thought we knew. He is a man, as the President, as the Secretary, as the Secretary of Defense has said, is the pacing challenge, the only country that wants to change that rules-based order that can successfully do so and are trying to make that happen.

It is true that our way of life, our democracy, our belief in our values, in the rules-based international order, is being challenged and we have to meet that challenge and I believe we can meet that

challenge by, as the President discussed in the State of the Union, making sure we invest in our own country, which is why the bipartisan support for the CHIPS Act, for the infrastructure bill, what we are doing in the Inflation Reduction Act—all of the bipartisan efforts that have taken place here in Congress are essential to making sure we can invest in our own country to be able to meet that competitive need.

Second, that we align with our partners and allies. When President Biden began his presidency, he said that it was critical to re-invest in those partnerships and alliances and it is paying off because we are putting forward those values. Look at what is happening in our pushing back against Russia in Ukraine.

Finally, we have to be ready to compete, which is why we have to look at supply chains and make sure we either can produce things here in our own country or we can do it with partners or allies that ensure we have the resilience and the redundancy we need to meet this challenge.

It is, above all else, a challenge about our values and it is why the President really ended his State of the Union speaking about democracy, what it means, how we have to show what that means here at home, and what it means around the world.

Senator RUBIO. All right. I only have 10 seconds left.

Secretary Ratner, a real quick question. I am going to ask you about invasion of Taiwan. Very simple. Is there any way that we end this decade without China doing something about Taiwan one way or the other? Is there any way you can envision getting to the end of this decade without China wanting to do something about Taiwan?

Dr. RATNER. Senator, wanting to is quite different than doing it so which—I think they have intention, but absolutely I think we can get to the end of this decade without them committing major aggression against Taiwan.

The CHAIRMAN. Thank you.

Senator Van Hollen.

Senator VAN HOLLEN. Thank you, Mr. Chairman, and thank both of you for your testimony today.

Madam Secretary, great to see you. I want to follow up on some of the things you just spoke about as well as in your testimony, which is that we know China has the ambition of becoming the dominant country and self-sufficient in key leading-edge technologies and they have a plan to do it. They have their 10-year plan and they try to follow those plans.

I agree with you and with the President that the number-one thing we need to do is get our house in order here at home. The CHIPS and Science Act was a very important piece of legislation.

The CHIPS piece, as you know, is funded. We need to fully fund the science part of the CHIPS and Science Act to maintain our competitive edge.

At the same time we need to do everything we can to prevent the most sensitive high-end technologies that are—that originate in the United States or with our partners from falling into China's hands in a way that they can use them, incorporate them in their military.



I do want to applaud the Administration for its efforts. You mentioned in your testimony the October 2022 rules prohibiting the export of U.S.-origin technologies. That is an important step.

I strongly supported the prior Administration's efforts with regard to Huawei. What the Biden administration has done is really expand that not just from one company, but across the board. It is very sensitive technologies.

I also want to applaud you for the agreement that is either finalized or in shape with respect to preventing the export of high-end manufacturing equipment for semiconductors that we are reaching with Japan and the Netherlands. That is an important part.

Obviously, the success of a strategy to prevent our most sensitive U.S.-origin technologies from going to China relies on our partners. It also relies on our partners who have also developed technologies from agreeing not to export their most sensitive technologies.

That one example we just—I just mentioned is a good case, but obviously to be successful we need to do this across the board—our EU partners, our other democratic partners in East Asia, and elsewhere.

Can you talk about the progress we are making in enlisting help from those countries?

Ms. SHERMAN. A very critical subject. I thank all of you for your support when it comes to what we have done to make sure that sensitive technologies here do not find their way to China.

I think we are also looking at a pilot, potentially, on outbound investment as well of sensitive technologies and that is something that we are continuing to discuss and will consult with all of you on Capitol Hill before we go forward should we go forward, but I think it is important.

Early on, my first trip as Deputy Secretary of State was to Brussels to launch the U.S.-EU-China dialogue. Out of conversations we also began Indo-Pacific consultations with the EU. We have made a lot of progress in that regard.

I think we are really together in a way we have not been before on China writ large and Taiwan specifically, which was a topic that the EU did not want to talk about at first and now it is in every document. Whether it is the G-7 or the EU or NATO, China is now a strategic component of every discussion that we have.

The TTC—the Trade and Technology Council—that is led by the Secretary of State and the Secretary of Commerce is laser-focused on technology. The Secretary in his modernization of the State Department with your support—bipartisan support—has stood up a cyber and digital policy bureau and an emerging tech envoy because we understand this arena is the future.

I think we are making good progress with allies and partners around the world, but it is very painstaking work, but critical.

Senator VAN HOLLEN. Yes. If I could—well, thank you.

No, I appreciate the recognition of the urgency of this matter and I know you are working on it because getting this right is key to the success. If you are trying to prevent the export of key technologies, one hole in the boat can ruin the whole enterprise.

I do want to mention a bill that I authored with former Senator Ben Sasse called *Protecting U.S. Intellectual Property* that gives the executive branch many more tools to go after those who steal U.S.

technologies. A report is due on that in 180 days, so I look forward to receiving that from you as another part of this strategy, going forward, and look forward to it.

Another case—the critical minerals piece, obviously, is another big piece and supply chains, but I am out of time.

Thank you, Mr. Chairman.

Senator KAINE [presiding]. Senator Hagerty.

Senator HAGERTY. Thank you, Mr. Chairman. I am going to move quickly. Got a lot to cover here.

Deputy Secretary Sherman, my first question is going to be directed to you, and welcome. The 7-day Chinese spy balloon incident was one of the most visible, persistent, and egregious violations of U.S. sovereignty and airspace since the 9/11 terrorist attacks.

It was shocking for me to see in real time the Chinese spy balloon fly with impunity over the states that are home to some of America's most sensitive military and nuclear weapon sites, including my home state of Tennessee, but the Chinese Communist Party is also responsible for less visible, but nevertheless deadly violations of American sovereignty that are taking place every day.

I am talking about China's exportation of fentanyl chemical precursors. The CDC found that over 100,000 Americans died of drug overdoses in 2021. The vast majority of those deaths, over 71,000, are deaths from fentanyl.

The DEA has reported that China is a primary source of the fentanyl-related substances that are trafficked directly into the United States.

My first question, Deputy Secretary Sherman, since taking office how many sanctions designations has the Biden administration imposed on Chinese entities that are involved in the manufacture and exportation of fentanyl precursors that are annually killing over 71,000 Americans, including children?

Ms. SHERMAN. Senator, I will have to get back to you on the specific number of sanctions and what those sanctions have been, but I—

Senator HAGERTY. I will look forward to getting that number, Secretary Sherman.

Ms. SHERMAN. Sure.

[EDITOR'S NOTE.—The requested information referred to above follows:]

The Department of State is committed to continued close collaboration with the Department of the Treasury in support of Executive Order 14059 and other sanctions programs targeting the fentanyl supply chain. Since the issuance of Executive Order 14059 in December 2021, the Department provided concurrence to the Department of the Treasury's Office of Foreign Assets Control on 31 fentanyl related designations. A majority of these designations focused on targets in Mexico and the PRC. For further specifics on designation numbers, we recommend that questions be directed to the Department of the Treasury.

Senator HAGERTY. I am today interested in what the State Department is doing to hold China accountable and I want to flag for you something that is quite disturbing.

On January 30 of this year, when the United States imposed sanctions against Mexican drug lords, the Treasury Department's press release called out a major drug lord for importing "precursor

chemicals from China into Mexico, which are then used to manufacture synthetic drugs, including fentanyl.”

The Treasury Department’s press release even named the Chinese entity that is involved in the illicit fentanyl trade. I have got a copy of that press release right here that I would like to enter into the record, Mr. Chairman.

Senator KAINE. Without objection.

[EDITOR’S NOTE.—The information referred to above can be found in the “Additional Material Submitted for the Record” section at the end of this hearing.]

Senator HAGERTY. In contrast, Secretary of State Blinken’s press statement on these same sanctions completely omitted any mention of China or Chinese entities. This was a missed opportunity, in my mind, for the State Department to publicly hold China accountable for their fentanyl precursors.

Mr. Chairman, I would like to enter the second statement as well from the Department of State that fails to mention China at all.

Senator KAINE. So ordered.

[EDITOR’S NOTE.—The information referred to above can be found in the “Additional Material Submitted for the Record” section at the end of this hearing.]

Senator HAGERTY. Deputy Secretary Sherman, why did the State Department omit any mention of China in the Secretary of State’s press release statement on the fentanyl sanctions against Mexican drug lords?

Ms. SHERMAN. Senator, as I said earlier, Secretary Blinken makes the ending of this horrible, horrible ability to kill Americans over. He certainly would have had this as a key topic in his meetings in Beijing and at some point. When we believe the conditions are right we will be going to Beijing, but—

Senator HAGERTY. I will reclaim my time again, Deputy Secretary Sherman. A lot to cover here.

Communist China is a state sponsor of fentanyl—

Ms. SHERMAN. Yes.

Senator HAGERTY. —and I am gravely concerned that the State Department omitted mentioning China for these fentanyl sanctions because the Secretary of State wanted to have this trip to Beijing. They did not want to infuriate Xi Jinping.

Ms. SHERMAN. Absolutely not the case. Absolutely not the case, Senator.

Senator HAGERTY. News reports that you run the State Department’s biweekly PRC strategy group that oversees the State Department’s China policy decisions and I feel like you missed a great opportunity here by pulling back on a chance to mention the fentanyl sanctions, to publicly hold China accountable for its role in the fentanyl scourge that is killing children in America.

When you add the recent news reports that the Biden administration did not cancel Secretary Blinken’s trip to Beijing until 5 or 6 days after learning about the Chinese spy balloon’s initial violation of our U.S. sovereignty, it is just not a good look and it does not inspire confidence.

I think the Administration can do a better job of holding China accountable. I appreciate your expertise in moving in that direction.

I would like to go to a different topic now, Taiwan. I was proud to contribute to, support, and vote for Chairman Menendez's law in the FY23 NDAA known as the *Taiwan Enhanced Resilience Act*, but time is not on our side. The United States has roughly \$19 billion backlogged in annual arms sales—in arms sales to Taiwan and at a recent public event, CIA director William Burns said that the United States knows “as a matter of intelligence that CCP General Secretary Xi Jinping has ordered China's military to be capable of conducting an invasion of Taiwan by 2027.”

Chairman Menendez's Taiwan law annually authorizes as much as \$2 billion in grants of foreign military financing to Taiwan between now and 2027.

Deputy Secretary Sherman and Assistant Secretary Ratner, do you support the full implementation of Menendez's laws—the Menendez law's \$2 billion in annual grants of foreign military financing to Taiwan?

I would just appreciate a yes or no answer.

Ms. SHERMAN. I certainly think we have to look at every way possible to make sure that we meet the needs of Taiwan. I think you all are aware that there are production and delivery delays worldwide and reviewing those systems and talking to the private sector about those long lead production timelines and delivery delays because they are affecting all our FMS partners, not just Taiwan.

Senator HAGERTY. I understand. I just want to know if you support this move. Is that a yes?

Ms. SHERMAN. I believe we need to look at every single option we have.

Senator HAGERTY. Mr. Ratner, can you answer me yes or no on this?

Dr. RATNER. Senator, the Department was clear that any authorization in the *National Defense Authorization Act* should be met with an appropriation as it relates to Taiwan security support.

Senator HAGERTY. Chairman Menendez's Taiwan law also authorizes a billion dollars annually and presidential drawdown authority for Taiwan. My next question to the two of you—

Senator KAINE. Senator Hagerty, you are about 50 seconds over your time.

Senator HAGERTY. Oh, thank you. Thank you. Thank you, Mr. Chairman. I will come back to this.

I would just like to say that China is a serious and comprehensive threat to Taiwan and I just want to see us do everything we can to learn the lessons that we learned in Ukraine, to make them tough, to make this—to deter what might happen.

Thank you, sir.

Ms. SHERMAN. We agree.

Senator KAINE. Thank you to the witnesses.

I want to ask a question that has sort of a Virginia tie to it. China has one of the most sophisticated global campaigns of repression against dissidents around the world of any nation and, in

particular, the FBI has warned that China is conducting a global campaign to target Uyghur human rights activists.

The Uyghur community in Virginia is one of the largest in the United States and we have a number of constituents who have been engaged in Uyghur human rights issues who have been targeted and harassed here, but also find their family members still living in the Xinjiang area affected.

What is the United States Government, particularly the State Department, doing to make sure that the authoritarian reach of China against people living in the United States is limited?

Ms. SHERMAN. Senator, one of the things that we have immediately done working with the FBI is to look at the police stations that China is creating here and around the world.

New York's police station, so to speak, was closed down. These are not police stations at all. What they are, are policing the diaspora Uyghurs and others in the Chinese orbit, harassing them, putting them at great risk.

We are working with law enforcement here very closely to make sure that China cannot reach into the United States and harass and further undermine the human rights of Uyghurs, ethnic minorities, and Chinese and Chinese Americans.

Senator KAINE. The Chinese do—actually have imprisoned a number of the family members of American residents who have advocated for Uyghur human rights. What is the U.S. Government doing to try to intercede on behalf of those unjustly imprisoned in China?

Ms. SHERMAN. The Secretary of State and I have met with all of the families or a group of the families that are quite concerned about this and concerned about their family members, and when we have met with the Chinese or communicated with the Chinese we have raised these cases.

In some instances families do not want us to raise the cases because they are afraid it will target their family members so we are really guided by what the families want, but we will try to do whatever we possibly can, and I have to tell you meeting with those Uyghur families just as when we meet with all of the families of those detained in China or held in exit bans in China are some of the hardest meetings I have to do.

Senator KAINE. Let me switch topics.

The title of today's hearing is "Evaluating U.S.-China Policy in an Era of Strategic Competition," and I think we all know the competition is intense across multiple fronts and in many areas it is more than competition. China is an adversary.

One of the things that we probably should do for our own good and for the good of the world is seek other areas of cooperation because it would benefit the world greatly if they could see as tough as this competition and even adversarial relationship is, there is at least enough communication to recognize on some small set of issues the need to find common cause and work together. That would be good for the United States, good for China, but it would be good for the world to see that too in terms of sending a stability message.

What are areas—as you stand up China House and run U.S.-China policy—what are areas that might be most likely to find

some cooperation for the good of our countries and the good of the world?

Ms. SHERMAN. The ones that we talk about the most, starting with the one that Senator Hagerty mentioned, which is counter narcotics, which is quite critical for all the reasons that he said, that others and that Ranking Member Risch raised as well, working on climate. Quite frankly, we cannot meet the challenge on climate unless China is working with the rest of the world.

I am glad that they have reopened communications between their envoy and Special Presidential Envoy for Climate John Kerry. I hope that that conversation can continue even in this difficult time.

We have talked about working together on global health, which may sound sort of strange given that the Chinese have been very protective of their data and genomic sequencing on COVID-19. I know there is great concern up here about the origins of COVID-19, which remains not resolved yet by the intelligence community.

I urge any briefings you might want on that to have with the intelligence community, but I do think we have to work together on global health because we are going to see more pandemics and we need to be working together in this regard.

Those are three and, of course, people-to-people exchanges, ways that we can have our folks safely know each other in a better way because we do not seek conflict with the Chinese people.

We do many things and have discovered things together in our scientific community where it is in our security interest to do so. We have to be careful, thoughtful, but nonetheless I hope that we can engage in people-to-people exchanges appropriately.

Senator KAINE. Thank you.

Senator Paul.

Senator PAUL. Ms. Sherman, it is estimated that between 5 million and 18 million people died from COVID-19 worldwide. To a significant number of scientists the evidence suggests that this originated from a lab leak in Wuhan. Does the State Department fund coronavirus research in China?

Ms. SHERMAN. Do we fund coronavirus? I do not believe so, but I do not know. I will double check and we will get back to you on that, Senator.

Senator PAUL. The answer is yes, you do, and it has been going on for more than a decade and it is done through a program called PREDICT, and in the Global Virome, and why this is important is we had a million Americans die and we really have not had any discussion of this. No hearings. Nothing. People are unaware that they are even funding the research.

We found out recently through the House unclassified report that money was going from the NIH to American universities to the Academy of Military Medical Sciences Research in China. We are subcontracting money and sending it over, but millions is coming from the State Department.

The idea is this. We will identify all the viruses in the world. We will be safer because we identified them, but here is the question. Are we safer to have some guy or some woman crawling down a cave 10 hours away from Wuhan, coming up with bat guano, com-

ing up with viruses, and bringing it to a city of 15 million like Wuhan?

This is what has been going on for a decade. It is a setup for an accident, it is a setup for a mistake, and nobody is doing anything about it. We continue to fund it.

The main group that has been getting this money is EcoHealth Watch, over \$100 million, a lot of it through the State Department. They continue to get money. They do not file their reports on time. They did not stop their experiments, and yet, we reward them with more money.

Fifteen million people died and we have not done a thing about it. Nobody seems to care. We are not even sure we fund it. The State Department is a big funder of this project. It is a multi-decade long project, but there are scientists as we speak from Stanford, from MIT, from prestigious universities around the country—these are not partisans, most of them are not Republicans—who stand up and say, oh, my God, what are we doing, bringing these viruses from remote bat caves to major metropolitan areas and with no controls over this?

We have been asking for information from the State Department because we want to know more about this. U.S. Right-to-Know has been sending FOIA requests for 2 and a half years and they do not get anything.

Mr. Chairman, I have sent two letters—some of them are 6 months old now—and we get a whatever, we are not going to give you any information.

What I would hope for is that we could have—people always talk about bipartisanship—could we not get bipartisan support for records? This is not partisan. We want to know what the U.S. State Department is funding. NIH resists our requests on their funds.

The two things that we know for certain that have led us to believe this came from the lab that are big came because one was leaked, and this was a DARPA request. The Chinese researchers in China wanted from DARPA money to create a virus that guess what, looks exactly like COVID-19. They asked for it in 2018. We turned them down. Fortunately, we did the right thing for once. We turned them down. That does not mean they did not do the research.

Many scientists had an “a-ha” moment. They saw this and they said, oh, my goodness, they asked for money to create something that looks almost exactly what we got.

In nature, you do not have coronaviruses that infect people that have what is called a furin cleavage site. Chinese said, give us money. We are going to stick a furin cleavage site to allow it to infect humans more.

We found out that not because you let us know or not because the NIH let us know. They still resist. This is top secret. This is classified. This is the whole problem of classification, but it is also to cover up things. We do not know anything about 2018, but we had an illegal leak. They went to somebody in the media that is now public that said the Chinese wanted to create a virus just like COVID-19 in 2018.

The other thing we know is three researchers in the Wuhan lab and the Wuhan Institute of Virology got very sick with flu-like

symptoms similar to COVID in November. We only know that, though, because the Trump administration on the way out declassified it.

We have to get over all the classification. We also have to be more forthcoming, and I am hoping the chairman will consider looking at our request. These are not partisan.

We want to know all the information about funding of research in China. We want to know the interactions. There were cables going back and forth between the State Department saying, holy cow, they are not wearing gloves. They do not wear masks in doing this research. They are doing it in what is called a BSL-2 as opposed to a BSL-4.

Most of the research that we think escaped was not done in the appropriate lab and the State Department knew about it, but we have had no hearings about this. They refuse to give us information. Fifteen million people died, a million Americans died, and you will not give us information.

What I would ask is look at our request. This is not partisan. This should be about discovering the origins of this. The scientific community is about 50/50 now and I would hope that—we suspect the Chinese of not being honest and withholding information, but it is sad that the U.S. Government is withholding information from its representatives.

Ms. SHERMAN. I will take back your request. Again, Senator, I would urge a briefing, perhaps in a SCIF, with the intelligence community on this because, as you know, there is not a single view about this particular set of issues, but I understand your desire to understand what occurred.

Senator PAUL. We are asking you for unclassified information that you hold, not intel.

Ms. SHERMAN. I understand that.

The CHAIRMAN [presiding]. Senator Merkley.

Senator MERKLEY. Thank you very much, Mr. Chairman, and welcome to both of you and thank you for the work that you are doing.

I want to echo Tim Kaine's concern about transnational repression. The Congressional Executive Commission on China, which I chaired the last 2 years, has done a lot of work on this and it has just been such an expansion.

I just want to mention people like the American citizen, Gulshan Abbas, whose sister, a Uyghur doctor, continues to serve a 20-year sentence for the crime of participating in a terrorist organization, meaning that she is being retaliated against because her sister here in the United States is an advocate for human rights.

I do not see how we can tolerate a relationship in which the Chinese are targeting American citizens. They are not the only ones, but they are the biggest perpetrator of this and every other country is looking at this and going, can we adopt this model as well.

I know the State Department, Secretary Sherman, is taking this seriously, but I want to mention a couple things.

One is that there has to be a sense that other diplomatic efforts with China all have to involve saying this transgression against people in the U.S. is a red line and I just do not feel we have elevated it to that.



Second of all, I spoke with the FBI about creating a particular tip line specifically for transnational repression or specifically from China because the FBI wants people to call their general tip line and then they have been referred to a most wanted tip line. It is, like, no, you have got to have people who speak Chinese, who understand the culture, who understand this history, who we can circulate that connection where they know that they are going to have an experienced individual on the other end of the line who can work with them and not get them into more trouble, not endanger, if you will, their folks—their relatives back home more.

If we want to truly understand the scope of what China is doing, we have to have much better feedback from the Chinese community and we are not going to get it through just a generalized FBI tip line.

I just wanted to mention that, and say I think this is something that I would like to persuade the Department to pursue, that I think would be helpful in understanding the scope and starting to address it in an effective manner.

I will just pause and see if you would like to share any comment on this.

Ms. SHERMAN. Thank you. We quite agree that transnational repression is a terrible, terrible situation for so many and, as I mentioned earlier, the Secretary of State and I met with families here in America who are concerned about their Uyghur families abroad as well as the fact that families are repressed in Xinjiang because of advocacy by family members here in the United States.

We raise these issues with the Chinese in every appropriate meeting that we can. We are working hard to shut down so-called police stations, which really go after the diaspora here and Chinese-American citizens.

I think your suggestion about the tip line will certainly go back to law enforcement. We work very closely with the FBI, which shut down the police station in New York. These are very tough issues, but I understand your concern for them. It is quite horrible.

Senator MERKLEY. We are absolutely not going to get a sense of the scope of the problem if people are directed to some generalized criminal line. That does not work. You cannot publicize that among the human rights community and have people trust it or feel.

Secretary Ratner, I want to turn to military deconfliction with China, and deconfliction is extremely important when you have tensions with another country. We went all through this for many years with the Soviet Union over the concerns of especially the risks of nuclear war, but we cannot have deconfliction if the other side will not pick up the phone. How are we doing in deconfliction? I assume we have some recent evidence from having responded to the balloon over the United States.

Dr. RATNER. Senator Merkley, thank you for your question.

It is a really important one, and Secretary Austin has said repeatedly how important it is that we have open lines of communication between the United States military and our counterparts in China. That is because we need to communicate our priorities. It is because our militaries need to be having serious conversations about strategic issues like space and cyber and nuclear weapons.

Senator MERKLEY. All very important, but my question is how are we doing on that. How are the Chinese responding? Are they open to it? Have we built better lines or is it really still a big problem?

Dr. RATNER. It remains a problem, Senator. We have—Secretary Austin has met with his counterpart face-to-face both at the Shangri La Dialogue last year in Singapore and again in Cambodia in November.

However, over the last several months the PLA has continued to view the mil-mil relationship as something that they turn on and off to express displeasure with other things that are happening in the relationship.

We think that is really dangerous. We continue to have an outstretched hand including immediately following the downing of the balloon and unfortunately to date, the PLA is not answering that call.

The CHAIRMAN. Thank you.

Senator MERKLEY. Thank you very much.

The CHAIRMAN. As I had announced earlier, we are going to at some point have to close the hearing a little early because of the joint briefing that will take place which the Secretary has to be at.

Right now, I have Senator Young next and then Senator Cardin, assuming no one comes next and maybe we will try to get to Senator Romney and that probably will be it.

We welcome, as I did earlier, Senator Scott to the committee, who is playing his role as ranking member on the Banking Committee and that is why he was not here earlier.

Welcome, again.

Senator SCOTT. Thank you, Mr. Chairman.

Senator YOUNG. Thank you, Chairman. Thank you to our panelists for being here today.

I would like to change gears a bit, discuss economic coercion. As I know our panelists understand, China has effectively weaponized the economic interdependence that the world economy has on their workshop of the world, as we colloquially have been calling it.

They have been intimidating multinational firms, denying market access, and retaliation for even mere utterances from world leaders, and engaging in all manner of other activities to apply pressure, especially to smaller island nations throughout the Asia Pacific.

The obvious goal here is to intimidate these various countries and to give them a choice—either they can accommodate the desires of the Chinese Communist Party, they can facilitate their ability to realize geopolitical ends through this economic interdependence, or these nations can take a chance on a free and open order, on democracy, on the United States and our partners and allies.

China is not the only offender—not the only country to try and weaponize economic interdependence. We saw Russia do this in the lead up to the invasion of Ukraine last year with weaponization of the oil and gas dependency of Europe.

What is the United States doing? I know we are attempting diplomatically to deal with this. There been some other activities that, perhaps, you can touch on when I turn it over to you, but I just

came back from the Asia Pacific. I visited with President Tsai in Taiwan and Japanese leaders and I heard a lot about economic coercion more than any other topic.

Taiwan has been on the receiving end of this, as has Japan, but Japan has been formalizing a policy to counter economic coercion and they want the United States to act, and to that end I have introduced bipartisan legislation with Senator Coons and the aim is to allow the United States to quickly appropriate tangible assistance, give it to those who are on the receiving end of this coercion, provide other tangible benefits to partners and allies who have been victimized by malign behavior.

Specifically, we propose providing the President of the United States—this one and future presidents—with a range of tools and authorities that include boosting trade with an affected ally or partner, requesting Congress provide aid loan guarantees or export financing, and temporarily adjusting duties on select U.S. imports to make up for an affected country's lost exports or to disadvantage an adversary's imports in our market.

Now, crucially, we also call for coordination of all these activities with our economic partners and allies. The G-7 meeting will be held in Japan in Hiroshima in May. This will be item number one on the agenda and I commend Prime Minister Kishida for making this a priority.

My sense is the Administration is on board with this approach and I am complemented by that and we are going to have more of my colleagues join in this effort as well.

Deputy Secretary Sherman, it seems to me, based on everything I just said, that we do not have sufficient tools to properly deal with these coercive activities.

Do you agree with this assessment and, very briefly, why?

Ms. SHERMAN. Thank you very much, Senator. Our teams, I think, are in very close touch with yours and Senator Coons' to work on this legislation. We are trying to expand our economic coercion toolbox.

We have learned a lot because of Lithuania, Australia, and others—

Senator YOUNG. Yes.

Ms. SHERMAN. —and as you point out in the Russia-Ukraine situation as well. We agree with you that Prime Minister Kishida making this a top priority for his G-7 presidency is critical. We have done tabletop exercises on this. We think this is a critical area.

We have managed to support Lithuania and other countries that have faced this and learned a lot in the process. Thank you for your efforts and we look forward to continuing to work closely with you on this.

Senator YOUNG. Great. I heard everything I needed sufficient for this briefing. I am going to move on very briefly to a CHIPS and Science implementation question.

Beijing has been stealing our stuff—our intellectual property—for a lot of years now. We do not want them to steal this stuff. This cutting-edge national security-oriented research, funded through CHIPS and Science, and *CHIPS and Science Act* appropriates \$500

million to the Department of State in part to support international IT security to protect this intellectual property.

Could you very briefly indicate what the consequences are of the lack of IT security and how the PRC is exploiting our current system? Then to the extent you have already implemented some of the CHIPS and Science provisions, give us a summary, please.

Ms. SHERMAN. Thank you. Thank you very much for the ITSI Fund, which is promote, protect, and ICT provision at the State Department in support of the foreign diplomacy in concert with the Commerce Department, which has the enormous lion's share of those funds.

We have notified up to the Hill some of the projects and lines of effort. We are creating baselines this year leading up to making significant progress in the 5-year horizon that you all laid out in the provision of this fund. I look forward to discussing details with you in a private setting.

Senator YOUNG. My office will follow up. Thank you, Chairman.

The CHAIRMAN. Thank you.

Senator Cardin, then Senator Romney, and then that will be the end of the hearing.

Senator CARDIN. Let me thank both of you for being here. I want to follow up on Senator Young's point.

I was with our chairman, Senator Menendez, in our hemisphere and saw the challenges of China penetration on the debt diplomacy issue. Let me just mention a country like Argentina.

Argentina has a debt problem. It is not terribly attractive for private investment because of its debt policies and, yet, when they need to borrow money China is willing to be there.

We know China does it on the cheap. They do not get their value, but they get hooked by this debt diplomacy, which can be against our national security interests.

I just really want to underscore it is more than East Asia and the Pacific. It is our own hemisphere where we see China very much penetrating and using this as leverage for their geopolitical agenda.

I know that you set up the China House. I believe it is in the East Asia and Pacific Bureau, but can you just assure us that there is a coordinated strategy beyond East Asia and Pacific, which is critically important, but also in our own hemisphere?

Ms. SHERMAN. Very quickly on both. On debt, as I think you all are probably aware, when Secretary Yellen went to Africa, debt was front and center an issue for her.

In Zambia she underscored that all creditors, including Beijing, must meaningfully participate in debt relief efforts for Zambia. In Sri Lanka, indeed, debt is a huge problem. The Paris Club has now taken some action and pressure, and India has stepped forward, but we are putting pressure on China to, in fact, also come to the table since most of the debt is with the Chinese.

Agree with you in Latin America they can use their SOE capability to just put money on the table, but ultimately it often ends up in debt for countries, Argentina being a good example. Agree with you, and we are working on all of that.

In terms of the China House, I want to commit several things to you. As Senator Risch knows well because he really focused us on

this, China House has liaisons coming from every part of the Department who spend some time in China House, go back to their home bureaus so there is truly an integrated beyond EAP strategy. It all comes up through EAP, but to me, who has responsibility for everything all over the world.

Quite frankly, yes, it may be housed in EAP, but that is just the anchor. It goes out throughout the world.

Senator CARDIN. I look forward to working with you with that. In order to get a little bit of credit on this committee, can I yield my 2 minutes to Senator Booker so that—my remaining 2 minutes?

The CHAIRMAN. You may.

Senator CARDIN. I like to get on the good side of New Jersey.

Senator BOOKER. That is an extraordinary act of grace and generosity. It is only topped by your wisdom and sagacity, my friend. Thank you.

The CHAIRMAN. Do not use your whole 2 minutes complimenting him.

[Laughter.]

Senator BOOKER. I really appreciate that. I really want to get into the Development Finance Corporation and the real power, I think, of that.

Congress created it in part as a response to the rust belt—the rust and boat and road—Belt and Road initiatives and you know it is important to providing loans, equity investments, and more.

The DFC has limits, but I really think it could be something that could be used in a stronger way. The agency, I think, has the potential to boost international development opportunities and really help to level the playing field and expand opportunities for us, not just economically, but also in terms of national security.

There is a famous saying that if you are not at the table; you are on the menu, and I want to see if there is ways that we can be more at the table using the DFC.

I am wondering—things like the DFC, the Millennium Challenge Corporation, can we use this to really expand our toolbox not just for economic opportunity, but economic diplomacy?

Ms. SHERMAN. Senator, this is so important and, in fact, thank you all for looking at what the DFC can do and whether its opportunities can be expanded in ways that are helpful, particularly to countries that maybe not are at the bottom of the development ladder, but sort of in-between trying to raise up.

The Development Finance Corporation is also working very closely with our PGII initiative—the Partnership for Global Infrastructure Investment—with the private sector as well, with MCC.

We have to use every single tool we have because our greatest strength is bringing the private sector together with what we are doing in the public arena. China cannot do that.

Yes, it can put money on the table without strings attached, but the strings come later. Countries go into debt. Chinese take their assets. They do not transfer capabilities to countries to do their own development.

Could not agree with you more. Love to work with you in deepening this ability.

Senator BOOKER. Thank you. Please.

The CHAIRMAN. Senator Romney will close us out.

Senator ROMNEY. Thank you, Mr. Chairman, for keeping us all here so I get my few moments, but there are just a few things I want to mention, which is Chairman Menendez and I last year authored an amendment which was passed in the NDAA that requires the United States State Department to develop a comprehensive strategy to address the threat of an emerging China.

Ranking Member Risch and I sent a letter to President Biden urging the Administration to start implementing our legislation. In our letter, we requested an update on the progress after 60 days. The 60 days mark has passed.

Now, Secretary Blinken has laid out three principles that the Administration is pursuing in dealing with China—invest, align, and compete, but I would note that we need to go from principles to a comprehensive strategy and include tactics and that includes our approach to developing countries, to our global trade arrangements, to economic measures we might want to put in place, to our research and development investments here, to our military procurement, to global communication strategies, to access to our universities, access to our laboratories, to visas we provide to the Chinese, international institutions that we are going to be involved with, to our social media strategies, to raw materials strategies and our processing here of those raw materials, to the role of USAID, to defending the tactics that Chinese are using.

You get where I am going, which is a comprehensive strategy includes dozens upon dozens of strategic and tactical decisions that are combined. Changed over the years, but it is essential, in my view, that we develop that kind of strategy and that it is kept in the classified setting. Does not have to go out publicly.

We really need that. We also in this legislation looked at the strategies of that nature that were developed by Presidents Truman and Reagan and others, the work of George Kennan and Dean Acheson, and said, okay, how were these strategies developed back then? How did they put them together as they were dealing with strategies to deal with the Soviet Union?

They involved outside individuals, not just internal, because they knew internal people would be captured by groupthink. They wanted people from the outside, some who were—had experience in developing these kinds of strategies.

I spent my private sector career doing something called strategy consulting. That is, we helped companies develop strategies. I have to tell you it drives me nuts to watch us deal with China and have objectives, but to see everybody going in different—we do not have a comprehensive let us put it together strategy.

The legislation which Chairman Menendez and I submitted and was passed calls for bringing in an advisory panel of outside experts. It would include people probably from the Center for Strategic and International Studies, from AEI, from Brookings—a whole range of individuals that would come in and offer ideas and suggestions—comprehensively put that together.

If we do that it is likely to exist beyond just one Administration and becomes the basis for our strategy, going forward. I strongly encourage the State Department to take the lead in making sure that we assemble that advisory board, we lay out what would be included in a strategy, we consider the widest array of options, and

that we actually put that together and, ultimately, brief Chairman Menendez, Ranking Member Risch, and others in the committee on that—the strategy—that this process is being undertaken and what some of the conclusions are.

I think it is essential. I am going to close off with that comment. I am not going to ask for a response. You have to run to another briefing and I am not going to hold you up from doing that, but I just want to underscore how critical it is that we go from ad hoc principles that we—and tactics that we apply from time-to-time to instead fashioning with the help of outside minds a comprehensive series of options. We select the option that is our strategy. We move on that basis.

Not doing so, in my opinion, will leave us in something less than the leadership position we so desperately need to preserve our freedom and prosperity.

Ms. SHERMAN. If I may, Mr. Chairman.

Senator, we agree with you. We are, in fact, working on every one of those tactical areas that you identified, every single one. Bringing them together and doing the deep work on each one is incredibly time consuming, but we are doing that work.

The Secretary does have a Foreign Affairs Policy Board. We have an International Security Board. I will take back your idea that we have an ongoing China-focused council, which we do not have a specific, though we do consult with outside consultants and outside experts on a constant basis. The Secretary did so in his run-up to the potential trip he was making to Beijing, which we postponed.

I think all of the areas that you laid out are absolutely ones on which we have to be laser-focused and bring together those tactics into an integrated strategy. That is what we are working on doing, and having every single mission around the world have a bespoke strategy for their country because every country is different and China is present in every single one.

Thank you.

Senator ROMNEY. Thank you, Deputy Secretary. Thank you.

The CHAIRMAN. Let me just echo Senator Romney's view, which is why I joined with him in the amendment and which is why it is law now.

I think, Madam Secretary, maybe one of the benefits of hearing your answer would be a more in detail opportunity to—in some briefing to share with members who are interested about exactly how you are going about and the universe that is being advised. I just want to echo Senator Romney's concerns.

Senator Paul has asked that his two letters that he referenced to be included in the record. Without objection it shall be included.

[EDITOR'S NOTE.—The information referred to above can be found in the "Additional Material Submitted for the Record" section at the end of this hearing.]

The CHAIRMAN. This record will remain open until the close of business tomorrow. I would urge our witnesses to answer questions—I know I will have some that I did not get to—with some degree of specificity.

With the thanks of the committee for both of your appearances here today, I am looking forward to seeing you at the intelligence briefing.

This hearing is adjourned.

[Whereupon, at 11:25 a.m., the hearing was adjourned.]

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ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

RESPONSES OF MS. WENDY SHERMAN TO QUESTIONS  
SUBMITTED BY SENATOR ROBERT MENENDEZ

*Question.* Our discovery of a surveillance balloon over the United States, on the eve of Secretary of State Antony Blinken’s scheduled trip to Beijing, was a brazen and unequivocal violation of U.S. sovereignty and international law by a country that claims to be a responsible actor. Can you tell us why the Administration chose not to down the surveillance balloon before it entered U.S. airspace?

*Answer.* I would respectfully refer you to the Department of Defense on this.

*Question.* What can the U.S. do to push back on this norms-violating practice by Beijing—not just unilaterally, but with others who share concerned about violations of their own sovereignty?

*Answer.* The PRC still has failed to provide a credible explanation for its high-altitude surveillance balloon’s intrusion into our airspace without our consent or for similar intrusions in over 40 countries across five continents. Its unwillingness to do so demonstrates a lack of respect for longstanding and fundamental principles of international law and shows the world the challenge the PRC poses to the maintenance of international law. We are working with allies and partners to share details about PRC violations of their airspace as we learn more about the nature and extent of the PRC’s surveillance balloon program.

*Question.* What are we doing to assist countries in their efforts to identify when and where these breaches occur, and to take appropriate action?

*Answer.* Air domain awareness is an essential component of our security assistance for allied and partner countries. Through Foreign Military Financing in particular, the Department of State provides aerial surveillance technologies, sensors, and capabilities for a wide range of security and defense activities, especially prevention of and response to potential airspace incursions. The PRC balloon incursion is something we will consider as we work with our partners on future air domain awareness programs.

*Question.* Russia’s illegal invasion of Ukraine is an urgent threat, but the People’s Republic of China (PRC) remains the most significant long-term competitor for the United States, posing challenges across every dimension of national security—militarily, economically, and diplomatically. What is your assessment of China’s ambitions for the next 5, 10, 20 years under the leadership of President Xi Jinping?

*Answer.* The PRC is the greatest geopolitical challenge that we face. The PRC aims to displace U.S. alliances and security partner-



ships in the Indo-Pacific region, revise the international order to be more advantageous to Beijing's authoritarian system and national interests, undercut America's longstanding technological advantage, and exploit cutting-edge technology and big data analytics for social control at home, regional military dominance, and global influence.

*Question.* What does President Xi's unprecedented third term and his consolidation of allies on the Politburo Standing Committee mean for U.S.-China relations and Beijing's global ambitions?

*Answer.* The PRC today is more repressive at home and aggressive abroad in challenging the interests and values of the United States and our allies and partners. We expect the scale and scope of the challenge posed by the PRC to test American diplomacy like nothing we have seen before. We see growing convergence with allies and partners about the need to approach relations with Beijing with more coordinated efforts. The United States will continue to defend our interests, values, and affirmative vision for the world, even as we continue to do the work at home to better live up to the idea of America enshrined in our founding documents.

*Question.* What is Xi's objective with respect to competition with the United States?

*Answer.* Under President Xi's leadership, the PRC is the greatest geopolitical challenge that we face because it is the only competitor with the intent and, increasingly, the capability to remake the international order. We will continue to compete with the PRC and defend U.S. interests and values around the world, while responsibly managing the competition. Recognizing the PRC is the pacing challenge of our time, we are executing a strategy to invest in ourselves at home, align with our allies and partners abroad, and compete with the PRC.

*Question.* What are Xi's ambitions with respect to Taiwan over the next few years?

*Answer.* President Xi has stated publicly that "reunification" with Taiwan is necessary for national rejuvenation, and that while the PRC prefers to use peaceful means, the PRC will not renounce the use of force.

*Question.* We saw massive protests in cities all around China due to their strict Zero-COVID measures—and ultimately the Chinese Communist Party (CCP) relented. What lessons should we learn from the CCP's reversal on Zero-COVID? Does this expose weakness in the CCP or is it an indication of the adaptability of their authoritarian system?

*Answer.* There were likely multiple factors behind Beijing's decision to quickly loosen COVID controls after the 20th Party Congress, including the protests, but also economic concerns. The Biden administration has been clear that people have a right to exercise their freedoms of expression and peaceful assembly in protest without intimidation, harassment, or harm, including in China, and will continue to monitor reports of protestor arrests closely.

*Question.* As China reopens, what impacts should we expect to see, including on the global market (especially the energy market, which is already under tremendous pressure) and in terms of our global efforts to address COVID-19?

Answer. Near-term PRC growth has improved the short-run global economic outlook. Economies reliant on exports to the PRC is projected to be buoyed by increased consumer demand, and prices for crude oil, coal, and industrial metals are likely to rise. As China reopens, its oil demand is projected to rise more than 700,000 oil barrels per day, accounting for more than half the global increase in 2023. We continue to monitor the PRC COVID-19 outbreak and work to prevent, prepare for, and respond to COVID-19 and future health threats.

*Question.* As you know, last year we were able to secure the *Taiwan Enhanced Resilience Act* (previously known as the *Taiwan Policy Act*) into the FY23 NDAA. The T.E.R.A. is designed to dramatically enhance the United States' defense partnership with Taiwan by authorizing up to \$10 billion in security assistance over the next 5 years to modernize Taiwan's security capabilities to deter and, if necessary, defeat aggression by the People's Republic of China. We were told over and over again that PRC would retaliate if Congress passed our Taiwan legislation. How did the PRC react to the enactment of the *Taiwan Enhanced Resilience Act* as part of the *National Defense Authorization Act*?

Answer. The PRC strongly objected to the TERA both privately and publicly.

*Question.* What adjustments in PRC posture or operational tempo have we seen since the visit of Speaker Pelosi in 2022? If Speaker McCarthy visits Taiwan early this year, as he has said he will do, what response do you expect to see from the PRC in response? How will it likely differ from their reaction to Speaker Pelosi's trip in August?

Answer. The PRC used then-Speaker Pelosi's visit to Taiwan in August 2022 as a pretext to intensify its pressure campaign against Taiwan in the military, economic, diplomatic, and informational spaces. The PRC's higher level of military activity in the Taiwan Strait includes a significant increase in crossings of the "center line" and operations in Taiwan's self-declared air defense identification zone. Additionally, the People's Liberation Army's tempo of joint exercises and presence of maritime forces around Taiwan has increased.

*Question.* In your assessment, is it more likely that the PRC will attempt to take Taiwan by force or use a similar "salami slicing" strategy as they have in the South China Sea, such as taking an outlying island or using "lawfare" as they have with Hong Kong, to pressure Taiwan?

Answer. The PRC has accelerated its destabilizing and provocative tactics against Taiwan in all of the key domains—political, military, economic, cyber, and informational. The increasing intensity of the PRC's pressure campaign against Taiwan, including a significant increase in incursions into Taiwan's self-declared Air Defense Identification Zone and frequent "centerline" crossings, is

a reminder that Beijing has never renounced the use of force to unify with Taiwan. In keeping with our commitments under the *Taiwan Relations Act*, we contribute directly and substantively to strengthen Taiwan's self-defense capabilities and will continue to do so.

*Question.* Recent reports suggested that Chinese researchers had supposedly found a way to bypass standard encryption with the use of quantum computing technology. While their actual success is unclear, their intentions certainly are not: the PRC is working fast to beat the United States and the rest of the world to this once-in-a-generation technological milestone. How do the United States and China currently size up in the race towards quantum computing technology?

*Answer.* A 2022 Department of Defense-sponsored RAND report on the U.S. and PRC industrial bases in quantum technology determined "the United States' overall scientific research output in quantum information science is broad, stable, and at or near the global forefront in every application domain." Still, the PRC's quantum enterprise is integrated into the larger global community; hence, careful stewardship of our domestic efforts and engagement with likeminded partners is essential to U.S. leadership. Ultimately, the State Department defers assessments of this nature to U.S. agencies that fund quantum research.

*Question.* How are we cooperating with like-minded partners to secure this technology before the PRC, and how can we be more effective?

*Answer.* International cooperation is a pillar of the U.S. National Strategic Overview for Quantum Information Sciences, as it enables the U.S. scientific community to access the best resources from around the world. As detailed in National Quantum Initiative annual reports submitted pursuant to the National Quantum Initiative Act, the U.S. Government engages in a number of international cooperation activities in support of larger policy goals to expand the discovery space, increase the global talent pool, and grow the marketplace for quantum concepts and technologies.

*Question.* In October last year, the Biden administration took a significant step in escalating our tech competition with China when it issued export controls for advanced semiconductors and components, with rare use of the Foreign Direct Product Rule and its broad ranging impacts. There's no denying that this action has caused significant friction with close allies such as the Netherlands and Japan, despite recently reaching an export control agreement with them, and the U.S. cannot achieve its policy objectives over the medium- or long-term without its partners. What impact are we seeing since the invocation of this rule? What unintended impacts are we observing? How do we assess the net effect of these controls right now taking into consideration the unintended side effects?

*Answer.* On October 7, 2022, the Biden administration announced new export controls targeting the PRC's ability to obtain advanced computing chips, develop and maintain supercomputers, and manufacture advanced semiconductors. It is too early to see

the direct impacts of these regulations; we expect to see a reduction in PRC capabilities in supercomputing and advanced semiconductor manufacturing over time. The regulations were designed to minimize the impact on ally and partner companies; however, some unintended impacts owing to overcompliance were observed from varying interpretations of the “U.S. persons” restriction. The Department of Commerce published FAQs in October 2022 to clarify these aspects of the rule and initial overcompliance has since subsided.

*Question.* How do you assess the durability of the export control agreement with the Netherlands and Japan? Will these controls go far enough?

*Answer.* Any export control decisions that the Netherlands and Japan make will be sovereign decisions based in their own technical and national security analysis. We are not in a position to assess any controls that have not been published.

*Question.* Beijing seems undeterred in its efforts to crush Hong Kong’s autonomy and its democracy. The fall of Hong Kong and the United States’ response, along with our coordination with like-minded partners, has ramifications for the future of the liberal international order—including regarding the future of Taiwan. How is the Department using all available tools authorized by Congress to hold the PRC accountable for its actions in Hong Kong? What more can be done to underscore that Hong Kong no longer remains a place for U.S. companies can conduct “business as usual?”

*Answer.* As part of our ongoing effort to promote accountability, the United States has imposed sanctions on PRC and Hong Kong officials who have led the implementation of the National Security Law (NSL) and are responsible for undermining Hong Kong’s autonomy. In July 2021, we issued an advisory to U.S. businesses highlighting increased risks of operating in Hong Kong as a result of the erosion of protected rights and freedoms since the imposition of the NSL. We will continue to publicly and privately stand up to the PRC and urge respect for the rule of law, human rights, and protected rights and freedoms in Hong Kong that are not only enshrined in the Sino-British Declaration and the Basic Law, but are also key to the city’s viability as a financial hub.

*Question.* How can the United States—working with our partners in the international community—be effective in supporting the people of Hong Kong?

*Answer.* The Administration has just renewed Deferred Enforced Departure for an additional period for those residents of Hong Kong presently residing in the United States as part of our global efforts to provide Hongkongers with safe harbor overseas. We would welcome Congressional action to augment such safe harbor efforts. We are working closely with allies and partners to demonstrate unified support to people in Hong Kong and to discourage further backsliding on the rights and freedoms in Hong Kong, including those protected under the Basic Law and the Sino-British Joint Declaration, and the rule of law, including the recent trial under National Security Law trial of 47 prominent opposition fig-

ures. On February 5, U.S. Consulate General Hong Kong personnel joined diplomats from more than 10 like-minded missions in attending these trials.

*Question.* In Xinjiang, the People’s Republic of China has committed a despicable campaign of genocide against the Uyghurs and other Turkic minorities. The PRC’s abuses in Xinjiang continue—and their effort to persecute intimidate and mistreat Uyghurs living abroad have intensified. Given the release of the long-awaited report by the UN Office of the High Commissioner for Human rights, and the subsequent failure to get the Human Rights Council to take up discussion of that report, what is the next in the Department’s effort to hold the PRC accountable for its actions in Xinjiang?

*Answer.* The United States will continue to take strong action to promote accountability for the PRC’s actions and strengthen defenses against transnational repression. To this end, the U.S. Government has deployed tools to promote accountability for PRC individuals and entities responsible for human rights abuses. While we share your disappointment with the Human Rights Council vote, it successfully put the PRC on the defensive and made clear it is not above scrutiny. We are working with likeminded allies on next steps to promote accountability for the PRC’s genocide and crimes against humanity in Xinjiang.

*Question.* How are we coordinating with allies and partners in confronting Beijing on their crimes against humanity?

*Answer.* Our unrivaled network of alliances and partnerships provides a comparative advantage in our competition with the PRC. We work with allies and partners to take concrete measures to promote respect for human rights and accountability for atrocities and human rights abuses in Xinjiang, including at the UN Human Rights Council, as well as by implementing financial sanctions, visa restrictions, export controls, and import restrictions, and releasing business advisories. We have also coordinated with the EU, UK, and Canada on the imposition of sanctions on several individuals and entities connected to serious human rights abuse in Xinjiang.

*Question.* In our own hemisphere, China’s engagement with the Maduro regime in Venezuela stands out as a disturbing warning to countries across the region about the dangers of deepening relations with China. Instead of making Venezuelans more economically prosperous and secure, the PRC has contributed to Venezuela’s economic collapse and abetted Maduro’s effort to set up a police state. How is the Biden administration working to address China’s role in the Venezuelan crisis and to what extent have you highlighted China’s role in Venezuela as a cautionary tale for other governments in the region?

*Answer.* The PRC takes advantage of the Maduro’s regime isolation and provided more than \$64 billion in loans to the regime in Venezuela, exacerbating regime corruption and supporting non-transparent business practices. We continue to monitor the PRC’s engagement with the Maduro regime. Further, we will continue to impose costs on entities involved in sanctions evasion.

Free and fair elections in 2024 offer the best path to reduce the influence of malign actors in Venezuela. We work with partners to support the Venezuelan opposition in efforts to revitalize Venezuela's democracy.

*Question.* Over the last decade China has played a direct and indirect role in fueling the U.S. opioid epidemic. Whether it's better regulating its domestic pharmaceutical sector, requiring more detailed labeling of pharmaceutical products shipping out of China, or addressing related money laundering, the PRC needs to step up in a serious way. How is the Biden administration pursuing cooperation with the PRC to address these challenges? And, what steps will the Administration take to hold Chinese companies and their representatives accountable if the PRC won't act?

Answer. Secretary Blinken is mobilizing an effort to lead an international coalition of countries to partner with the United States on this global health and security threat. The PRC can and must do more. We continue to call on the PRC at all levels to strengthen its oversight of chemical supply chains to prevent chemical diversion. We have used and will continue to use sanctions and rewards tools, such as Executive Order 14059 and the Narcotics Rewards Program, to hold individuals and companies accountable.

*Question.* In February 2022, the Wall Street Journal reported on U.S. efforts to counter Chinese plans to build a military base in Equatorial Guinea. The Journal noted that a high-level U.S. delegation—which ultimately included senior State, White House, and DoD officials—intended to travel to Equatorial Guinea to offer U.S. counter-piracy assistance and “other inducements” to Equatorial Guinea President Teodoro Obiang. In February 2023, meanwhile, the WSJ reported that Kenyan authorities were threatening to turn to China if the U.S. declined to pay \$50 million to expand a joint counterterrorism base at Manda Bay. Are African countries—Equatorial Guinea, or Kenya for that matter—using the threat of partnership with China as a means of blunting criticism from the United States on issues such as democracy and human rights?

Answer. The PRC's efforts to increase its presence and influence in Africa are intended to advance and ultimately export its domestic political, security, information, and economic model and justify its domestic agenda on the world stage. We lead with an affirmative agenda for Africa, demonstrating that our governance and economic models, including rule of law and respect for human rights, foster investment and stability. U.S. policy does not ask our partners to choose between the United States and the PRC, but rather to offer options in pursuing economic development and achieving other national objectives.

*Question.* How will the Administration balance the need to ensure security of the Atlantic coast with the political costs of engaging with the Obiang regime, which is widely viewed as dictatorial, abusive, corrupt, and untrustworthy?

Answer. The PRC desires to establish a military presence on the Atlantic coast of Africa are well documented but have not been realized. The United States will continue to maintain positive and active defense-related engagements with several African nations on

the Atlantic coast, including ones that may be vulnerable to PRC pressure. We are working with African nations to present a positive, rights-respecting, rules-based alternative through maritime governance, building climate resilience capacity, and the development of sustainable blue economies.

*Question.* Recently, several countries that owe money to China have defaulted on their sovereign debt or have suspended payments, and many others are risking similar situations. While internal and external economic pressures undoubtedly contribute to these decisions, perhaps countries are also reconsidering aspects of their economic relationships with China. How is China using debt as a political tool to impede accountable, transparent, and democratic governance in Zambia or other developing countries?

*Answer.* The PRC has indicated willingness to engage in coordinated debt restructurings through the Common Framework, but the timeline for debt treatments is long, often due to PRC delays. The PRC's lack of transparency, unwillingness to coordinate with other creditors, and its sheer size as a creditor gives it leverage to effectively block International Monetary Fund programs and debt treatments. For instance, in Zambia the PRC has not progressed on promised debt treatment, which risks derailing Zambia's International Monetary Fund program and inhibiting Zambian President Hakainde Hichilema's reform agenda.

*Question.* Is China rethinking how it engages with borrowers and how it uses debt as a foreign policy tool in light of the recent defaults? How are we pushing China to be a better participant in G-20 Common Framework negotiations?

*Answer.* We are committed to coordinated multilateral action to address debt vulnerabilities in developing countries. We expect all bilateral creditors, including the PRC, to participate fully on timely debt restructuring on a comparable basis, and to pursue sustainable and transparent lending practices.

We have insisted and continue to insist on the principle of comparable treatment for all bilateral creditors and continue to call on the PRC to fulfill its G20 commitments to participate in debt treatments through the Common Framework.

*Question.* What has contributed to the recent defaults? What steps can African countries take to prevent political coercion and unfavorable terms on contracting with regards to infrastructure deals and mining concessions due to debt owed to China?

*Answer.* The economic downturn caused by the COVID-19 pandemic, and subsequent slowing in growth, significantly eroded the budgetary reserves of many African governments. This has exacerbated high public debt levels and made it even more difficult for governments to respond to current inflationary pressures globally. Where possible, African governments should enact legislation requiring greater transparency on foreign debt obligations, openly and transparently compete government infrastructure contracts, participate in the Common Framework process, and work with the International Monetary Fund to maintain sustainable macroeconomic frameworks.

*Question.* China has been making a clear bid for influence in the Middle East for quite some time, with President Xi attending the first ever China-Arab States summit in December. As we reorient our foreign policy to strategic competition, we must ensure that China does not take advantage to expand its military footprint and political influence in the region. Where do you assess are the biggest risks of Chinese successfully increasing its security presence in the Middle East? What is China offering wealthier countries in exchange for this cooperation? What aspects of China's non-military expansion in the Middle East pose the greatest threats to U.S. interests in the region?

*Answer.* We regularly caution our partners about PRC investments that could compromise their sovereignty, including surveillance technology that further enables authoritarian goals.

We assess the PRC has a global strategy of building military installations worldwide, including in the Middle East, prioritizing its own interests over enhancing regional stability. With all partners, we directly address the risks a PRC military installation would pose to our bilateral security cooperation as well as their security.

*Question.* What message is the Administration sending to U.S. partners who are contemplating security cooperation or arms purchases from the PRC? How can we ensure that U.S. systems remain competitive while maintaining a high standard for human-rights and end-use monitoring?

*Answer.* Human rights, international humanitarian law, national security, and the recipient's ability to protect sensitive technology are central tenets to the U.S. Conventional Arms Transfer policy. Those principles are critical to our decision-making when adjudicating arms sales. It is also a priority to reduce partners' dependence on PRC defense articles, and we are confident that our Foreign Military Sales' total package approach, which includes robust U.S. engagement, training, and spare parts, remains competitive, particularly when compared to the PRC's approach to arms transfers.

*Question.* I am a firm believer that the world is watching how we respond to the PRC's economic coercion of Lithuania. If Beijing believes that they can continue to use economic means to intimidate smaller countries without repercussions, allies and partners may be more likely to appease the PRC instead of standing up to them. Last year, the NDAA included a provision creating a Countering Economic Coercion Task Force and directing the State Department to create a strategy to help countries victimized by the PRC's economic intimidation. How are we positioning the United States to lead the G7 and other advanced economies in collectively pushing back against Beijing's economic coercion? Are there additional authorities you believe you need in order to be effective?

*Answer.* The economic coercion challenge cuts across many issue areas. At a macro level, we are engaging broadly to improve supply chain diversity, security, and resilience. Over-dependency on the PRC increases coercion risks, and we are engaging to improve resilience across strategic sectors of concern. Where Beijing seeks to apply economic coercion, we are working to strengthen our response playbook, in coordination with allies and partners, so that



we can step in and support those economies. The Department looks forward to working with Congress to support these efforts.

*Question.* The recently released China military power report assessed that China now has more than 400 operational nuclear warheads in its stockpile. According to the report if China's modernization plan remains on track it will field about 1,500 warheads by 2030, the vast majority of which will be targeted at the United States. Has the Administration at the highest levels explained the consequences for our bilateral relations of China's decision to vastly increase the nuclear threat it poses to the United States? Is the United States seeking arms control discussions with China?

*Answer.* The United States has made clear that the PRC, as a Treaty on the Non-Proliferation of Nuclear-Weapons State and P5 member, has a responsibility to engage in substantive talks to reduce the risk of miscalculation and address destabilizing military dynamics. Such talks could lay the groundwork for additional discussion of mutual restraints in capabilities and behavior. There is no benefit to either of our nations, or for the world, for the PRC to resist substantive engagement on these issues.

*Question.* What is China seeking to achieve with its nuclear buildup? How is China's nuclear modernization linked to its other strategic objectives?

*Answer.* The PRC has yet to acknowledge the pace, scale, or purpose of its nuclear weapons buildup. I respectfully defer to the Department of Defense and the Intelligence Community on the PRC's nuclear weapons aims. The Administration will strengthen deterrence and our alliances while seeking risk reduction with the PRC to ensure U.S., allied, and partner security amid the PRC's rapid and opaque nuclear weapons buildup.

*Question.* Is the increasing size and sophistication of China's nuclear forces raising doubts among our East Asian allies about the United States willingness and ability to defend them?

*Answer.* U.S. security commitments to our East Asian allies remain steadfast in the face of growing nuclear and missile developments in the PRC. The United States is working with our allies in the region including Japan, the Republic of Korea, Philippines, Thailand, and Australia, to ensure an effective mix of capabilities, concepts, deployments, exercises, and tailored options to deter and, if necessary, respond to coercion and aggression. The Administration is also seeking to assure allies through the pursuit of measures to reduce strategic risk with the PRC.

*Question.* China's status as "developing country" under various multilateral agreement regimes is both substantively and politically salient matter to address. Many countries labeled "developing countries," including China, have economically developed and no longer need the additional assistance initially contemplated when these treaties entered into force.

Is [it] appropriate to address the issue of reviewing and updating what countries are treated as "developing v. developed" in various treaty regimes more and if so, what are your thoughts on how we should engage diplomatically for these? What is the U.S. Govern-

ment doing to address this issue, with respect to China and more generally?

*Answer.* Multilateral agreements vary significantly with regard to their governance structures and whether obligations and benefits are differentiated based on a party's level of development or other factors. Accordingly, there is no one-size-fits-all approach to addressing this important issue, and as we seek to ensure the PRC does not benefit inappropriately, it is important to design approaches that will be effective in a particular context and that will not backfire or inadvertently rally other countries to support PRC positions. The Department therefore seeks opportunities on a case-by-case basis to work with like-minded parties in order to reduce or eliminate assistance the PRC might receive under an agreement or multilateral framework, regardless of any designation the PRC may have under that agreement or framework.

*Question.* Addressing the climate crisis require global action and global cooperation. It is widely reported that while China is currently the world's largest emitter, and it is also the world's largest user of renewable energy. While it may be important to call out China's current role as the world's top emitter ... the PRC and others frequently retort with the fact that the U.S. is still the world's largest historical (or aggregate) emitter. Given all the tit-for-tat rhetoric on who is responsible for climate change, China as the world's largest current emitter or the U.S. as the world's largest historic emitter, does China see it in their interest to cooperate with the U.S. and the rest of the world on global climate action? Is it realistic to isolate climate cooperation from other issues in the bilateral relationship in order to make progress on this pressing issue?

*Answer.* The PRC accounts for nearly 30 percent of annual global emissions, and we cannot keep within reach a 1.5 degree Celsius limit on warming without accelerated reductions of carbon dioxide and other greenhouse gases. The PRC has a responsibility to step up its efforts. Given the global and existential nature of the climate crisis, U.S.-PRC engagement is in the interest of both countries and the world.

*Question.* Despite China's developing country status, I believe the Paris Agreement still serves as the most effective body for the world to come together to fight climate change. It provides a vehicle to hold one another accountable for our international commitments and creates pressure and incentive to ratchet up ambition. Does the Paris Agreement place any binding requirements on the U.S. to mitigate greenhouse gas emissions? Under the UNFCCC of 1992, the U.S. is required to report its annual greenhouse gas emissions, correct? And for decades non-Annex countries, including China and India, were not required to do so, is that also correct? But Article 4 of the Paris Agreement now evens the reporting and transparency requirements between annex and non-annex countries—i.e. the U.S. and China and India and so on, correct?

*Answer.* The Paris Agreement does not place binding requirements on the United States to mitigate its emissions of greenhouse gas emissions; rather, while parties are required to submit nationally determined contributions, the emissions targets in those na-

tionally determined contributions are not legally binding. In terms of reporting, and for other purposes, the Paris Agreement dispenses with the concepts of “Annex I” and “non-Annex I” parties that were included in the UN Framework Convention on Climate Change. Article 13 sets out a single transparency framework that applies to all parties, with the guidelines under that Article setting out certain limited types of flexibility.

*Question.* Further, there is a long list of political and religious prisoners, in addition to Americans being held, including Ayshe Turkel, Cardinal Zen, and the Hong Kong 47. Beijing could release immediately to provide a concrete step forward in improving our bilateral relationship. What have been the Department’s efforts to date on securing the release of political and religious prisoners?

*Answer.* We continue to call for the immediate and unconditional release of PRC nationals who are unjustly detained or subject to exit bans. The Department is working closely with Embassy Beijing to advocate directly with the PRC Government at the highest levels on PRC priority cases of concern, including Ayshem Mamut. In Hong Kong, we note that Cardinal Zen has avoided a harsh penalty and was recently able to travel to the Vatican. This outcome reflects the concerted pressure of the international community, which was again visible on February 5 when U.S. Consulate General staff joined diplomats from more than 10 partner missions at a National Security Law trial of 47 opposition figures.

*Question.* Embassy Beijing is among the more challenging posts for personnel, in large part due to COVID and the restrictions imposed by the Chinese Government. Ambassador Burns has done a superb job of navigating the many challenges for personnel and standing up to the CCP. With the heightened tensions between the U.S. and China, what is the Department doing to ensure our personnel have the resources and support to maintain morale and be effective at their jobs?

*Answer.* In 2022, the Department improved service incentives for Mission China by enhancing post hardship differential and reducing the tour of duty length. These measures, coupled with robust recruitment by the Department and Mission China leadership, enabled us to fill most positions opening in Summer 2023. Ambassador Burns set a redline in 2022 on our Mission personnel’s compliance with the now-lifted PRC’s Zero-COVID measures, which markedly improved morale. The lifting of Zero-COVID has also removed a major morale barrier to our employees and family members.

*Question.* Last year, I introduced the Economic Statecraft for the *Twenty-First Century Act*—a bill that provides a comprehensive plan to confront the anti-competitive and predatory nature of China’s international economic policies. This bill will allow us to lead through our values by strengthening our supply chains with reshoring and nearshoring strategies, by achieving our energy-related sustainability goals, by fostering cooperation in multilateral institutions, and by building global resiliency. What tools do we have to compete with China in the economic domain that you believe are

currently working? What tools aren't working as effectively as they could be?

Answer. To be effective in the economic statecraft domain, the United States needs to offer partners a high-standard, values-based alternative on issues ranging from development to food security to supply chain diversification. The U.S. must also be empowered to step in and support those facing PRC economic coercion. The U.S. is deploying multiple tools to compete in the economic domain, including via initiatives such as the Blue Dot Network, the Strategic Ports Initiative, Partnership for Global Infrastructure and Investment, Mineral Security Partnership, Digital Connectivity and Cybersecurity Partnership, debt sustainability engagements, and others.

*Question.* What additional authorities do you believe would be beneficial for leading our economic diplomacy?

Answer. The Department works to boost economic opportunities for all Americans and keep the United States secure. We leverage bilateral and multilateral relationships to build more prosperous and resilient partner-nations that support the rules-based economic order. We look forward to continuing our consultations with the Committee on further authorities that may be helpful.

*Question.* Where do you see the biggest challenges ahead?

Answer. The Biden-Harris administration remains committed to countering unfair economic practices, such as economic coercion, and building resilient supply chains. The United States will continue to collaborate with a wide range of stakeholders and likeminded partners to bolster supply chain resiliency guided by the principles of transparency, diversification, security, and sustainability. The *CHIPS Act*, including the \$500 million International Technology Security and Innovation Fund, will strengthen the United States' long-term economic security and stability by investing in secure semiconductor supply chains as well as the development and adoption of secure telecommunications networks.

*Question.* In the event China invades Taiwan, Beijing would presumably use whatever economic leverage it could to deter other countries from imposing sanctions for its aggression, as has been done against Russia over its invasion of Ukraine. What preparations are being done to support foreign partners from Chinese economic blackmail should it invade Taiwan?

Answer. PRC economic coercion is a broad challenge that cuts across many areas. Over-dependency on the PRC increases economic coercion risks, and we are engaging to improve resilience across multiple strategic sectors of concern. At a macro level, we are working with partners to improve supply chain diversity, security, and resilience. In cases where Beijing does target other economies with economic coercion, we are working to strengthen and diversify the scope of our potential responses so that we have a wide range of economic tools we can use to support those partner countries.

*Question.* Does the Administration need additional authorities or appropriations in order to be able to provide such support to our partners?

Answer. Countering instances of economic coercion requires a flexible and swift policy response. The United States will continue to seek opportunities to take rapid action to publicly call out, mitigate and counter the impacts of economic coercion. The Department looks forward to working with Congress to support these efforts.

*Question.* How is the Department working to ensure that Americans visiting China are not falling victim to unjust exit bans that prevent U.S. citizens from leaving the country?

Answer. The Department warns U.S. citizens traveling to the PRC about the arbitrary enforcement of local laws, in particular the way some exit bans have been imposed on U.S. citizens. Information is shared through consular information products, including the Travel Advisory for the PRC, as well as the website *travel.state.gov*. When U.S. citizens have raised the challenges they experience with exit bans in the PRC, the Department has provided all appropriate consular assistance and urges that they receive fair and transparent treatment under PRC law.

*Question.* China has become a significant arms exporter, instilling dependency in its customers on its continuing supply, and therefore enhancing its political leverage with those countries. Are there efforts to identify the most promising arms customers in the Indo-Pacific region that could be persuaded to decrease their Chinese arms purchases? If so, are you working on programs that could enhance U.S. or Western arms sales to these countries?

Answer. Since Russia's invasion of Ukraine, the Department has renewed efforts to reduce partners' reliance on PRC and Russian defense articles. State and the interagency are utilizing all potential security cooperation tools to entice priority partners in the Indo-Pacific and elsewhere to decrease arms sales from the PRC.

*Question.* I have been supportive of the Administration's efforts to deepen our economic ties with our European allies and partners—including with the establishment of the U.S.–EU Trade and Technology Council. However, more work needs to be done to ensure our friends understand the systemic challenge that the People's Republic of China poses to our shared interests and values of democracy, economic prosperity, and respect for human rights. How effective has the U.S.–EU Trade and Technology Council been in bringing Europe around on China? What are our obstacles to being strategically aligned on the challenge that the PRC poses to the liberal international order?

Answer. The U.S.–EU Trade and Technology Council continues to be an effective forum for aligning U.S.–EU strategic perspectives on China and advancing transatlantic cooperation on economic policy, including boosting supply chain resilience and addressing non-market economic policies and practices. The United States and the EU are working together to share information, identify shared concerns, and explore policy tools to address such policies and practices and to counter economic coercion and the misuse of technology.

*Question.* It is no secret that our diplomacy and resourcing lags when it comes to meeting China's investments in diplomacy. As we do so, are there thoughts on how we can better recruit and utilize

the Department's diverse talent in the region, given the extreme lack of gender and racial diversity in the senior ranks?

*Answer.* The Department's leadership believes that a more diverse, equitable, inclusive, and accessible Department leads to a stronger, more effective, and creative foreign policy and workforce. The Bureau of East Asian and Pacific Affairs (EAP) invests in robust efforts to attract and retain the brightest and most diverse workforce, including targeted outreach to underrepresented groups. EAP is proud to have achieved gender parity at the level of Deputy Assistant Secretary and senior advisor and above and in the recent slate of selectees for deputy chief of mission and principal officer positions. Still, there is more work to do, including on racial equity, and we are committed to doing it.

*Question.* I am deeply concerned about the outlook and conditions of wrongfully detained Americans Mark Swidan, Kai Li, and Pastor David Lin, whose combined time spent unjustly imprisoned by the PRC adds up to over three decades. Unfortunately, China is just one of a growing number of countries that seek to use American citizens as political pawns. I am fearful that China's willingness to issue exit bans on U.S. citizens will only exacerbate this issue. Can you please provide an update on this Administration's efforts to reunite these three Americans with their family and loved ones?

*Answer.* We are committed to seeing the release of Kai Li, David Lin, and Mark Swidan from the PRC. The Administration regularly raises these cases in bilateral engagements with the PRC; President Biden discussed these U.S. citizens with President Xi last November. In coordination with the Office of the Special Presidential Envoy for Hostage Affairs, we are working to find avenues to secure the release of these U.S. citizens.

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RESPONSES OF MS. WENDY SHERMAN TO QUESTIONS  
SUBMITTED BY SENATOR JAMES E. RISCH

*Question.* The Biden administration has repeatedly said it wants to "put a floor" under its relationship with China and that this floor has never been defined. What makes the Administration believe this goal is achievable?

*Answer.* The United States will continue to compete vigorously with the PRC to uphold our values and advance our interests and our affirmative vision of the world. At the same time, as we have said time and again, we do not seek conflict with the PRC. This is not about a new Cold War. The United States will manage competition with the PRC responsibly and maintain open and constructive lines of communication with Beijing, even when tensions arise.

*Question.* What does this "floor" consist of?

*Answer.* As we have made clear, the United States will manage competition with the PRC responsibly and maintain open and constructive lines of communication with Beijing, even when tensions arise.

*Question.* What is the plan if the "putting a floor" exercise yields no progress?

*Answer.* The United States will continue to implement the Administration's China strategy to invest in the foundations of our strength at home, align with allies and partners on our approach abroad and compete with the PRC. At the same time, we remain committed to developing commonsense guardrails to bound the competition. We recognize that how we manage our relationship in the coming years will have significant consequences for the entire world, and certain transnational issues require action from the PRC. That is why competition with Beijing will not, however, preclude cooperation in areas where our interests intersect, and why we will keep lines of communication open.

*Question.* The Biden/Xi summit last year was intended to restart or unlock certain avenues of dialogue and communication that had been shut down between the U.S. and China. What is the current progress?

*Answer.* Following the unacceptable and outrageous incursion of a PRC high-altitude surveillance balloon into U.S. territorial airspace, we have made clear to the PRC that such a violation of U.S. sovereignty and international law must never occur again. Secretary Blinken's February 18 meeting with Chinese Communist Party Central Foreign Affairs Office Director Wang Yi in Munich demonstrated the United States' continued commitment to responsibly managing our competition with the PRC, including keeping open lines of communication, even when tensions arise.

*Question.* Have the Chinese taken any action on the discussions from that meeting?

*Answer.* During his February 18 meeting with Chinese Communist Party Central Foreign Affairs Office Director Wang Yi, Secretary Blinken directly raised the unacceptable violation of U.S. sovereignty and international law by the PRC high-altitude surveillance balloon in U.S. territorial airspace, underscoring that this irresponsible act must never again occur. The Secretary made clear the United States will not stand for any violation of our sovereignty. As President Biden has said, it is important that the United States and the PRC maintain diplomatic dialogue and open lines of communication. The Secretary also warned about the implications and consequences if China provides material support to Russia or assistance with systemic sanctions evasion in support of Russia's brutal war against Ukraine. We continue to watch PRC actions very closely.

*Question.* How are we using this episode to U.S. advantage in our broader competition with China, especially to apply pressure while China is on its back foot here?

*Answer.* Secretary Blinken and I, along with State Department colleagues at all levels, have reiterated publicly and privately that the PRC high-altitude surveillance balloon flown over U.S. territory was an unacceptable violation of U.S. sovereignty and international law, and underscored that this irresponsible act must never occur again. We have also mobilized our diplomats around the world to expose the PRC's broader surveillance efforts and its high-altitude surveillance balloon program—which has intruded into the air space of over 40 countries across 5 continents in recent years. More

broadly, the United States will continue to compete vigorously with the PRC and unapologetically stand up for our values and interests.

*Question.* Are we seeking to impose diplomatic, reputational, or other costs on China?

*Answer.* As the President said in his State of the Union: “If the PRC threatens our sovereignty, we will act to protect our country.” The United States will continue to take actions that it deems necessary for its national security, its interests, and its values. After the PRC surveillance balloon violated U.S. sovereignty, we mobilized our diplomats around the world to expose the PRC’s broader surveillance efforts and its high altitude surveillance balloon program—which has intruded into the air space of over 40 countries across 5 continents in recent years.

*Question.* Are we putting pressure on them to extract particular concessions? If so, what concessions are on the table?

*Answer.* During his February 18 meeting with Chinese Communist Party Central Foreign Affairs Office Director Wang Yi, Secretary Blinken directly raised the unacceptable violation of U.S. sovereignty and international law by the PRC high-altitude surveillance balloon in U.S. territorial airspace, underscoring that this irresponsible act must never again occur. The Secretary made clear the United States will not stand for any violation of our sovereignty. As President Biden has said, it is important that the United States and the PRC maintain diplomatic dialogue and open lines of communication.

*Question.* How does the balloon episode affect how the Biden administration plans to pursue “putting a floor” under the relationship?

*Answer.* The PRC’s irresponsible actions were visible for the American people and the world to see. The United States will continue to take action to respond to violations of our sovereignty and international law and to protect our interests and values. At the same time, President Biden has been clear—we have been and will continue to keep open lines of communication with the PRC. Secretary Blinken underscored these points during his meeting with Chinese Communist Party Foreign Affairs Office Director Wang Yi on the margins of the Munich Security Conference on February 18.

*Question.* Does the Administration support FMF grants for Taiwan?

*Answer.* We look forward to discussing the FY 2024 budget request after the President releases it in early March 2023. As a general matter, we have been quite clear that our support to Taiwan is firm, and we are committed to working with Congress to explore avenues for bolstering our assistance.

*Question.* Will the President ask for security assistance for Taiwan in his FY24 budget request?

*Answer.* We look forward to discussing the FY 2024 budget request after the President releases it in early March 2023. As a general matter, we have been quite clear that our support to Taiwan



is firm, and we are committed to working with Congress to explore avenues for bolstering our assistance.

*Question.* Last September, SFRC and SASC sent a request for information to the Administration about Taiwan defense issues. As of today, we know the Departments of State and Defense did the analysis required to answer these questions, but have received nothing. Why hasn't Congress received information it has asked for?

*Answer.* We are working across the interagency to provide the information Congress has requested.

*Question.* Do you commit to providing us with this information within the next 30 days?

*Answer.* We cannot commit to providing this information within a specific timeframe, but we welcome the opportunity to continue to discuss Taiwan's defense.

*Question.* The Department of State has said that it is conducting a review of the Foreign Military Sales because of slow delivery timelines—an issue that is especially problematic for Taiwan. How much progress has been made on this review and what are its findings so far? When will it be complete?

*Answer.* The Department reviews the Foreign Military Sales (FMS) process on an ongoing basis. Delivery dates are not normally connected to the time it takes the Department to process FMS, which we have expedited for Taiwan. The problems impacting Taiwan are the same as those impacting other FMS partners, including slow acquisition and contracting processes, and limited U.S. industrial production capacity.

*Question.* Does the Administration plan to make any announcements or brief Congress on the outcome of the review?

*Answer.* Yes, once complete, we will brief Congress on the outcome of State's review of Foreign Military Sales processes. In the interim, I understand that we have already provided some information to HFAC and SFRC staffers, and will continue to do so as the review continues. We look forward to providing a formal briefing at the conclusion of our review.

*Question.* There were two instances last year where the Biden administration delayed or "bundled" arms sales to Taiwan. What happened?

*Answer.* The Department does not "bundle" Taiwan Congressional Notifications (CNs). State received two cases on the same day (AIM-9X and AGM-84L) and we processed them as separate cases. The Taiwan Air Force had deliberately chosen to procure these munitions via separate cases. The CNs arrived at Congress on the same day because that's when they were both ready for notification.

*Question.* Does the Biden administration commit that it will not "bundle" arms sales to Taiwan in the future?

*Answer.* Yes. Consistent with the position of this Administration, we have no intention of bundling sales to Taiwan.

*Question.* What is your involvement in ensuring swift and proper implementation of the Taiwan Enhanced Resilience Act?

*Answer.* The Department is actively working with the inter-agency to examine ways to implement new security assistance authorities for Taiwan. We are also working with the American Institute in Taiwan to implement the Taiwan Fellowship program and continuing our ongoing efforts to expand Taiwan's international space.

*Question.* What can we expect to see from the Biden administration in the coming year on enhancing U.S.-Taiwan relations and deterring PRC aggression?

*Answer.* We will continue to make available to Taiwan defense articles and services to strengthen its self-defense capabilities. The Biden-Harris administration has notified more than \$5 billion in Foreign Military Sales to Taiwan, and last year, we notified the largest single-year number of notifications for Taiwan. We will continue to engage our allies and partners, as well as others to ensure that they understand cross-strait peace and stability is a matter of regional—and global—security and prosperity.

*Question.* As part of strengthening economic ties with Taiwan, does the Department of State support an Avoidance of Double Taxation Agreement with Taiwan? I know that other U.S. Government agencies would be involved in such an agreement, but I expect a direct answer on the Department's views.

*Answer.* We are aware of the double taxation concerns raised by the private sector and by our Taiwan counterparts. The Department of State is working with the Department of the Treasury and other agencies to address these issues and looks forward to engaging with Congress. Taiwan is a critical economic partner in areas such as semiconductors, and we will continue to explore ways to deepen our longstanding trade and investment relationship.

*Question.* Taiwan depends on imports for 98 percent of its energy needs—a potentially huge vulnerability in the event of a PLA invasion or coercion. Where can we support Taiwan on energy?

*Answer.* The United States is working to support Taiwan's energy security and energy resilience by encouraging Taiwan's regulatory bodies to require a larger emergency energy stockpile, to modernize its grid to enhance reliability, and to better integrate renewable power generation resources. The Department of State is working with Taiwan to accelerate its deployment of renewable energy and decrease its reliance on energy imports.

*Question.* What steps is China taking, if any, to harden itself against economic sanctions resulting from aggression towards Taiwan?

*Answer.* We do not typically comment on U.S. sanctions policy, nor do we preview sanctions actions. We believe sanctions remain highly effective tools to advance U.S. national security interests.

*Question.* To what extent is the U.S. prepared to impose economic sanctions or other punitive financial measures against China if it uses aggression against Taiwan?

Answer. The United States is prepared to appropriately use all its tools against the PRC if Beijing moves aggressively toward Taiwan.

*Question. China and Europe Question:* In last year's NATO Strategic Concept, the alliance added China as one of its major challenges. What steps has the alliance taken towards hardening itself against China's cyber and hybrid operations concerns stated in the Strategic Concept?

Answer. At the 2022 NATO Summit, Allies highlighted the importance of countering threats to Allies' collective defense from all directions and recognized that the PRC's stated ambitions and policies challenge NATO and U.S. interests, security, and values. Against the backdrop of PRC-related challenges and other threats, Allies have committed to significantly strengthening cyber defenses through enhanced civil-military cooperation and expanded partnerships with industry.

*Question.* How is the State Department contributing to this effort?

Answer. The U.S. Mission to NATO facilitates national-level security and intelligence community engagement and sharing of cyber-threat information on the PRC with NATO committees and organizations to assist in the protection of NATO Enterprise networks and to contribute to the shared situational awareness of the Alliance. The State Department supports efforts to enhance civilian-military cooperation and build cyber capacity with all partners and allies in order to address cyber threats, including those posed by the PRC.

*Question.* It has become increasingly clear that China is helping Russia evade U.S. and allied sanctions. This is particularly true on our export controls, which are designed to keep Russia from procuring the items—like semiconductors and electronic circuitry—that help its war machine run. What steps is the U.S. Government taking to put an end to China's assistance of Russia's war in Ukraine?

Answer. The Administration takes materiel assistance to Russia's defense sector very seriously. Since Russia's full-scale invasion of Ukraine last February, the United States designated Spacety China under E.O. 14024 following its provision to Russia of synthetic aperture radar satellite imagery orders over locations in Ukraine. Since the full-scale invasion, the Administration has also added 12 PRC entities to the Department of Commerce's Entity List.

*Question.* Has the Administration considered using secondary sanctions on China for the increase in shipments and trans-shipments of these items to Russia?

Answer. Secretary Blinken used his travel to the Munich Security Conference to reinforce both our concern and the potential repercussions of the PRC materially supporting Russia's war effort. We have made clear to the PRC there would be real consequences in our relationship if the PRC were to provide Russia lethal assistance or systematic assistance evading sanctions. We have already sanctioned the PRC firm Spacety for providing satellite imagery to

Wagner forces in Ukraine and continue to monitor this space very closely.

*Question.* Is it the Department's assessment that Russia's experience in Ukraine is accelerating Xi Jinping's sense of urgency to achieve peaceful or forceful unification of Taiwan?

*Answer.* The United States continues to oppose any unilateral changes to the status quo from either side and expects cross-strait differences to be resolved by peaceful means. Though there are some analogies that can be drawn between Taiwan and Ukraine, the two situations have very important differences that should not be overlooked. There is no doubt that Vladimir Putin severely miscalculated in invading Ukraine, and we remain determined to ensure that his premeditated, unprovoked invasion of Ukraine is a strategic failure.

*Question.* What potential diplomatic blind spots have been identified within the U.S. and the PRC's responses to a cross-Strait conflict based on lessons learned from the Russian invasion?

*Answer.* The Administration has dedicated significant resources and personnel to address critical security issues in Europe and the Indo-Pacific. Our focus has been to work closely with our allies and partners to send a clear and collective message to the PRC on the costs of its pressure against Taiwan. Deterrence is not limited to arms sales but also includes our work across the diplomatic, economic, and military spectrum.

*Question.* How are we addressing U.S. shortfalls and exploiting China's blind spots?

*Answer.* We continue to work with Taiwan to build Taiwan's economic and military deterrence capabilities. We are also working with allies and partners to strengthen Taiwan's resiliency to PRC pressure and highlight Taiwan as a leading democracy that can address global challenges. Our diplomatic engagement with countries around the world has increased international awareness of the PRC's provocative behavior toward Taiwan, resulting in greater coordination with our allies and partners, including highlighting the need to preserve peace and stability in the Taiwan Strait.

*Question.* Some of our longstanding Middle Eastern partners have argued that the Biden administration's policies towards the region are pushing them towards Russia or China. They point to overly restrictive arms sales policies, an advertised pivot to the Indo-Pacific, repudiation of the Abraham Accords, and the Afghanistan withdrawal as signals of American disengagement from the Middle East. The President's trip did little to repair relationships. What concrete actions is the Administration taking to compete strategically with China in the Middle East?

*Answer.* Our affirmative agenda of regional engagement is anchored by work with partners to mitigate food insecurity, address climate change, enhance maritime security, and cooperatively bolster air and missile defense. This Administration strongly supports the Abraham Accords and has built upon them to foster continued regional integration, which is key to securing stability and prosperity into the future. We also continue to maintain robust security cooperation with our partners in a variety of different ways across

the region, including through Foreign Military Financing (FMF) and Foreign Military Sales (FMS). Our partners strongly prefer U.S. military equipment while PRC sales to the region remain comparatively minuscule.

*Question.* China engages in coercive financial and economic diplomacy throughout the Middle East and North Africa and is heavily invested in dual-use facilities, to include ports. The Administration's Strategic Ports Initiative is doing little to curb China's inroads. What technical or infrastructure assistance are we providing to our Middle Eastern partners to block China's infrastructure overtures in the Middle East?

*Answer.* The Strategic Ports Initiative has a global mandate, but with limited resources, programming has been prioritized in Asia, Africa, and Latin America.

However, the Department has encouraged partners to strengthen their national security tools, including investment screening and other authorities, to ensure port infrastructure investment does not raise national security risks. We also provide technical assistance to improve our partners' capacity to evaluate bids for critical infrastructure projects. We continue to work with the Development Finance Cooperation, Millennium Challenge Corporation, and the Export-Import Bank to provide access to financing for strategic infrastructure projects.

*Question.* What levels of funding would the Department need to help partners keep China out of their strategic ports?

*Answer.* The Department appreciates Congressional interest in securing partners' strategic ports. We are continuing to assess resources for the Strategic Ports Initiative in current-year and future-year budgets, including to support regional coverage, improve capacity building, create early warning mechanisms, and facilitate exchange programs. For example, a line item of approximately \$6,000,000 per year would support four full-time employees (\$800,000); exchange programs (\$2,000,000); capacity building (\$2,500,000); and the creation of an early warning system (\$700,000).

*Question.* Chinese purchases of Iranian oil are significantly weakening both U.S. and international sanctions against the Iranian regime. The Administration has rolled out preliminary sanctions, but Chinese purchases continue to rise. How do you plan to address Chinese purchases of Iranian oil?

*Answer.* The increasing alignment between the PRC and Iran remains a top concern for the United States. The United States designated more than 20 PRC persons involved in the Iranian petroleum or petrochemical trade in 2022. The United States is continuing to consider all options to mitigate PRC support for the Iranian petrochemical and petroleum industry.

*Question.* Russia recently announced that it is taking steps to integrate its financial systems with Iran. How can we prevent China from taking similar steps or otherwise further deepening its relations with Iran?

*Answer.* The United States continues to enforce our sanctions against Iran, and we do not hesitate to take action against sanc-

tions evaders. We remain concerned about Iran's sanctions evasion activity, including activity involving the PRC.

We regularly engage with the PRC and strongly discourage them from taking steps vis-à-vis Iran that contravene U.S. sanctions. Special Envoy for Iran Malley delivered this message to PRC Director General for Arms Control and Disarmament Sun in a February 1 phone call.

*Question.* What is the status of China's efforts to establish additional military (including naval) basing infrastructure in Africa?

*Answer.* The PRC desires to establish a military presence on the Atlantic coast of Africa are well documented but have not been realized. We are tracking the establishment of PRC military bases globally and will defend U.S. interests while working with our African partners on these issues.

*Question.* How has the Administration responded to Chinese efforts to establish additional military basing, including construction of dual-use infrastructure?

*Answer.* We are closely tracking the possible establishment of additional PRC military bases in Africa and globally. We maintain strong, positive, and active defense-related engagements with several African nations on the Atlantic coast, including ones that may be vulnerable to PRC pressure and influence. We are also working with African nations to present a positive, rules-based alternative through maritime governance and climate resilience capacity building, and the development of sustainable blue economies.

*Question.* Are there sufficient U.S. personnel, legal authorities, and financial resources available for these efforts? If not, please explain.

*Answer.* The Department has been doing its best to steadily increase its resources and staffing toward counter-PRC activities over the past several years. Our Africa-based regional China officers monitor and report on PRC activities detrimental to U.S., host country or global interests, build local security capacity, work with partners and allies, and support our network of China watchers at all U.S. diplomatic missions in Africa. Our public diplomacy resources enable the United States to engage with foreign audiences on our affirmative agenda and to counter information manipulation from the PRC, and funds from the Countering PRC Influence Fund and the new Peacekeeping Operations-funded Countering Strategic Competitors program allow us to support various capacity building projects, including cybersecurity, energy security, countering illegal, unreported, and unregulated fishing, and countering disinformation. We look forward to discussing resources and staffing supporting these efforts once the FY 2024 budget is released.

*Question.* Have there been instances when PRC military personnel have threatened or impeded U.S. personnel in Africa? If so, how has the United States responded?

*Answer.* The People's Liberation Army navy operates a military support base in Djibouti. In the past, PRC personnel directed lasers at U.S. aircraft operating in Djibouti. The United States engaged both Djibouti and the PRC to protest the action. The United States expects PRC forces operating in Djibouti to engage professionally

and in accordance with international standards and obligations. U.S. embassies continuously evaluate conditions and make recommendations to mitigate risk to U.S. citizens and personnel. I defer to the Department of Defense for further information on its posture.

*Question.* What plans are in place for responding to incidents when PRC military personnel have threatened or impeded U.S. personnel in Africa in the future?

*Answer.* The United States expects PRC forces operating anywhere to engage professionally and in accordance with international standards and obligations. Should issues arise, the relevant U.S. embassy would work with the appropriate U.S. military command to register any concerns with the host government and the PRC. The Department prioritizes the safety of U.S. citizens and U.S. Government personnel overseas. Embassies constantly evaluate conditions and make recommendations to mitigate risk. I defer to the Department of Defense for further information on its posture.

*Question.* How would you characterize Chinese cyber security threats in Africa?

*Answer.* The PRC's cyber-espionage operations have included compromising telecommunications firms, providers of managed services and broadly used software, and other targets for intelligence collection, cyber-enabled disruption, or influence operations. PRC-linked actors have reportedly compromised African Union networks and exfiltrated email communications between member states as recently as April 2022. As African countries build out their telecommunications networks, the Department is engaging them on the merits of selecting trusted vendors to secure their information communications and technology infrastructure.

*Question.* How is the United States responding to Chinese cyber security threats in Africa?

*Answer.* For over a decade, State Department capacity building programs and initiatives have helped African partners strengthen abilities to respond to cybersecurity incidents, draft national cybersecurity strategies, increase investment in secure technology, and combat cybercrime. The Department also promotes the UN-affirmed Framework of Responsible State Behavior in Cyberspace with African governments to counter peace and security threats from adversaries such as the PRC. We continue to engage African countries to use trusted vendors as they upgrade their information and communications infrastructure.

*Question.* The Biden administration has identified China's "dominant position (<https://www.whitehouse.gov/wp-content/uploads/2021/06/100-day-supply-chain-review-report.pdf>) in cobalt mining and processing of materials extracted" from the Democratic Republic of Congo as a U.S. supply chain concern. What specific actions is the Administration proposing to challenge China's dominance over DRC's cobalt mining production?

*Answer.* We have a strong partnership with the Tshisekedi administration to support mining sector governance, labor, and human rights through technical assistance. Through the Mineral

Security Partnership, we catalyze high environmental, social, and governance standard investment into critical mineral supply chains including cobalt. The United States signed an MOU during the U.S.-Africa Leaders Summit in December 2022 to signal support for the Democratic Republic of the Congo's and Zambia's goal to build an electric vehicle batteries supply chain.

*Question.* What impact have these efforts had on U.S. relations with the DRC Government, which is also implicated in human rights abuses and corruption?

*Answer.* The United States continues to work closely with the Government of the DRC to implement the MOU signed during the U.S.-Africa Leaders Summit in December 2022 to support the DRC and Zambia's goal to build an electric vehicle batteries supply chain. The U.S. supports mining sector governance, labor, and human rights through technical assistance to the DRC Government. The MOU also encourages international best practices that facilitate the prevention, detection, and prosecution of corruption, as well as applicable obligations under the UN Convention Against Corruption.

*Question.* In November 2020, the Senate Foreign Relations Committee released a report calling for greater U.S.-Europe cooperation on China. Among the recommendations were for the United States and Europe to work toward a comprehensive strategy that "affirms the close linkage between democracy, good governance, and sound economic management." What is the State Department doing to coordinate U.S. and European messaging for African political leaders and publics regarding China's engagement in the region?

*Answer.* The State Department meets routinely with European partners to discuss and coordinate messaging on PRC engagement, including in Africa. Department officials meet with European counterparts in multilateral formats such as the U.S.-EU High Level Dialogue on China, which I lead, and the G7 Africa Directors Meeting. The Assistant Secretary for African Affairs regularly speaks with European counterparts to coordinate European and U.S. messaging in Africa on the PRC. The Department provides guidance to U.S. embassies in Africa to engage audiences on the PRC's harmful practices in Africa.

*Question.* To what extent is the Administration working with European partners to deter Chinese-funded dual-use infrastructure construction at African ports?

*Answer.* The Department has initiated talks with UK and EU partners on how we can better coordinate efforts to provide transparent, rules-based infrastructure financing to developing countries, which includes partners in Africa.

*Question.* What role do you expect to play in implementing deliverables announced by the White House during the December 2022 U.S.-Africa Leaders Summit (ALS)?

*Answer.* The Department remains committed to Summit goals and strengthening our relationship with African partners. Since the Summit, the Department has focused its efforts in Sub-Saharan Africa on priority areas identified at the Summit and continuing to align our resources with those, the State-USAID Joint



Regional Strategy, and the U.S. Strategy Towards Sub-Saharan Africa. The Department is working closely with Ambassador Johnnie Carson, Special Presidential Representative for U.S.-Africa Leaders Summit Implementation, to design the architecture of a sustained engagement with African leaders across business, development, governance, people-to-people, and other dimensions.

*Question.* The Administration pledged during the ALS, among other things, to expand U.S. support for leadership training, economic and trade integration, digital access and literacy, health system capacity, food security, climate adaptation, and security sector reform in Africa. How, and according to what benchmarks, does the State Department intend to measure success in achieving these objectives?

*Answer.* As part of this announcement, the Biden-Harris administration announced plans to work with Congress on new programs, such as Digital Transformation for Africa, African Women’s Entrepreneurship Program—Reimagined, and a new security sector consortium. It also announced plans to work with Congress on new investments in existing programs such as Prosper and Power Africa, Feed the Future, the U.S. President’s Emergency Plan for AIDS Relief, and the Adaptation Fund. Programs will be designed and regularly evaluated to determine if they are achieving results or if adjustments are needed to ensure their success. Another measure of success will be the Department’s ability to elevate our African partners to lead in addressing shared priorities.

*Question.* During the 2022 ALS, the Administration announced a new initiative to “engage with complex political transitions in Africa and demonstrate U.S. Government support to governments and civil society at critical moments.” What will this initiative mean, concretely, for U.S. engagement with political transitions in Burkina Faso, Chad, Guinea, Sudan and Mali?

*Answer.* The African Democratic and Political Transitions (ADAPT) initiative, totaling \$75 million over 3 years, enables the U.S. Government to support democratic transitions by surging experts to the field and funding programming. The Bureau of African Affairs (AF), through an Interagency Agreement with the U.S. Institute of Peace, is supporting ongoing transitions in Burkina Faso, Chad, and Guinea. AF is also engaged in Sudan and Mali, supporting each transition through implementing partners. These initiatives will inform ADAPT and future work in these countries.

*Question.* Noticeably absent from the ALS were U.S. ambassadors to African countries, who remained at post. Who made the decision to keep our ambassadors at their posts in Africa instead of having them attend the ALS alongside the delegations from the African countries they serve in?

*Answer.* Recent practice for summits has been that Chiefs of Mission were not asked to travel back to attend. This was the case for the most recent ASEAN Summit and the Summit of the Americas. The same approach was used for the U.S.-Africa Leaders Summit.

*Question.* What was the rationale for keeping our ambassadors at their posts in Africa instead of having them attend the ALS alongside the delegations from the African countries they serve in?

Answer. Recent practice for summits has been that Chiefs of Mission were not asked to travel back to attend. This was the case for the most recent ASEAN Summit and Summit of Americas. The same approach was used for the U.S.-Africa Leaders Summit.

*Question.* Was keeping our ambassadors at their posts in Africa instead of having them attend the ALS alongside the delegations from the African countries they serve in a missed opportunity?

Answer. The Summit was an opportunity to advance our most pressing issues, both regionally and globally, with leaders from the continent. African leaders were able to interact with the President, Vice President, Cabinet officials, and Members of Congress to discuss numerous new policies and programs that not only aim to help mitigate ongoing crises, but also elevate our partnerships to collaboratively address core challenges.

*Question.* An American citizen, Ryan Koher, has been detained without trial in Mozambique for 3 months. I spoke with President Nyusi about this case on the sidelines of the ALS in December 2022, and he personally promised to examine the situation and report back to me. I also understand that Ambassador Vrooman and others at the U.S. Embassy in Maputo have engaged with Mozambican officials on Mr. Koher's case. Yet, there appears to be no movement toward either charging or releasing him.

Answer. We are aware that a U.S. citizen, Ryan Koher, is detained in Mozambique. The Department is providing all appropriate consular assistance and will continue to monitor Mr. Koher's case closely. Consular officers at our Embassy in Maputo have regularly visited Mr. Koher and remain in communication with his family.

*Question.* How and when does the State Department plan to engage with the Mozambican Government on Mr. Koher's case if there is no forward movement on either charging or releasing him?

Answer. We are aware that a U.S. citizen, Ryan Koher, is detained in Mozambique. The Department of State is providing all appropriate consular assistance and will continue to monitor Mr. Koher's case closely. Consular officers at our Embassy in Maputo have regularly visited Mr. Koher and remain in communication with his family. Senior Department of State officials have stressed to the Government of Mozambique that Mr. Koher must be treated fairly under Mozambican and international law, and the Department will continue to stress this.

*Question.* Tensions have continued to escalate between the Democratic Republic of Congo (DRC) and Rwanda, as the M23 conflict continues to worsen. In January, Rwanda's military fired on a DRC military aircraft, asserting that it had violated Rwandan airspace. Secretary of State Blinken has called on Rwanda to stop supporting the M23 and for DRC officials to end all military cooperation with anti-Rwandan armed groups and counter hate speech against Congolese Rwandaphone communities. You have met several times with Rwanda's Foreign Minister over the past year, including on February 1, 2023, when you "underscored U.S. support for regional mediation on eastern DRC," according to the Department's public readout. The readout also indicated that you

discussed “how to promote stability in the Central African Republic,” where Rwanda has deployed troops under national command and as UN peacekeepers. What is the Administration’s plan for diplomatic engagement to support a decrease in tensions between DRC and Rwanda and an end to the M23 conflict?

*Answer.* We are deeply concerned about the situation in eastern DRC and have been engaging at high levels in support of African-led mediation efforts to deescalate tensions. The Department of State has made it clear to President Kagame and Foreign Minister Biruta that Rwandan support to the M23 rebel group must stop. We are also engaging the Government of the DRC on Rwanda’s stated concerns. We will maintain high-level diplomatic engagement—with a focus on regional mediation efforts—and consider every tool available to accomplish a diplomatic end to the violence in eastern DRC.

*Question.* The Administration adopted an interagency strategy for the Sahel in March 2022. Since then, the security situation in Mali and Burkina Faso has continued to deteriorate, Mali has drawn closer to Russia and the Wagner Group, and Burkina Faso’s military junta has decided to expel French military forces that were working with our military to counter terrorism in the region. What has been the concrete impact of the 2022 Sahel strategy, to date?

*Answer.* The Sahel strategy outlines our medium- and long-term policy and resource investments in the region. Since drafted, conditions on the ground have worsened, requiring us to revise some near-term tactics. Nevertheless, we continue to prioritize activities to strengthen democratic institutions across the region; support sustainable democratic transitions in Burkina Faso, Chad, and Mali; slow the spread of violent extremist organizations southward; and push the Wagner Group from the region. In accordance with the strategy, we are also collaborating more effectively across the interagency and engaging partners in new ways to complement our activities.

*Question.* What is the Administration’s plan for deterring and responding to Russia’s malign influence, including the Wagner Group’s presence, in the Sahel?

*Answer.* We are quite attuned to the threat of the Wagner Group in Africa, and are working closely with U.S. and allied defense, intelligence, and law enforcement partners to identify all the elements of their network and limit the Wagner Group’s ability to continue their criminal exploitation of African resources and abuse of human rights. In order to fully respond to these questions, give you our unvarnished assessment of the network, and present our plan for thwarting them, the Department would like to offer a classified briefing at your convenience.

*Question.* What changes to the Sahel strategy has the Administration made in response to developments on the ground since early 2022?

*Answer.* The countries of the Sahel face a crisis of governance that has enabled the spread of violent extremism. In the long-term, we must confront security challenges by addressing their under-

lying causes. In light of on-the-ground changes, however, we are focused on disrupting and responding to terrorist activity and bolstering criminal justice actors' ability to investigate, prosecute, and adjudicate terrorism-related crimes. Through the Global Fragility Act and the corresponding U.S. Strategy to Prevent Conflict and Promote Stability, we are promoting social cohesion, improving government responsiveness, and enhancing security force responsiveness and accountability.

In Burkina Faso, the transition authorities are being courted by the Wagner Group, which is trying to run the same playbook as it did in Mali. We must encourage Burkina Faso to rely on our likeminded partners, including those in the region, who have an interest in restoring stability as well as returning the country to democratic rule. We are working to expose the Wagner Group's exploitative methods and to highlight its goal to promote its own interests through the extraction of Africa's natural resources, the undermining of democratic processes, and social media campaigns that manipulate public opinions through lies.

RESPONSES OF DR. ELY RATNER TO QUESTIONS  
SUBMITTED BY SENATOR JAMES E. RISCH

*Question. U.S.-China Relations:* The Biden administration has repeatedly said it wants to "put a floor" under its relationship with China and that this floor has never been defined.

What makes the Administration believe this goal is achievable?

Answer. It is not in the People's Republic of China (PRC) or our interest to allow competition to turn into conflict. I do not believe the PRC wants to see tensions with the United States spiral out of control.

*Question.* What does this "floor" consist of?

Answer. We have been clear that we are committed to responsibly managing competition and engaging with PRC officials at the highest levels to ensure this competition does not veer into conflict. The United States will continue to seek open lines of communication with the PRC, even when tensions arise.

*Question.* What is the plan if the "putting a floor" exercise yields no progress?

Answer. DoD remains steadfast in implementing the priorities laid out in the National Defense Strategy through strengthening integrated deterrence, campaigning, and building enduring advantages. We are working to ensure we have the right operational concepts, capabilities, and plans to bolster deterrence and maintain our competitive advantage.

*Question.* The Biden/Xi summit last year was intended to restart or unlock certain avenues of dialogue and communication that had been shut down between the U.S. and China.

What is the current progress?

Answer. After President Biden and President Xi agreed on reopening lines of military-to-military communication between our two countries in November 2023, Chairman Brown spoke with his PRC counterpart for the first time in December 2023, and the De-

partment hosted the 17th U.S.–PRC Defense Policy Coordination Talks in January 2024. The Department will continue to engage in active discussions with PRC counterparts about future engagements between defense and military officials at multiple levels to ensure that competition does not veer into conflict.

*Question.* Have the Chinese taken any action on the discussions from that meeting?

*Answer.* After President Biden and President Xi agreed on reopening lines of military-to-military communication between our two countries in November 2023, Chairman Brown spoke with his PRC counterpart for the first time in December 2023, and the Department hosted the 17th U.S.–PRC Defense Policy Coordination Talks in January 2024. The Department will continue to engage in active discussions with PRC counterparts about future engagements between defense and military officials at multiple levels to ensure that competition does not veer into conflict.

*Question. Spy Balloon:* How are we using this episode to U.S. advantage in our broader competition with China, especially to apply pressure while China is on its back foot here?

*Answer.* I would welcome the opportunity to discuss this matter in a classified setting.

*Question.* Are we seeking to impose diplomatic, reputational, or other costs on China?

*Answer.* The U.S. Government added six PRC entities to the Entity List on February 14 for their support to the PRC’s military modernization efforts, specifically the People’s Liberation Army (PLA) aerospace programs including airships and balloons and related materials and components.

*Question.* Are we putting pressure on them to extract particular concessions? If so, what concessions are on the table?

*Answer.* No, but we are also looking at broader efforts to expose and address the PRC’s larger surveillance activities that pose a threat to our national security, and to our allies and partners.

*Question.* How does the balloon episode affect how the Biden administration plans to pursue “putting a floor” under the relationship?

*Answer.* The President has been clear—we have been and will continue to pursue open lines of communication with the PRC. We will continue to manage the competition between our two countries so it does not veer into conflict, while standing up for our national security, values, and interests.

*Question. Taiwan:* Does the Administration support FMF grants for Taiwan?

*Answer.* The Department supports Taiwan’s efforts to maintain a sufficient self-defense capability and strengthen its resilience. As Foreign Military Financing (FMF) grants are programmed by the Department of State, however, we would respectfully defer this question to the Department of State.

*Question.* Will the President ask for security assistance for Taiwan in his FY24 budget request?

Answer. The Department respectfully defers questions on future fiscal year FMF budget requests to the State Department and the Office of Management and Budget (OMB).

*Question.* Last September, SFRC and SASC sent a request for information to the Administration about Taiwan defense issues. As of today, we know the Departments of State and Defense did the analysis required to answer these questions, but have received nothing.

Why hasn't Congress received information it has asked for?

Answer. In May 2023, the Departments of State and Defense provided their response to Section 5502(e)(1) of the Taiwan Enhanced Resilience Act. The Department of Defense is accelerating the provision of both materiel and non-materiel support to Taiwan to enhance cross-Strait deterrence. Any additional authorities and corresponding appropriations that Congress makes available will only further enable our efforts to meet critical gaps Taiwan faces and bolster its self-defense capabilities.

*Question.* Do you commit to providing us with this information within the next 30 days?

Answer. DoD and its interagency partners are working to provide the requested information as soon as possible.

*Question.* What is your involvement in ensuring swift and proper implementation of the Taiwan Enhanced Resilience Act?

Answer. Department leadership across the Office of the Secretary of Defense (OSD), U.S. Indo-Pacific Command (INDOPACOM), and the Military Departments/Services is focused on bolstering Taiwan's self-defense across the range of capabilities highlighted in the Taiwan Enhanced Resilience Act (TERA). The Office of the Under Secretary of Defense for Policy [OSD(P)] will continue to coordinate these materiel and non-materiel efforts with our interagency partners in an effort to accelerate the provision of support amidst ongoing PRC pressure and coercion.

*Question.* What can we expect to see from the Biden administration in the coming year on enhancing U.S.-Taiwan relations and deterring PRC aggression?

Answer. The Administration will continue to meet our commitments consistent with the Taiwan Relations Act to provide Taiwan with the defense articles and services needed to maintain a sufficient self-defense capability. This includes mobile, distributed capabilities, and corresponding non-materiel support, that best support cross-Strait deterrence. I would welcome the opportunity to discuss this matter further in a classified setting.

*Question. China and Europe:* In last year's NATO Strategic Concept, the Alliance added China as one of its major challenges.

What steps has the alliance taken towards hardening itself against China's cyber and hybrid operations concerns stated in the Strategic Concept?

Answer. NATO serves as a hub for expertise to support and coordinate Allies' efforts to identify national vulnerabilities and strengthen their own resilience to cyber or hybrid operations, including those by the PRC. Among Allies, NATO has an agreed and

evolving set of Baseline Requirements and related Resilience Guidelines, which provide a basis for this work and include PRC challenges, and NATO is now developing more granular resilience objectives to guide Allies' planning. NATO has also increased engagement with its partners in the Indo-Pacific region, including to exchange experience on national approaches to countering hybrid threats from the PRC.

*Question.* How is the Defense Department contributing to this effort?

*Answer.* The Department is active in the interagency process developing U.S. policies and positions to bolster those NATO documents and activities. The Department also contributes substantial expertise and intelligence in NATO as well as bilaterally to improve Allies' ability to detect and attribute cyber and hybrid operations from the PRC and to inform their national resilience efforts.

*Question.* It has become increasingly clear that China is helping Russia evade U.S. and allied sanctions. This is particularly true on our export controls, which are designed to keep Russia from procuring the items—like semiconductors and electronic circuitry—that help its war machine run.

What steps is the U.S. Government taking to put an end to China's assistance of Russia's war in Ukraine?

*Answer.* The U.S. Government has taken important steps to respond to the PRC's assistance to Russia's war in Ukraine. For example, on February 24, the U.S. Government released a package of Entity List additions, which called out five PRC entities and three of their overseas subsidiaries for significantly contributing to Russia's military and/or defense industrial base.

*Question.* Has the Administration considered using secondary sanctions on China for the increase in shipments and trans-shipments of these items to Russia?

*Answer.* The Specially Designated Nationals and Blocked Persons (SDN) List is maintained by the Department of Treasury. The Department would therefore defer questions on the use of secondary sanctions to the Department of the Treasury.

*Question.* Is it the Department's assessment that Russia's experience in Ukraine is accelerating Xi Jinping's sense of urgency to achieve peaceful or forceful unification of Taiwan?

*Answer.* No.

*Question.* What potential diplomatic blind spots have been identified within the U.S. and the PRC's responses to a cross-Strait conflict based on lessons learned from the Russian invasion?

*Answer.* I would welcome the opportunity to discuss this matter further in a classified setting.

*Question.* What potential political blind spots have been identified within the U.S. and the PRC's responses to a cross-Strait conflict based on lessons learned from the Russian invasion?

*Answer.* I would welcome the opportunity to discuss this matter further in a classified setting.

*Question.* How are we addressing U.S. shortfalls and exploiting China's blind spots?

*Answer.* I would welcome the opportunity to discuss this matter further in a classified setting.

*Question. China and Africa:* What is the status of China's efforts to establish additional military (including naval) basing infrastructure in Africa?

*Answer.* We are closely following the PRC's overseas basing ambitions globally. Further details related to this matter would be more appropriate to discuss in a classified setting.

*Question.* How has the Administration responded to these efforts, including construction of dual-use infrastructure?

*Answer.* The Administration engages foreign governments considering such arrangements to ensure that they understand the risks associated with hosting a PLA presence, and urges foreign governments to closely review PRC investments in potential dual-use infrastructure to ensure it does not become an entry point for PRC military equipment or personnel.

*Question.* Are there sufficient U.S. personnel, legal authorities, and financial resources available for these efforts? If not, please explain.

*Answer.* U.S. Africa Command (AFRICOM) remains postured to meet current Department priorities in Africa. The Department will continue to evaluate appropriate personnel, legal authority, and financial requirements to address PRC overseas basing ambitions in Africa.

*Question.* Have there been instances when PRC military personnel have threatened or impeded U.S. personnel in Africa? If so, how has the United States responded?

*Answer.* PLA personnel at its base in Djibouti have violated international norms by lasing U.S. military equipment, and the PRC has sought to restrict Djiboutian sovereign airspace over the base. The Department has coordinated on a demarche to the PRC condemning the incidents and has increased operational security measures at Camp Lemonnier in response to PLA actions.

*Question.* What plans are in place for responding to PRC military personnel threatening or impeding U.S. personnel in Africa in the future?

*Answer.* This topic would be more appropriate to discuss in a classified setting.

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RESPONSES OF MS. WENDY SHERMAN TO QUESTIONS  
SUBMITTED BY SENATOR JEANNE SHAHEEN

*Question.* In order to effectively compete with China, the United States must provide strong economic support to help countries resist the seemingly attractive deals that China provides. That is why last year, I introduced the Transatlantic Telecommunications Security Act, which would offer U.S. financing to Eastern European countries to invest in trusted and secure 5G networks to protect the transatlantic telecommunications infrastructure, and why I am



proud to co-sponsor the Increasing American Jobs through Greater Exports to Africa Act to require a strategy to significantly increase trade to Africa, Latin America and the Caribbean. What is your message to countries in central and Eastern Europe in particular—including those contending with challenges to safeguarding their own fragile democracies—who are most vulnerable to low-cost options like Huawei and looking for U.S. support for trusted, alternative options to Chinese infrastructure?

*Answer.* The United States is deeply concerned about the dangers of installing networks with equipment that can be manipulated, disrupted, or controlled by the PRC, which has no regard for privacy or human rights. Huawei has a history of unethical, unlawful, and otherwise inappropriate behavior. The United States is committed to working with allies and partners to develop alternatives to PRC telecommunication networks such as Huawei, and I am encouraged that many countries in Eastern and Central Europe have already taken steps to limit Huawei's presence.

*Question.* As part of the Administration's efforts to adapt our agencies to compete more effectively with China, how can the Development Finance Corporation's (DFC) remit and authority be expanded to increase the number of countries we can invest in?

*Answer.* The *BUILD Act* of 2018 created DFC to help address global development challenges and foreign policy priorities of the United States. As the Chair of DFC's board, the Secretary of State has worked to create a framework for DFC to support strategic projects in upper-middle income countries if the projects meet certain developmental criteria or strategic priorities, in order to enable DFC to help meet the geostrategic moment.

*Question.* I welcome the Administration's efforts to partner with multilateral institutions, particularly the European Union and NATO, to address and respond to China and keep ahead of China's technological and military advancements. Please describe the Administration's efforts to coordinate with NATO and the European Union to advance our Indo-Pacific strategy and align our efforts in confronting China's military and economic ambitions.

*Answer.* Through the U.S.-EU Trade and Technology Council, Dialogue on China, and the High-Level Consultations on the Indo-Pacific, the United States and EU are working together to address pressing challenges, including those posed by the PRC. Together with our Allies and partners, we have emphasized the importance of maintaining peace and stability in the Taiwan Strait, which the PRC undermines through repeated provocations.

We continue to coordinate with our Allies in NATO and the Indo-Pacific to understand and counter threats posed by the PRC.

*Question.* What opportunities are there for the NATO Alliance to live up to the concerns raised in the 2022 Strategic Concept, which identifies China as a threat to our common security, and support security and democracy in the Indo-Pacific while responding to the acute threat of Russian aggression?

*Answer.* At the 2022 NATO Summit, Allies highlighted the importance of countering threats to Allies' collective defense from all directions, and recognized the PRC's stated ambitions and policies

challenge our interests, security, and values. Allies committed to work together to address these systemic challenges, and are considering the PRC's military developments, technological advances, growing cyber and hybrid activities, and Allied resilience to these activities, in various committees. NATO is also continually engaging with its partners in the Indo-Pacific to increase coordination on shared security challenges.

*Question.* Beijing and Moscow's declaration of a "no limits" strategic partnership—a declaration that was made 1 year ago this week—is cause for significant concern. One year later, does the Administration see any reluctance by Beijing to continue developing this partnership with Putin?

*Answer.* Secretary Blinken used his travel to the Munich Security Conference to reinforce our concern and the potential repercussions of the PRC materially supporting Russia's war effort. We have made clear to the PRC there would be real consequences in our relationship if the PRC were to provide Russia lethal assistance or systematic assistance evading sanctions. We have already sanctioned the PRC firm Spacety for providing satellite imagery to Wagner forces in Ukraine, and we continue to monitor this space very closely.

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RESPONSES OF MS. WENDY SHERMAN TO QUESTIONS  
SUBMITTED BY SENATOR MARCO RUBIO

*Question.* General Secretary Xi is correctly regarded as the most ideological Chinese Communist Party leader since Mao Zedong. He has personally tasked the Party with "liberating all of humanity" and to serve as the "gravediggers of capitalism." He is pushing the People's Liberation Army (PLA) to focus its efforts on countering the "powerful enemy adversary," which the U.S.-China Economic and Security Review Commission argues is a code word for the U.S. Is General Secretary Xi a partner with the U.S.?

*Answer.* The PRC is the greatest geopolitical challenge the United States faces because it is the only competitor with the intent and increasingly the capability to remake the rules-based international order. Under President Xi, the Chinese Communist Party has become more repressive at home and more aggressive abroad in challenging the interests and values of the United States and our allies and partners. We will continue to defend our interests, values, and affirmative vision for the world. At the same time, we recognize that how the United States and the PRC manage our relationship in the coming years will have consequences for the entire world. That is why competition with Beijing will not preclude cooperation in areas where our interests intersect, including on transnational challenges.

*Question.* Do you believe General Secretary Xi when he says he wants the Party to serve as a "gravedigger of capitalism"?

*Answer.* There is no doubt that the United States is engaged in a vigorous economic competition with the PRC. We are focused on concerns with Beijing's market-distorting policies and practices, including subsidies and market access barriers, forced technology

transfer, and IPR theft, which the PRC Government has used for years to gain competitive advantage. PRC- based companies enjoy far greater access to our markets than our companies have in China; the lack of reciprocity is unacceptable and unsustainable. The President will use all the tools at his disposal and develop new tools as needed to defend U.S. economic interests, create reciprocity, and ensure a level playing field for U.S. workers.

*Question.* Many U.S. allies and partners, from Colombia to India, to Thailand, depend on Soviet-era military equipment. Ukraine, a former Soviet state that also was home to a large share of the Soviet Union's defense industry, was a critical source of parts and components needed to maintain this equipment. Russia's ongoing war against Ukraine now means our allies overseas will struggle to maintain their military readiness. How has your Department responded to requests from allied and partner countries to upgrade their equipment?

*Answer.* We are working with a variety of foreign partners to potentially reduce the reliance on Russian-origin equipment through transfers of U.S.-origin defense articles. In some cases, depending on the condition and willingness of the partner nation, those Russian-origin articles may subsequently be transferred to Ukraine. However, this process is not universal, and frequently the sequencing of these transfers is impacted by the time it takes to get replacement defense articles to the donating partners.

*Question.* Has the State Department swiftly conveyed this need to the Department of Defense and our domestic defense industry?

*Answer.* Yes. We are in constant contact with both the Department of Defense and defense industry partners on this issue.

*Question.* How are we communicating to allies and partners that our defense industry is ready and able to maintain our own national defense stockpiles as well as supply their needs?

*Answer.* We communicate this message to our partners both directly and indirectly. We directly meet with foreign partners to discuss potential capability gaps that the United States could fulfill in support of our own foreign policy and national security objectives. Indirectly, we signal this ability by issuing marketing licenses to U.S. industry in support of partners' own independent pursuits, which still supports our foreign policy and defense strategy goals.

*Question.* This week, public reporting shows that state-owned companies in China are providing navigation equipment, jamming technology, and jet-fighter parts to sanctioned Russian companies. Just one example is the Chinese firm AVIC International Holding Corporation, which, according to public trade records, shipped \$1.2 million worth of parts for Su-35 fighters in October 2022 to a subsidiary of Rostec, a company sanctioned by the Administration last June. Despite this clear evidence, the Administration has not yet sanctioned nearly enough Chinese entities providing material support to Russia or Russian proxies. Instead, there is some indication that the Administration sees China as a potential partner on resolving the Ukraine crisis, which makes absolutely no sense based on everything we've seen and know. Do you believe that we can de-

pend on Beijing to enforce international sanctions on Russia? What is the Administration doing to expose Chinese support for Russia's invasion to our allies and partners?

Answer. Secretary Blinken used his travel to the Munich Security Conference to reinforce our concern and potential repercussions of the PRC materially supporting Russia's war effort. We have made clear to the PRC there would be real consequences in our relationship if the PRC were to provide Russia lethal assistance or systematic assistance evading sanctions. We have already sanctioned the PRC firm Spacety for providing satellite imagery to Wagner forces in Ukraine, and Secretary Blinken has been clear that we continue to monitor this space very, very closely.

*Question.* This Administration's stance on advancing human rights in China has been lackluster. I would note that in 2021, the *Washington Post* reported that you personally lobbied against my bipartisan Uyghur Forced Labor Prevention Act (UFLPA), apparently out of fear that the law would damage ties with Beijing. Fortunately, we were able to pass that law and we are working on its implementation. Although I believe the Forced Labor Task Force is trying to do the right thing, I fear that they are not getting enough support from the Administration. Do you support the full implementation of the UFLPA?

Answer. Yes. In April of last year, we submitted to Congress a report outlining the United States' diplomatic strategy to address forced labor in Xinjiang, as required by the UFLPA. Our strategy adopts a whole-of-government approach to increasing awareness and addressing forced labor as one of the many human rights abuses being committed amidst the ongoing genocide and crimes against humanity in Xinjiang. We continue to work with CBP and interagency colleagues to enhance their enforcement of UFLPA. We also continue to rally our allies and partners to make global supply chains free from the use of forced labor, to speak out against atrocities in Xinjiang, and to join us in calling on the government of the PRC to immediately end atrocities and human rights abuses, including forced labor.

*Question.* Does the Administration still hold that the Chinese Communist Party's actions against Uyghurs and other ethnic groups constitute genocide?

Answer. Yes. The Secretary of State determined in January 2021 that the Government of the PRC has committed genocide and crimes against humanity against Uyghurs and members of other ethnic and religious minority groups in Xinjiang. This position has not changed.

The ongoing crimes against humanity include imprisonment, torture, enforced sterilization, and persecution, including the use of forced labor and the imposition of draconian restrictions on the freedoms of religion or belief, expression, and movement.

*Question.* How are you holding Beijing accountable for its crimes against Uyghurs and other ethnic groups?

Answer. We continue to work with partner states and in multilateral fora to promote accountability for the PRC's ongoing genocide and crimes against humanity against Uyghurs and members

of other ethnic and religious minority groups in Xinjiang, and other human rights abuses throughout China. Human rights are highlighted in every high-level engagement with the PRC. The U.S. Government continues to take actions which include but are not limited to visa restrictions, financial sanctions, export controls, import restrictions, and the release of a business advisory to warn U.S. companies of the potential reputational, economic, and legal risks of conducting business with entities tied to Xinjiang.

*Question.* Sanctioned Hong Kong Chief Executive John Lee made clear that he does not intend to enforce U.S. sanctions against foreign actors entering the city-state after he allowed Russian oligarch Alexei Mordashov to dock his yacht in Hong Kong. What is the U.S. doing to counter Hong Kong's blatant sanctions evasion?

*Answer.* We have been clear that we are prepared to act against sanctions evasion and backfilling, as well as act against those who provide material support to sanctioned entities and individuals. We will continue to consider sanctions on individuals or entities helping to prop up Russia's military-industrial complex and support its illegal war against Ukraine.

*Question.* Does the U.S. plan to grant a waiver to Chief Executive John Lee to attend the APEC Summit in San Francisco in November?

*Answer.* The United States plans to invite Hong Kong Chief Executive John Lee to attend APEC. As the host, we believe it is important to foster regional economic dialogue and for the United States and the PRC to work together to maintain global macro-economic stability. However, an invitation to APEC does not absolve individuals of their role in undermining Hong Kong's autonomy and eroding protected rights and freedoms in Hong Kong. We will continue to raise our concerns and work with allies to press Beijing and Hong Kong authorities to restore Hong Kong's high degree of autonomy and rule of law.

*Question. Hong Kong Attendance at 2023 APEC Leaders' Meeting:* Does the U.S. plan to grant a waiver to Chief Executive John Lee to attend the APEC Summit in San Francisco in November?

*Answer.* The United States remains deeply concerned about the deterioration of protected rights and freedoms and the grave restrictions on Hong Kong's autonomy under the National Security Law. As host of APEC in 2023, the United States has committed to work towards participation of delegations from the 21 member economies in APEC events, but has consistently made clear this participation must be in accordance with U.S. laws and regulations, including with respect to sanctions. The United States has not issued invitations and has not made any commitments regarding invitations to the APEC Economic Leaders' Week program in November. The Administration will continue to consult closely with Congress on this issue.

*Question.* Similarly, how does the U.S. plan to ramp up efforts to target Hong Kong's practice of money laundering for rogue regimes like Russia, North Korea, Iran, Burma, and others?

*Answer.* Addressing money laundering threats is a priority for the Department. We work closely with Treasury and Justice to pro-

mote implementation of standards relating to money laundering and support programs to increase the capacity of foreign law enforcement, financial intelligence units, and policy makers across the world to counter money laundering and illicit finance by state and non-state actors, including those with a PRC link. We are evaluating opportunities to increase capacity building efforts directed at modalities or criminal actors associated with rogue states.

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RESPONSES OF DR. ELY RATNER TO QUESTIONS  
SUBMITTED BY SENATOR MARCO RUBIO

*Question.* General Secretary Xi is correctly regarded as the most ideological Chinese Communist Party leader since Mao Zedong. He has personally tasked the Party with “liberating all of humanity” and to serve as the “gravediggers of capitalism.” He is pushing the People’s Liberation Army (PLA) to focus its efforts on countering the “powerful enemy adversary,” which the U.S.-China Economic and Security Review Commission argues is a code word for the U.S.

How can the U.S. military prepare to deter a PLA whose goal is to counter “the powerful enemy adversary” when others in the Administration are focused on striking a climate deal with General Secretary Xi?

*Answer.* The Department of Defense is implementing the President’s National Security Strategic Guidance and the Secretary of Defense’s National Defense Strategy, the latter of which recognizes the People’s Republic of China (PRC) as the Department’s pacing challenge. The Department is posturing the Joint Force for a long-term competition with the People’s Liberation Army (PLA), with the intent to deter aggression against our interests both now and in the future.

*Question.* A few weeks ago, a report by the Center for Strategic and International Studies concluded that the war in Ukraine has severely depleted both American and European stocks of munitions critical for a conventional war. This is especially cause for concern given that the Chinese Communist Party is stepping up aggressive behavior in the Indo-Pacific, including towards Taiwan and India. It is my belief that deterring Beijing in the region must be the top priority for the U.S. and our assistance to Ukraine—though important—should not come at the cost of leaving us unprepared deterring China or degrade the ability of the U.S. to defend ourselves at home.

What capabilities are the U.S. sending that would also be needed to deter a Chinese attack against Taiwan?

*Answer.* Support to Ukraine and support to Taiwan are not mutually exclusive, and all decisions on assistance provided to Ukraine are made with consideration of our readiness requirements around the globe. We continue to diligently work to provide asymmetric capabilities to Taiwan, including anti-ship missiles, command and control networks and secure communication systems, data links, early warning radar, and integrated air and missile defense, as fast as possible—while also supporting Ukraine to defend itself against Russian aggression.

*Question.* What steps is the Administration taking to ensure that U.S. stockpiles are quickly replenished to ensure that the U.S. is prepared for another major conflict and to defend itself?

*Answer.* Thanks to congressional support, the Department is replenishing stocks of munitions transferred to Ukraine. The Department is working with industry to increase production of certain capabilities to continue meeting the needs of Ukrainian forces, while ensuring the United States is ready to defend itself and our Allies and partners.

The Reed-Inhofe Amendment, or Section 1244 within the 2023 NDAA, granted the Department the authority to execute multiyear procurements for our most critical munitions. In PB24, the Department proposed investments of \$30.6B in munitions—over a 300 percent increase in munitions investments since FY15 and a 24 percent increase over PB23. PB24 also requested several multi-year procurements—and associated industrial base investments.

Authorizing suppliers to acquire long-lead-time items in advance reduces future production times and establishes additional U.S. and allied sources for critical components. Long-term industrial base resilience will depend on increased use of these authorities, as well as consistent buying behavior, to send the appropriate demand signals to industry.

*Question.* Have the militaries of Taiwan, or our other allies and partners in the Indo-Pacific region, requested any of the capabilities and equipment we are providing Ukraine?

*Answer.* Although Taiwan and U.S. Indo-Pacific allies and partners have procured, or are in the process of procuring, capabilities the United States is providing to Ukraine, there have not been major impacts to Foreign Military Sales (FMS) cases caused by our support to Ukraine.

*Question.* If so, how is the Department handling competing Foreign Military Sales requests between our Indo-Pacific allies and partners and our European allies? Which are being prioritized for fulfillment?

*Answer.* FMS deliveries are based on the agreed-upon estimated delivery and payment schedules within the implemented Letter of Offer and Acceptance agreement. While the Department has the authority to reorder FMS delivery schedules, doing so presents various financial, programmatic, and policy complications that require careful consideration regarding the impact to our foreign ally/partner. Any reprioritization on account of strategic and operational needs will be assessed at very senior levels of the Department.

*Question.* Recently, many experts have assessed that China is actively preparing a military invasion of Taiwan. Senior military officers have suggested the invasion could occur as early as 2025.

Given that short timeframe, what steps has the Department of Defense and the service branches, particularly the Air Force and Navy, taken to ensure the readiness of our forces in Asia?

*Answer.* Our armed forces are manned, trained, and equipped to execute the strategic objectives in the Secretary of Defense's National Defense Strategy which recognizes the PRC as the Department's pacing challenge. Building and maintaining our strategic

advantage in the Indo-Pacific region requires that we remain prepared to confront challenges in the near term, while ensuring that we are taking the steps necessary to be ready in the future. I would welcome the opportunity to discuss this matter further in a classified setting.

*Question.* Does the Department of Defense have the correct weapons systems in the region to defeat a PLA amphibious or airborne assault on Taiwan? If not, what actions are being taken?

*Answer.* The Department is strengthening our forward presence in the Indo-Pacific region while making it more distributed and resilient. That will require the right mix of capabilities, warfighting concepts, and—over time—force design to realize our strategy. I would welcome the opportunity to discuss this matter further in a classified setting.

*Question.* Has the Department taken steps to harden our facilities in Guam and Japan so they can continue to be effective should China attempt to prevent U.S. military support to Taiwan?

*Answer.* The Department is working to strengthen the resiliency, survivability, and sustainability of infrastructure on U.S. bases, including in the Indo-Pacific region.

Specifically, the President's Budget for Fiscal Year 2023 (FY 2023) included \$1.2 billion in Pacific Deterrence Initiative (PDI) funding for infrastructure improvements in Guam, Japan, the Commonwealth of the Northern Mariana Islands, and Australia, which will enhance the resiliency and responsiveness of U.S. forces in the Indo-Pacific region. The President's Budget request for FY 2023 also included over \$850 million in PDI funding for continued development of integrated air and missile defense capabilities, including \$539 million for the defense of Guam. We appreciate Congress's continued partnership and support as we build on these investments going forward.

To implement these priorities, the Department is also supportive of Japan's initiatives to increase Japanese base resiliency, as part of Japan's December 2022 National Defense Strategy.

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RESPONSES OF MS. WENDY SHERMAN TO QUESTIONS  
SUBMITTED BY SENATOR TODD YOUNG

*Question.* Are you concerned about the safety of American traveling through Russian airspace?

*Answer.* The Department is concerned about foreign carriers that continue to overfly Russia on routes to and from the United States. We continue to track the issue closely with interagency colleagues to identify potential responses consistent with our domestic and international legal obligations.

*Question.* Do you think Russia would consider taking military action against a carrier flying in their airspace with Americans on board as a potential retaliatory action?

*Answer.* While we cannot predict what Russia might do in the wake of its unprovoked and unjustified further invasion of Ukraine, a top priority remains the protection of U.S. citizens traveling overseas. We have conveyed this directly in our engagements with the



Russian Government. We continue to track airspace issues closely with interagency colleagues to ensure the safety of all Americans.

*Question.* What level of escalation from Russia will it take for the Administration to take steps to ensure Americans flying to the United States are protected?

*Answer.* Protecting the safety and security of U.S. citizens traveling abroad remains our top priority. We have conveyed this directly in our engagements with the Russian Government, and, as evidenced by our travel warning, we continue to caution U.S. citizens not to travel to Russia.

*Question.* Should the United States restrict any foreign carrier travelling to or from the United States from using Russian airspace and how would such a policy impact U.S. carriers' ability to compete?

*Answer.* The Department is concerned about third country air carriers that operate flights to and from the United States via Russian airspace. We continue to track and coordinate closely with interagency colleagues to identify potential responses consistent with domestic and international legal obligations.

*Question.* There is a legal opinion that the Administration has authority to restrict air carriers' use of Russian airspace for flights traveling to or originating from the United States under the International Emergency Economic Powers Act. Have you considered using this or any other authority to protect Americans travelling to the U.S.?

*Answer.* The Department is concerned about foreign air carriers that operate flights through Russian airspace on routes to and from the United States. We, along with interagency colleagues, continue to explore potential responses consistent with domestic and international legal obligations.

*Question.* We understand senior Administration officials have decided not to take any further action restricting non-U.S. flag carriers for geopolitical reasons. These officials understand how this puts U.S. carriers at a disadvantage with their Chinese competitors—but they cited concerns how such an action could push China closer to Russia. Isn't China's alliance with Russia already well-documented?

*Answer.* We continue to track the issue closely with interagency colleagues to identify potential responses consistent with domestic and international legal obligations. We have been deeply concerned about the PRC and Russia's "no limits" partnership, announced just weeks before Russia's invasion of Ukraine, and we remain vigilant as their partnership grows. We are concerned that among the lack of limits would be PRC support for Russia's war against Ukraine. We continue to monitor this space very closely.

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RESPONSES OF MS. WENDY SHERMAN TO QUESTIONS  
SUBMITTED BY SENATOR CHRIS VAN HOLLEN

*Question.* Treasury Secretary Yellen spoke last year of the importance of "friend- shoring"—bringing global supply chains to trusted

countries in order to secure market access. There has been progress on this through the Minerals Security Partnership from last summer. In a related development, the U.S. recently signed an MOU with DRC and Zambia on electrical vehicle battery supply chains, which will support DRC and Zambia to build a productive supply chain using their natural resources, instead of relying on the PRC to refine the raw materials. Where is the U.S. working to enact friend shoring agreements with countries in possession of domestic resources, in an effort to break PRC's global dominance on critical minerals refining? Who in the State Department is responsible for leading this effort?

Answer. The Department's Under Secretary for Economic Growth, Energy, and the Environment Jose Fernandez leads the Minerals Security Partnership (MSP) and our efforts to diversify global critical minerals refining away from the PRC. The MSP is assessing several projects to diversify supply chains that are dominated by any one country; however, this proceeds at the project-level, not country-level. Apart from the DRC-Zambia MOU, we are not aware of similar agreements.

*Question.* Taiwan is the United States' largest trading partner with whom we do not currently have an income tax treaty. The U.S. already has multiple tax agreements in place with Taiwan, including a transportation income tax agreement and an agreement to facilitate implementation of the Foreign Account Tax Compliance Act (FATCA). Last year, former Senator Sasse and I introduced a resolution encouraging the President to begin negotiating a tax agreement with Taiwan in order to promote business and among other things, to secure our semiconductor supply chain. U.S. and Taiwanese businesses are double-taxed due to the lack of a formal joint tax agreement, which is hurting Americans. Does the State Department support beginning negotiations with Taiwan for a tax agreement? How would such an agreement boost bilateral trade and investment, and our mutual security and prosperity?

Answer. We are aware of the double taxation concerns raised by the private sector and by our Taiwan counterparts. The Department of State is working with the Department of the Treasury and other agencies to address these issues and looks forward to engaging with Congress. Taiwan is a critical economic partner in areas such as semiconductors, and we will continue to explore ways to deepen our longstanding trade and investment relationship.

*Question.* You have been very clear about the State Department's concerns with the PRC's actions in the telecommunications marketplace, particularly in developing nations. PRC is pushing Huawei around the world, and you have noted that "when countries choose Huawei, they are potentially giving up their sovereignty." Can you expand on the threat posed by PRC telecoms like Huawei, and what sovereignty countries surrender when they choose PRC companies?

Answer. The United States is deeply concerned about the dangers of installing networks with equipment that can be manipulated, disrupted, or controlled by the PRC, which has no regard for privacy or human rights. Huawei has a history of unethical, unlawful, and otherwise inappropriate behavior, including intellectual

property theft. When countries choose companies like Huawei, they are turning over their data to another country and subjecting their sovereignty to interference from the PRC.

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RESPONSES OF MS. WENDY SHERMAN TO QUESTIONS  
SUBMITTED BY SENATOR BILL HAGERTY

*Question.* Was there any internal disagreement within the State Department—for example, between the EAP Bureau and INL Bureau—on whether to omit China and Chinese entities in Secretary of State Antony Blinken’s press statement titled “U.S. to Sanction Three Fentanyl Traffickers Contributing to the U.S. Opioid Crisis” (January 30, 2023)? Please begin your answer with a “Yes” or “No.” If “Yes,” please describe in detail. In the rollout of sanctions against three Mexican drug traffickers on January 30, 2023—less than a week before Secretary Blinken’s planned trip to China—the Treasury Department’s press statement titled “Treasury Sanctions Three Fentanyl Traffickers Contributing to the U.S. Opioid Crisis (January 30, 2023) explicitly named (<https://home.treasury.gov/news/press-releases/jy1229>) Chinese entities (“OFAC-designated Chinese chemical transportation company Shanghai Fast-Fine Chemicals”) and prominently cited (<https://home.treasury.gov/news/press-releases/jy1229>) the Mexican drug traffickers’ importation of “precursor chemicals from China into Mexico, which are then used to manufacture synthetic drugs, including fentanyl,” while the Secretary of State’s parallel press statement omitted any mention (<https://www.state.gov/u-s-to-sanction-three-fentanyl-traffickers-contributing-to-the-u-s-opioid-crisis/>) of China’s involvement in fentanyl proliferation or links of Chinese entities to the sanctioned Mexican drug traffickers.

*Answer.* Any press statement is the result of a standard clearance process that incorporates input from across all relevant elements of the Department.

*Question.* Does the State Department support the full implementation of the up-to-\$2 billion in grants of Foreign Military Financing (FMF) to Taiwan between now and 2027 that was authorized in SFRC Chairman Robert Menendez’s Taiwan Enhanced Resilience Act (“TERA” or the “Menendez Law”)? Please begin your answer with a “Yes” or “No.”

*Answer.* I cannot prejudge the President’s budget request, but as a general matter, we have been quite clear that our support for Taiwan is firm, and we are committed to working with Congress to explore any avenue for bolstering our assistance. We look forward to discussing the FY 2024 budget request after the President releases it in early March 2023.

*Question.* Does the State Department support the President’s Budget request for Fiscal Year 2024 including a request to fund the up-to-\$2 billion in grants of Foreign Military Financing (FMF) to Taiwan between now and 2027 that was authorized in SFRC Chairman Robert Menendez’s *Taiwan Enhanced Resilience Act* (“TERA” or the “Menendez Law”)? Please begin your answer with a “Yes” or “No.”

Answer. It would be premature for me to get ahead of the President's budget request, but as a general matter, we have been quite clear that our support to Taiwan is firm, and we are committed to working with Congress to explore avenues for bolstering our assistance. We look forward to discussing the FY 2024 budget request after the President releases it in early March 2023.

*Question.* Does the State Department support the full implementation of annual \$1 billion in Presidential Drawdown Authority (PDA) to support Taiwan that was authorized in SFRC Chairman Robert Menendez's *Taiwan Enhanced Resilience Act* ("TERA" or the "Menendez Law")? Please begin your answer with a "Yes" or "No."

Answer. Yes, the Department recognizes that the drawdown authority is one of the U.S. Government's most valuable tools to quickly provide defense articles to foreign partners. There are numerous policy and national security implications the United States must consider before the President decides whether to authorize a drawdown. The Pentagon, State Department, and interagency partners closely review all potential security cooperation tools, including the drawdown authorities, to decide the most appropriate mechanisms to support Taiwan.

*Question.* On the implications of China's High-Altitude Platform System (HAPS) that Violated U.S. Sovereignty for 7 Days: What is the State Department's position on the vertical limits of national sovereignty? In other words, at what altitude does outer space end and U.S. sovereignty in "near space" begin in the State Department's view?

Answer. International law does not delimit the precise vertical boundary where national airspace ends and outer space begins, although some states and commentators use a notional line at 100 kilometers. That said, the PRC surveillance balloon's operations were well within U.S. territorial airspace and its entry into that airspace without authorization was a clear violation of U.S. sovereignty and international law.

*Question.* Are you concerned about the safety of American traveling through Russian airspace? Do you think Russia would consider taking military action against a carrier flying in their airspace with Americans on board as a potential retaliatory action? When Russia's campaign into Ukraine began, the FAA closed U.S. airspace to Russian carriers and Russia responded by closing its airspace for our carriers. However, nothing has been done to address other foreign carriers using Russian airspace to travel to the United States, often with American citizens on board those carriers. There are American citizens at JFK, LAX, and other airports right now getting ready to board flights that will go through Russian airspace.

Answer. The protection of U.S. citizens traveling overseas is a top priority for the Department. We are concerned about foreign carriers that continue to overfly Russia on routes to and from the United States. We continue to track the issue closely with interagency colleagues to identify potential responses consistent with domestic and international legal obligations.

*Question.* Are you concerned that the current policy negatively impacts U.S. carriers ability to compete since they cannot use Russian airspace? Some have argued that the most prudent action be to restrict any foreign carrier traveling to or from the United States from using Russian airspace.

Answer. The Department shares concerns regarding the impact on the competitiveness of the U.S. aviation industry due to other countries that permit their carriers to overfly Russia. We continue to track and coordinate closely with interagency colleagues to identify potential responses consistent with domestic and international legal obligations.

*Question.* Has the Executive Branch considered using the International Emergency Economic Powers Act (IEEPA) or any other authority to restrict any foreign carrier traveling to or from the United States from using Russian airspace?

Answer. The Department is concerned about third-country air carriers that operate flights via Russian airspace on routes to and from the United States. We continue to track and coordinate closely with interagency colleagues to identify potential responses consistent with domestic and international legal obligations.

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RESPONSES OF DR. ELY RATNER TO QUESTIONS  
SUBMITTED BY SENATOR BILL HAGERTY

*Question.* *On the Defense Department's Position on Full Implementation of SFRC Chairman Robert Menendez's Taiwan Enhanced Resilience Act ("TERA" or the "Menendez Law"):* Does the Defense Department support the full implementation of the up-to-\$2 billion in grants of Foreign Military Financing (FMF) to Taiwan between now and 2027 that was authorized in SFRC Chairman Robert Menendez's *Taiwan Enhanced Resilience Act* ("TERA" or the "Menendez Law")? Please begin your answer with a "Yes" or "No."

Answer. The Department supports Taiwan's efforts to maintain a sufficient self-defense capability and strengthen its resilience. As FMF grants are programmed by the Department of State, however, we would respectfully defer this question to the Department of State.

*Question.* Does the Defense Department support the President's Budget request for Fiscal Year 2024 including a request to fund the up-to-\$2 billion in grants of Foreign Military Financing (FMF) to Taiwan between now and 2027 that was authorized in SFRC Chairman Robert Menendez's *Taiwan Enhanced Resilience Act* ("TERA" or the "Menendez Law")? Please begin your answer with a "Yes" or "No."

Answer. The Department respectfully defers questions on future fiscal year FMF budget requests to the State Department and the Office of Management and Budget (OMB).

*Question.* Does the Defense Department support the full implementation of annual \$1 billion in Presidential Drawdown Authority (PDA) to support Taiwan that was authorized in SFRC Chairman Robert Menendez's *Taiwan Enhanced Resilience Act* ("TERA" or

the “Menendez Law”)? Please begin your answer with a “Yes” or “No.”

Answer. Yes—the Department supports using all available authorities and corresponding appropriations, in coordination with interagency partners, to bolster Taiwan’s self-defense capabilities.

*Question.* Does the Defense Department support the President’s Budget request for Fiscal Year 2024 including a request to fund the annual \$1 billion in Presidential Drawdown Authority (PDA) to support Taiwan that was authorized in SFRC Chairman Robert Menendez’s Taiwan Enhanced Resilience Act (“TERA” or the “Menendez Law”)? Please begin your answer with a “Yes” or “No.”

Answer. Yes, the Department supports the appropriation of replenishment funds to match this PDA authority. However, I must defer questions on future budget requests to OMB.

*Question.* *On the Implications of China’s High-Altitude Platform System (HAPS) that Violated U.S. Sovereignty for 7 Days:* The U.S. Space Force has said that the domain of space they are responsible for starts at 100 kilometers (a.k.a. the “Karman Line”). What is the Defense Department’s position on the vertical limits of national sovereignty below the domain of space? In other words, at what altitude does outer space end and U.S. sovereignty in “near space” begin in the Defense Department’s view? I request an unclassified answer, but also welcome any elaboration in classified annex.

Answer. As noted, the United States continues to hold the view that there is no need to seek a legal definition or delimitation as to where airspace ends and outer space begins. Although there is not a demarcation point, there are two distinct bodies of law that apply to airspace and outer space. States exercise sovereignty over their airspace.

*Question.* Does the Defense Department believe that the United States should have the means to patrol and control who and what flies above the United States and its territories in near space—at high-altitudes below the Karman line, but well above commercial airspace? I request an unclassified answer, but also welcome any elaboration in classified annex.

Answer. As noted, the United States continues to hold the view that there is no need to seek a legal definition or delimitation as to where airspace ends and outer space begins. Although there is not a demarcation point, there are two distinct bodies of law that apply to airspace and outer space. States exercise sovereignty over their airspace.

*Question.* *On Improving Information Sharing with Japan:* In November 2022, a Japanese news source reported that the Japan-based Secom Group—under contracts with Japan’s Defense Ministry—has installed “made-in-China” Hikvision surveillance cameras in various parts of Japan, and described risks of potential information leaks related to economic security. Moreover, in January 2023, the same Japanese news source reported on additional risks of Secom’s use of China-made surveillance equipment, including the possibility that data from Japan’s Ministry of Defense and U.S. military bases are at risk. United States has taken significant steps to address the national security risks posed by our Federal

Government's use of camera equipment made by Hikvision and other PRC companies—for example, the FY 2019 NDAA's Section 889 banned the use of Hikvision and the Commerce Department imposed Entity List export controls on Hikvision in 2019.

I request unclassified answers to the following questions, but also welcome any elaboration in classified annex.

What is the Department of Defense's assessment of the risks that PRC-made surveillance cameras by Hikvision and comparative entities pose to Japan's security—whether information security, economic security, or national security?

Answer. Section 1260H of the National Defense Authorization Act (NDAA) for Fiscal Year 2021 (FY 2021), directs the Secretary of Defense to produce a list of “Chinese military companies” operating directly or indirectly in the United States. This list is intended to serve as a critical due diligence tool for the U.S. Government, allies, and partners to reference when considering vendors and business partners, and is an important step in securing the Department's supply chains and removing entities that support the People's Republic of China's (PRC) military-civil fusion (MCF) strategy. The Department added Hikvision to its Section 1260H list on June 3, 2021. The Department, alongside the interagency, works closely with the Government of Japan (GOJ) to improve Japan's cyber and information security and practices. At the recent Ministerial 2+2 meeting in January 2023, Secretary Austin and his counterparts decided to address information security issues through ongoing bilateral consultations.

*Question.* What does the Defense Department assess to be Japan's receptivity and limitations to working with the United States to address the risks posed by Japan's use of Hikvision and other PRC-based surveillance equipment manufacturers?

Answer. The Department is determined to highlight and counter the People's Republic of China's (PRC) military-civil fusion strategy, a PRC Government policy designed to ensure that the People's Liberation Army (PLA) has access to advanced technologies developed by both Chinese and foreign companies, universities, and other entities that can facilitate the modernization of the PLA and the enhancement of PRC military capabilities.

Adding Hikvision to the Department's Section 1260H list is an important step in highlighting and countering the PRC's military-civil fusion strategy.

The Department stands against the misuse of U.S. technology to support the PRC's military and its technology-enabled authoritarianism. We will also act to secure the security and resiliency of the U.S. defense industrial base and supply chains. We continue to cooperate with Japan on cyber and information security best practices, including on background investigations, industrial security, and security professionalization.

*Question.* What threat do PRC-made surveillance cameras pose to the U.S.-Japan Alliance? What are the vulnerabilities that Beijing can exploit through these cameras? And what is the Defense Department doing to improve broaden its intelligence sharing with Japan on this issue?

Answer. As previously stated, adding Hikvision to the Department's Section 1260H list is an important step in highlighting and countering the PRC's military-civil fusion strategy. The Department, together with interagency partners, continues to work closely with Japan on cybersecurity and information security best practices, including on background investigations, industrial security, joint cybersecurity advisories, and security professionalization. Additional information will be provided in a classified annex.

*Question. On Deployment of Post-INF Ballistic Missiles in the Indo-Pacific:* What are current plans for the United States to deploy land-based ballistic missiles, cruise missiles, and missile launchers with ranges of 1,000km–5,500 km in the Indo-Pacific? I request here a classified answer to this question.

Answer. See Classified Annex.

*Question.* U.S. withdrawal from the Intermediate-Range Nuclear Forces Treaty (INF Treaty) has opened up new potential opportunities for the United States and its Allies and partners to strengthen deterrence capabilities in the Indo-Pacific. I strongly encourage the United States to discuss these new potential opportunities with Japan, Australia, and other Allies and partners in the region. To what extent has the United States discussed these new potential opportunities with Japan, Australia, and other Allies and partners in the region? I request here a classified answer to this question.

Answer. See Classified Annex.

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RESPONSES OF MS. WENDY SHERMAN TO QUESTIONS  
SUBMITTED BY SENATOR TIM SCOTT

*Question.* At the U.S.-Africa Summit 2022, President Biden declared that the U.S. is “all in on Africa’s future.” He announced a commitment of \$55 billion in economic, health, and security aid to Africa over 3 years. According to White House National Security Adviser Jake Sullivan, the funds will address “a wide range of sectors to tackle the core challenges of our time.” However, a significant portion of the funds are from previously announced programs and budgets, and it is unclear how the \$55 billion adds up. Please detail for me the State Department’s Africa strategy with respect to this substantial U.S. taxpayer investment, including an agency-level breakdown of the \$55 billion committed to Africa and the amount pending approval from Congress.

Answer. At the Africa Leaders Summit the President announced plans to work with Congress on the \$55 billion in interagency deliverables needed to advance U.S. policy goals and priorities throughout Africa. The Department plans to meet its \$47 billion portion with resources from FY 2021 through FY 2023. Of the total \$47 billion for the Department and USAID, approximately \$9.4 billion is the total in the FY 2023 Request for State and USAID within north Africa and sub-Saharan Africa. Funding for FY 2021 is in the implementation stage. The Department will work with Congress to complete notification for FY 2022 and FY 2023 funds.



### Breakdown by sector of the \$47 billion

Sector	Amount
Democracy	\$1.0 billion
Education	\$1.1 billion
Security	\$5.5 billion
Health	\$19 billion
Food Security	\$1.9 billion
Climate	\$0.5 billion
Economic Growth	\$0.9 billion
Humanitarian Assistance	\$17 billion
<b>TOTAL</b>	<b>\$46.9 billion</b>

*Question.* The Chinese Communist Party (CCP) has an aggressive overseas acquisition strategy to obtain valuable intellectual property (IP) in emerging technologies. China is responsible for 80 percent of IP theft in the U.S., accounting for up to \$600 billion in American IP losses annually. An example is a former Dutch semiconductor ASML engineer, a Chinese national, charged with stealing chip technology for a Chinese tech firm and fleeing to Beijing. The engineer contributed to the development of high-end Chinese products for AI and 5G industries. He set up research labs and applied for dozens of patents, receiving recognition from the local tech industry in China. IP theft is part of the CCP's incentive programs delivering critical technologies for their semiconductor initiative. An arbitration process has been established under the USTR's Phase One Agreement with China. It is concerning that we have not used it to safeguard our intellectual property as China continues to steal our industrial technology. Can you explain how the State Department isn't using this to hold Chinese companies accountable for IP thefts?

*Answer.* The Department fully supports all necessary measures to support U.S. firms and workers who are disadvantaged by an unlevel playing field. We are engaging allies and partners to build a common front against unfair, anticompetitive PRC economic practices. We are making good progress, and this is one of my top priorities. I respectfully refer you to USTR for additional information regarding the Phase One Agreement.

*Question.* Also, how does the State Department differentiate between IP theft committed by the individual versus the act done on

behalf of the state? How are those two prosecuted differently by the Administration?

Answer. I respectfully refer you to the Department of Justice on questions related to criminal prosecution of IP-related crimes.

We engage with allies and partners to counter unfair, anti-competitive economic practices, including IP theft committed by both individuals and state actors. All countries, including the PRC, rely on the rules-based global trading system for our prosperity. We will continue to coordinate with others, call on Beijing to play by the rules, and hold the PRC accountable for its unfair economic practices.

## Press Statement by U.S. Department of State, Dated January 30, 2023, "U.S. Sanction Three Fentanyl Traffickers Contributing to the U.S. Opioid Crisis"

*Submitted by Senator Bill Hagerty*

2/9/23, 11:00 AM

U.S. to Sanction Three Fentanyl Traffickers Contributing to the U.S. Opioid Crisis - United States Department of State

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### U.S. to Sanction Three Fentanyl Traffickers Contributing to the U.S. Opioid Crisis

PRESS STATEMENT

ANTHONY J. BLINKEN, SECRETARY OF STATE

JANUARY 30, 2023

The United States is determined to confront illicit fentanyl traffickers, including by exposing them and preventing them from accessing and exploiting the international financial system. Today, we are designating Mexican-based drug trafficker Jose Angel Rivera Zazueta and his two associates. These individuals used precursor chemicals to manufacture and smuggle fentanyl and other illicit synthetic drugs into the United States.

Illicit synthetic drugs pose a grave threat to the health and security of the people of the United States and other countries. Foreign-sourced illicit synthetic opioids, such as fentanyl, remain the deadliest drug threat to the American people. The CDC estimates that more than 100,000 Americans died of a drug overdose in 2021, with two-thirds of fatal overdoses involving synthetic opioids.

Today's action is part of a whole-of-government effort to disrupt and dismantle the transnational criminal organizations that facilitate the illicit fentanyl supply chain and other illicit drug trafficking.

TAGS

<https://www.state.gov/u-s-to-sanction-three-fentanyl-traffickers-contributing-to-the-u-s-opioid-crisis/#:~:text=U.S. to Sanction Three Fentanyl Traffickers...> 1/3

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**Article by U.S. Department of the Treasury, Dated  
January 30, 2023, "Treasury Sanctions Three Fentanyl  
Traffickers Contributing to the U.S. Opioid Crisis"**

*Submitted by Senator Bill Hagerty*

2/9/23, 11:04 AM

Treasury Sanctions Three Fentanyl Traffickers Contributing to the U.S. Opioid Crisis | U.S. Department of the Treasury

## U.S. DEPARTMENT OF THE TREASURY

### Treasury Sanctions Three Fentanyl Traffickers Contributing to the U.S. Opioid Crisis

January 30, 2023

WASHINGTON – Today, the Department of the Treasury's Office of Foreign Assets Control (OFAC) designated the leader of a Mexico-based network and two associates pursuant to Executive Order (E.O.) 14059 for procuring precursor chemicals to manufacture and traffic illicit fentanyl and other synthetic drugs to the United States. Today's action is the result of ongoing efforts by U.S. agencies to disrupt the importation into and distribution of illicit fentanyl within the United States. This action was coordinated closely with the government of Mexico and would not have been possible without the cooperation and support of the Drug Enforcement Administration.

"Illicit fentanyl has led to unprecedented overdose deaths in the United States, with a majority of these drugs flowing from Mexican cartels, including the Sinaloa Cartel, using precursor chemicals from East Asia," said Under Secretary of the Treasury for Terrorism and Financial Intelligence Brian E. Nelson. "The United States will continue working with the government of Mexico to disrupt this deadly trade."

Today's designation includes Mexican national **Jose Angel Rivera Zazueta (Rivera Zazueta)**, the leader of a drug manufacturing and trafficking organization based in Culiacan, Sinaloa and Mexico City, Mexico. Rivera Zazueta's network operates on a global scale with nodes in the United States, Mexico, South and Central America, Europe, Asia, Africa, and Australia. Rivera Zazueta imports precursor chemicals from China into Mexico, which are then used to manufacture synthetic drugs, including fentanyl, MDMA (ecstasy), crystal methamphetamine, 2C-B, and ketamine.

Rivera Zazueta has worked closely with OFAC-designated Chinese chemical transportation company Shanghai Fast-Fine Chemicals, which has shipped various, often falsely labeled, precursor chemicals to Drug Trafficking Organizations in Mexico for illicit fentanyl production intended for U.S. markets. OFAC designated Shanghai Fast Fine Chemicals on December 15, 2021, pursuant to E.O. 14059. Additionally, Rivera Zazueta is responsible for moving large quantities of cocaine from Colombia to the United States, Spain, Italy, Guatemala, Mexico, and other countries in Europe and Central America.

<https://home.treasury.gov/news/press-releases/jy1229>

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2/9/23, 11:04 AM

Treasury Sanctions Three Fentanyl Traffickers Contributing to the U.S. Opioid Crisis | U.S. Department of the Treasury

In addition to Rivera Zazueta, OFAC sanctioned his associates **Nelton Santiso Aguila (Santiso Aguila)**, a Mexican national, along with Guatemalan national **Jason Antonio Yang Lopez (Yang Lopez)**, for aiding in the procurement and importation of fentanyl precursor chemicals into Mexico for manufacturing, with the final product arriving in the United States.

OFAC designated Rivera Zazueta, Santiso Aguila, and Yang Lopez for having engaged in, or attempted to engage in, activities or transactions that have materially contributed to, or pose a significant risk of materially contributing to, the international proliferation of illicit drugs or their means of production pursuant to E.O. 14059.

## SANCTIONS IMPLICATIONS

As a result of today's action, all property and interests in property of these designated individuals that are in the United States or in the possession or control of U.S. persons must be blocked and reported to OFAC. OFAC's regulations generally prohibit all transactions by U.S. persons or persons within (or transiting) the United States that involve any property or interests in property of designated or otherwise blocked persons. U.S. persons may face civil or criminal penalties for violations of E.O. 14059.

Today's action is part of a whole-of-government effort to counter the global threat posed by the trafficking of illicit drugs into the United States that is causing the deaths of tens of thousands of Americans annually, as well as countless more non-fatal overdoses. OFAC, in coordination with its U.S. government partners and foreign counterparts, will continue to target and pursue accountability for foreign illicit drug actors.

U.S. sanctions need not be permanent; sanctions are intended to bring about a positive change of behavior. Consistent with the findings of Treasury's 2021 Sanctions Review, the removal of sanctions is available for persons designated under counter narcotics authorities who demonstrate a change in behavior and no longer engage in activities linked to international illicit drug trafficking or other sanctionable activity. For information concerning the process for seeking removal from any OFAC list, including the Specially Designated Nationals and Blocked Persons List, please refer to OFAC's Frequently Asked Question 897.

More information on the individuals designated today.

View a chart on the individuals designated today .

**Letter to Secretary of State Antony J. Blinken From Senator  
Rand Paul, Dated September 13, 2022, Requesting Infor-  
mation Regarding the State Department's Activities and  
Operations**

*Submitted by Senator Rand Paul*

RAND PAUL  
KENTUCKY

**United States Senate**

WASHINGTON, DC 20510

September 13, 2022

The Honorable Antony J. Blinken  
Secretary of State  
U.S. Department of State  
2201 C Street, N.W.  
Washington, D.C. 20520

Secretary Blinken:

I write to request additional information regarding the State Department's activities and operations. On August 3, 2022, the Senate Homeland Security and Governmental Affairs Subcommittee on Emerging Threats and Spending Oversight held a hearing titled, "Revisiting Gain of Function Research: What the Pandemic Taught Us and Where Do We Go from Here."<sup>1</sup> The hearing testimony raised important considerations about the dangers associated with gain of function research and the need for Congress to better understand the nature of taxpayer-funded medical research.

For this reason, I respectfully request you provide my office with the following information no later than 5:00 PM on September 27, 2022:

1. Unredacted copies of any and all records excluded from production under 5 U.S.C. 522(c) with respect to FOIA Case Number: F-2020-06715/FL-2021-00033<sup>2</sup>.
2. Unredacted copies of all records produced in the March 24, 2021 production of documents in Case Number F-2020-06715/FL-2021-00033.
3. Unredacted copies of all responsive records identified in July 2021 with respect to Case Number FL-2021-00033 including, but not limited to, the seven records produced on July 26, 2021 and the one record withheld in its entirety.
4. Unredacted copy of the record produced in the August 24, 2021 with respect to Case Number FL-2021-00033.
5. Unredacted copies of all records produced in the September 24, 2021 production of documents in Case Number FL-2021-00033.
6. Unredacted copies of all responsive records identified in October 2021 with respect to Case Number FL-2021-00033 including, but not limited to, the eight records produced on October 25, 2021 and the one record withheld in its entirety.
7. Unredacted copies of all records produced in the November 24, 2021 production of documents in Case Number FL-2021-00033.

<sup>1</sup> <https://www.hsgac.senate.gov/subcommittees/etso/hearings/revisiting-gain-of-function-research-what-the-pandemic-taught-us-and-where-do-we-go-from-here>

<sup>2</sup> Civil Action Number 20-cv-08415



8. Unredacted copies of all records produced in the December 21, 2021 production of documents in Case Number FL-2021-00033.
9. Unredacted copies of all records produced in the January 24, 2022 production of documents in Case Number FL-2021-00033.
10. Unredacted copies of all responsive records identified in February 2022 with respect to Case Number FL-2021-00033 including, but not limited to, the four records produced on February 24, 2022, the three records withheld in their entirety, and the record that originated with another U.S. Government agency.
11. Unredacted copies of all responsive records identified in March 2022 with respect to Case Number FL-2021-00033 including, but not limited to, the six records produced on March 24, 2022 and the two records withheld in their entirety.
12. Unredacted copies of all records produced in the April 25, 2022 production of documents in Case Number FL-2021-00033.
13. Unredacted copies of all records produced in the May 24, 2022 production of documents in Case Number FL-2021-00033.
14. Unredacted copies of all records produced in the June 24, 2022 production of documents in Case Number FL-2021-00033.
15. Unredacted copies of all records produced in the July 25, 2022 production of documents in Case Number FL-2021-00033.
16. Unredacted copies of all records produced in the August 24, 2022 production of documents in Case Number FL-2021-00033.

For any documents that are responsive to this request but not produced, please include a justification and citation of the legal authority that authorizes the withholding of the document from Congress.

The American people have a right to a transparent and open government. I appreciate your attention to this critical matter.

Sincerely,



Rand Paul, M.D.  
U.S. Senator

**Letter to Secretary of State Antony J. Blinken From Senator  
Rand Paul, Dated November 7, 2022, Requesting Additional  
Information Regarding the State Department's  
Activities and Operations**

*Submitted by Senator Rand Paul*

RAND PAUL  
KENTUCKY

**United States Senate**

WASHINGTON, DC 20510

November 7, 2022

The Honorable Antony J. Blinken  
Secretary of State  
U.S. Department of State  
2201 C Street, N.W.  
Washington, D.C. 20520

Secretary Blinken:

I write to request additional information regarding the Department of State's activities and operations. On August 3, 2022, the Senate Homeland Security and Governmental Affairs Subcommittee on Emerging Threats and Spending Oversight held a hearing titled, "Revisiting Gain of Function Research: What the Pandemic Taught Us and Where Do We Go from Here."<sup>1</sup> The hearing testimony raised important considerations about the dangers associated with gain of function research and the need for Congress to better understand the nature of taxpayer-funded medical research.

For this reason, I respectfully request you provide my office with the following information no later than 5:00 PM on November 21, 2022:

1. Unredacted copies of all processed material identified as potentially responsive in the September 26, 2022 production with respect to Case No. FL-2021-00033<sup>2</sup> including, but not limited to, the 10 records released in part and the 49 records withheld in their entirety.
2. Unredacted copies of all processed material identified as potentially responsive in the October 24, 2022 production with respect to Case No. FL-2021-00033<sup>3</sup> including, but not limited to, the 13 records released in part and the 50 records withheld in their entirety.
3. Unredacted copies of all potentially responsive records identified as of September 26, 2022 with respect to Case No. F-2022-04853/FL-2022-00062<sup>4</sup>.
4. Unredacted copies of all records released in part on September 26, 2022 with respect to Case No. F-2022-04853/FL-2022-00062<sup>5</sup>.
5. Unredacted copies of all potentially responsive records identified as of October 28, 2022 with respect to Case No. F-2021-07160/FL-2022-00076<sup>6</sup>.

<sup>1</sup> <https://www.hsgac.senate.gov/subcommittees/etso/hearings/revisiting-gain-of-function-research-what-the-pandemic-taught-us-and-where-do-we-go-from-here>

<sup>2</sup> 20-cv-08415

<sup>3</sup> 20-cv-08415

<sup>4</sup> 22-cv-01130

<sup>5</sup> 22-cv-01130

<sup>6</sup> 22-cv-04359

6. Unredacted copies of all responsive records identified on October 28, 2022 with respect to Case No. F-2021-07160/FL-2022-00076<sup>7</sup> including, but not limited to, the 1 record released in part and the 20 records withheld in their entirety.

For any documents that are responsive to this request but not produced, please include a justification and citation of the legal authority that authorizes the withholding of the document from Congress.

The American people have a right to a transparent and open government. I appreciate your attention to this critical matter.

Sincerely,

A handwritten signature in black ink that reads "Rand Paul". The signature is written in a cursive, flowing style.

Rand Paul, M.D.  
U.S. Senator