

**FISCAL YEAR 2024 BUDGET REQUEST FOR
EAST ASIA AND THE PACIFIC**

HEARING

BEFORE THE

SUBCOMMITTEE ON EAST ASIA,
THE PACIFIC, AND INTERNATIONAL
CYBERSECURITY POLICY

OF THE

COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE

ONE HUNDRED EIGHTEENTH CONGRESS

FIRST SESSION

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FISCAL YEAR 2024 BUDGET REQUEST FOR EAST ASIA AND THE PACIFIC

TUESDAY, MAY 2, 2023

U.S. SENATE,
SUBCOMMITTEE ON EAST ASIA, THE PACIFIC, AND
INTERNATIONAL CYBERSECURITY POLICY,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The subcommittee met, pursuant to notice, at 3:00 p.m., in room SD-419, Dirksen Senate Office Building, Hon. Chris Van Hollen presiding.

Present: Senators Van Hollen [presiding], Schatz, Duckworth, Romney, Cruz, Hagerty, and Ricketts.

OPENING STATEMENT OF HON. CHRIS VAN HOLLEN, U.S. SENATOR FROM MARYLAND

Senator VAN HOLLEN. Good afternoon. This hearing of the Senate Foreign Relations Subcommittee on East Asia, the Pacific, and International Cybersecurity Policy will come to order.

I want to start by recognizing and thanking my colleague, Senator Mitt Romney, the ranking member, for his partnership on this subcommittee. We have much work to do.

Senator Schatz, welcome. Great to have you on the subcommittee, and I am very pleased to welcome our two witnesses, Assistant Secretary for East Asian and Pacific Affairs Daniel J. Kritenbrink and USAID Assistant Administrator for Asia Michael Schiffer.

Welcome to both of you. Thank you both for your service to our country, and before I turn it over to you, I have a few opening remarks and then Senator Romney will make a few remarks and then we will take your testimony.

The National Security Strategy laid out by President Biden and this Administration clearly establishes the goals and mission of our national security and foreign policy.

The United States seeks to promote peace, prosperity, and universal human rights through an international rules-based order grounded in freedom and respect for sovereignty.

Nowhere is the successful application of that strategy more important than in the Indo-Pacific region. East Asia and the Pacific, which is the jurisdiction of this subcommittee, includes the world's fastest growing economies and the world's busiest trade routes. Forty percent of the world's trade moves through the Strait of Malacca.

This region, home to over 2 billion people, will be at the center of 21st century geopolitics. That is why it is essential that we match our strategy with the resources and the means to implement it and that is what today's hearing is all about.

Given the critical importance of this region and as a Pacific nation ourselves, the United States will continue to promote a free and open Indo-Pacific for ourselves and for the benefit of all the nations of the region and the world.

This region is, of course, also home to the People's Republic of China. We do not seek conflict with China, but we will defend our security interests, support our allies and partners, and continue to actively promote a free and rules-based system that respects the sovereignty of nations.

To protect those interests and those principles we must continue to strengthen our bilateral relationships with countries throughout the area and work with the central regional organizations like ASEAN as well as through other arrangements like the Quad, AUKUS, the Mekong-U.S. Partnership, the Pacific Community, and the Pacific Islands Forum.

A key part of our strategy for maintaining peace and growing prosperity is preserving the status quo across the Taiwan Strait.

Let us be clear. It is not the United States that seeks to change that status quo and we oppose any unilateral efforts to do so.

Consistent with the Taiwan Relations Act, we will continue to provide Taiwan with the means to deter aggression and to defend itself. Taiwan is not alone in facing a more aggressive PRC.

As stated in the National Security Strategy, and I quote, "Many of our allies and partners, especially in the Indo-Pacific, stand on the front lines of the PRC's coercion and are rightly determined to seek to ensure their own autonomy, security, and prosperity."

It goes on to state, and I quote, "We will support their ability to make sovereign decisions in line with their interests and values free from external pressure and work to provide high standard and scale investment, development assistance, and markets."

A major part of today's hearing will focus on how we aim to provide that promised support. The wise use of economic statecraft will be essential to its success.

A sound economic strategy begins with a strong economy here at home and many of the measures we enacted in the last Congress, including the bipartisan infrastructure bill, the CHIPS and Science Act, and the vital clean energy investments made in the Inflation Reduction Act provide a strong foundation.

In order to ensure our own long-term prosperity, help other countries raise their standards of living, and counter the PRC's efforts to export their mercantilist and authoritarian model, we must deploy the right global economic policy tools.

I encourage all of my colleagues to read three recent important speeches on this matter, one delivered by Secretary Yellen at SAIS on April 20, another delivered by National Security Adviser Jake Sullivan at Brookings on April 27, and one by European Commission President Ursula von der Leyen before she embarked on her visit to the PRC in April of this year. Taken together, those three speeches create a very important framework for our strategy.

I also commend the Biden administration for launching important economic initiatives, including the Indo-Pacific Economic Framework for Prosperity, the Partnership for Global Infrastructure and Investment, and the Just Energy Transition Partnership, or JETP.

I recently returned from a CODEL organized by Senator Merkley to Vietnam and Indonesia and these initiatives were a key part of that agenda.

As we implement a strategy to promote peace and prosperity, we must also work with countries in the region to combat the climate crisis. Rising sea levels are literally an existential threat to many Pacific Islands and large parts of the countries in East Asia.

That means implementing a two-fold strategy, one, to support measures to reduce emissions of greenhouse gases, and to stop cutting down the forests that are such important carbon sinks. It also means helping these countries build resiliency to confront the impacts of climate change.

Let me close with this. Implementing our National Security Strategy and foreign policy in East Asia and the Pacific cannot be done on the cheap. It requires resources.

At this point, I believe the greatest threat to our success lies not in any adversary overseas, but division and polarization here at home.

Most immediately, any default on America's debts and obligations would be an irreparable self-inflicted wound. It would destroy our economy here at home and destroy our credibility around the world.

Nothing would better serve the interests of our adversaries. Let us work together on a bipartisan basis to keep America strong at home and around the world.

I will now turn it over to Ranking Member Romney for his statement.

**STATEMENT OF HON. MITT ROMNEY,
U.S. SENATOR FROM UTAH**

Senator ROMNEY. Thank you, Mr. Chairman. Good to be with you today, and also Senator Schatz and Senator Ricketts.

I appreciate the opportunity to be able to speak with our colleagues today and learn from them about our prospects in the Indo-Pacific and to address the budget request that they have provided.

I think there is broad agreement that the critical foreign policy challenge that we face and opportunity we have arises from China's emergence as a great power, a nation which is not playing by the rules, and the fact that it is not playing by the rules presents particular challenges for us and for the world.

It is essential, in my view, as we think about spending the money that Chairman Van Hollen has indicated that we spend it according to a comprehensive strategy that we have developed that focuses our resources on those things that we think will be most effective.

In the last Congress, Chairman Menendez and I actually passed legislation which would require the Administration to produce a comprehensive strategy to deal with China.

During the Cold War, Presidents Ford and Eisenhower and Reagan directed similar undertakings as we confronted the Soviet Union and I believe we should carry out the same type of strategic effort with regards to China.

I am concerned that the Administration is sort of hoping this will go away or that a speech of grand principles will suffice.

I very much support the principles that have been described by Secretary Blinken and Secretary Yellen. Both have given addresses with matters in this regard.

When I talk about a grand strategy and as Senator Menendez does, we are talking about something far more comprehensive than just principles. Just to tick off some of the things that are in China's program, they have a talent program, as you know.

They have a theft of intellectual property program. They have the Confucius Institute program. They have trade agreements that they put in place that they think will promote their interests.

They have massive investments in Africa and Latin America and the Caribbean and other places. They have a propaganda program. They have a spy program. They have a raw materials program to achieve monopolies in key raw materials.

They send students into American universities with a plan for them to come back and provide technology that they have learned, and one of the most troubling aspects of their strategy is their effort to live by different trade rules than the rest of the nations live by, monopolizing certain industries, predatory pricing to achieve that monopoly, establishing pathways around the national trade rules.

We are very anxious to learn that the Administration has begun the process of completing a development of a comprehensive strategy. Part of our legislation called for outside voices, not just members of the Administration, but outside voices—members of Republican administrations in the past—to make sure this is a strategy that has bipartisan support and lasts beyond one President, but also people in the foreign policy world that are focused on this area, to get their input and to consider the widest range of options.

There are other issues that I am going to get a chance to talk about today, but I want to underscore that, underscore, again, my support for the comments that have been made by the chairman of this committee.

I want to make sure that we do not do anything that weakens our positions relative to China. I would note a comment which has been made by several people that basically every strategic and every funding decision we make should be considered through the lens of how it affects our strength relative to China because it is the foreign policy challenge of our era.

With that, Mr. Chairman, I look forward to the questions that we will hear from you and from our colleagues.

Senator VAN HOLLEN. Thank you, Senator Romney, and also welcome, Senator Ricketts. Now we will turn to today's witnesses.

Daniel Kritenbrink became Assistant Secretary of State for East Asia and Pacific Affairs in September 2021. He came to this job with a wealth of experience and knowledge during his nearly three decades of distinguished public service.

Mr. Kritenbrink served as U.S. Ambassador to Vietnam from 2017 to 2021 and his deep background in Indo-Pacific affairs includes time as senior director for Asian affairs at the National Security Council and service as deputy chief of mission at the U.S. embassy in Beijing.

Welcome, Assistant Secretary Kritenbrink.

Let me now also welcome back to the committee Michael Schiffer, who is well known to us from serving on this side of the dais on the committee for a decade as a senior advisor and counselor to the committee.

It is wonderful to see him again and see him continue to make a difference on the global stage now as USAID Assistant Administrator for Asia.

Mr. Schiffer also brings an abundance of experience. Prior to his service on the Senate Foreign Relations Committee, he served as Deputy Assistant Secretary of Defense for East Asia and as a program officer at the Stanley Foundation responsible for the foundation's Asia programs.

Thank you both again for your service. We look forward to your testimony. I respectfully ask that both of you try to keep your opening statements to 5 minutes, and anything you are not able to cover will be entered into the record.

With that, let me turn it over to you, Assistant Secretary Kritenbrink.

STATEMENT OF THE HON. DANIEL J. KRITENBRINK, ASSISTANT SECRETARY, BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS, U.S. DEPARTMENT OF STATE, WASHINGTON, DC

Mr. KRITENBRINK. Thank you, Mr. Chairman.

Chairman Van Hollen, Ranking Member Romney, members of this subcommittee, thank you for the opportunity to appear before you today to testify regarding the President's fiscal year 2024 budget request for the East Asia and Pacific region. It is truly an honor to be here.

As President Biden stated in our National Security Strategy, U.S. leadership in the Indo-Pacific, which, of course, includes the EAP region, is paramount as the Indo-Pacific fuels much of the world's economic growth and will be the epicenter of 21st century geopolitics.

As an Indo-Pacific nation, we must work to build the collective capacity of our allies, partners, and friends to promote a vision for the region that is free and open, connected, prosperous, secure, and resilient.

The EAP Bureau holds the key responsibility to advance the Administration's priorities for the Indo-Pacific as our region is home to all but six countries of the broader Indo-Pacific region and, of course, includes the People's Republic of China.

Our Indo-Pacific strategy includes our approach to the People's Republic of China, of course, but it is not defined by it. In other words, we have an Indo-Pacific strategy of which China is a part and not the other way around.

That said, while strategic competition with the PRC remains a global challenge, tensions are most acute in the Indo-Pacific region,

which is the primary focus of the PRC's growing influence and ambitions.

The Administration's approach to the PRC is to invest, align, and compete. We are investing in the foundations of our strength at home, aligning with partners and allies on our approach abroad, and competing with the PRC to defend our interests and build our vision for the future.

Our objective is not to change the PRC, but rather to shape the strategic environment in which it operates, building a balance of influence that is favorable to the United States, our allies and partners, and the interests and values that we share.

In support of the Administration's Indo-Pacific strategy, the President's fiscal year 2024 budget request for the EAP region includes a diplomatic engagement budget of \$533 million and a foreign assistance budget of \$1.36 billion.

In addition, the President's budget request includes \$2 billion in mandatory funding to support the Indo-Pacific strategy and \$7.1 billion in mandatory funding to support the Compacts of Free Association, or the COFA.

Further, the fiscal year 2024 budget includes \$2 billion in mandatory funding to support international infrastructure globally, including presumably projects in the East Asia and Pacific region.

Here I would like to provide a brief overview of how the President's budget for EAP directly supports the five objectives of our Indo-Pacific strategy.

First, we are advancing a free and open Indo-Pacific. The fiscal year 2024 budget supports our continued investment in democratic institutions, a free press, and a vibrant civil society that will improve fiscal transparency to expose corruption.

These efforts complement our expanded diplomatic presence across the Indo-Pacific, including a new embassy in the Solomon Islands and proposed new embassies in Kiribati, Tonga, and Vanuatu.

These efforts also support our commitment to respect sovereignty and territorial integrity, unimpeded lawful commerce, the peaceful resolution of disputes, and the freedom of navigation and over flight, including in the South China Sea and the East China Sea.

Second, we are building connections in the Indo-Pacific and beyond. The President's request supports our bilateral relationships as well as our engagement with regional groupings and institutions including ASEAN, the Quad, the Pacific Islands Forum, the Pacific Community, and the Mekong-U.S. Partnership to build capacity and address regional challenges.

Third, we are driving Indo-Pacific prosperity. With the continued negotiations for the Indo-Pacific Economic Framework for Prosperity, or IPEF, and the launch of the Partnership for Global Infrastructure and Investment, the President's budget will ensure economic engagement that will promote a connected, resilient, and fair Indo-Pacific economy.

The President's budget will also enable us to follow through on the commitments made during the 2023 U.S. APEC host year.

Fourth, we are bolstering Indo-Pacific security. Recognizing that security is a necessary condition for prosperity, the President's budget will build the capacity of our Indo-Pacific partners to re-

spond to and resolve both domestic and transnational security threats.

We also remain committed to maintaining peace and security across the Taiwan Strait. Our “One China” policy, which has remained consistent, has helped to maintain cross strait peace and stability for the past 40 years.

In line with the *Taiwan Relations Act*, the United States will continue to assist Taiwan in maintaining a sufficient self-defense capability.

Fifth, we are building regional resilience. U.S. security depends on our collaboration with our allies and partners to address shared challenges.

The President’s budget supports health security, climate adaptation and mitigation efforts, and energy security to build regional resilience to transnational threats.

In summary, the U.S. role in the region must be more effective and enduring than ever before. As is often said at these hearings, resources determine priorities and, as such, our partners and allies in the Indo-Pacific are keenly looking at our ability to deliver resources as a sign of our commitment and durability in the region.

The President’s fiscal year 2024 budget request will allow us to further strengthen our commitment in this vitally important region.

Thank you again for inviting me to testify. I look forward to answering your questions. Thank you.

[The prepared statement of Mr. Kritenbrink follows:]

Prepared Statement of Mr. Daniel J. Kritenbrink

Chairman Van Hollen, Ranking Member Romney, and Members of the Subcommittee—thank you for the opportunity to appear before you today to testify regarding the President’s Fiscal Year (FY) 2024 budget request for East Asia and the Pacific (EAP).

As President Biden stated in our National Security Strategy, U.S. leadership in the Indo-Pacific, which includes the EAP region, is paramount as the Indo-Pacific fuels much of the world’s economic growth, and it will be the epicenter of 21st century geopolitics. And as an Indo-Pacific nation, we must work to build the collective capacity of our allies, partners, and friends to promote a vision for the region that is free and open, connected, prosperous, secure, and resilient.

The EAP Bureau holds a key responsibility to advance the Administration’s priorities for the Indo-Pacific, as our region is home to all but six countries of the broader Indo-Pacific region and, of course, includes the People’s Republic of China. Our Indo-Pacific strategy (or IPS) includes our approach to the People’s Republic of China but is not defined by it. In other words, we have an Indo-Pacific strategy, of which China is a part, and not the other way around.

That said, while strategic competition with the PRC remains a global challenge, tensions are most acute in the Indo-Pacific, which is the primary focus of the PRC’s growing influence and ambitions. The Administration’s approach to the PRC, which Secretary Blinken laid out in his May 26, 2022, speech, is to “invest, align, and compete.” We are: 1) investing in the foundations of our strength at home; 2) aligning with partners and allies on our approach abroad; and harnessing those two key assets 3) to compete with the PRC to defend our interests and build our vision for the future. We recognize that American interests can only be advanced if we firmly anchor the United States in the Indo-Pacific and strengthen the region itself, alongside our closest allies and partners. Our objective is not to change the PRC but to shape the strategic environment in which it operates, building a balance of influence that is favorable to the United States, our allies and partners, and the interests and values we share.

In support of the Administration’s Indo-Pacific Strategy, the President’s FY 2024 budget request for the EAP region includes a diplomatic engagement budget of \$533 million and a foreign assistance budget of \$1.36 billion. In addition, the President’s budget request includes \$2 billion in mandatory funding to support the Indo-Pacific

Strategy, and \$7.1 billion in mandatory funding to support the Compacts of Free Association (COFA). Further, the FY 2024 budget includes \$2 billion in mandatory funding to support international infrastructure globally, which will include projects in the East Asia and Pacific region.

Here, I'd like to provide a brief overview of how the President's Budget for EAP directly supports the five objectives of the Indo-Pacific Strategy.

First, we are advancing a free and open Indo-Pacific. The FY 2024 Budget supports our continued investment in democratic institutions, a free press, and a vibrant civil society that will improve fiscal transparency to expose corruption and drive reform. These efforts complement our expanded diplomatic presence across the Indo-Pacific, including a new Embassy in the Solomon Islands and planning for new embassies in Kiribati, Tonga, and Vanuatu. These efforts also support our commitment to respect sovereignty and territorial integrity, unimpeded lawful commerce, the peaceful resolution of disputes, and the freedom of navigation and overflight in the maritime domain, including in the South China Sea and the East China Sea.

Second, we are building connections in the Indo-Pacific and beyond. The President's Request supports our bilateral relationships, as well as our engagement with regional groupings and institutions, including the Association of Southeast Asian Nations (ASEAN), AUKUS, the Quad, the Pacific Islands Forum, the Pacific Community (SPC), and the Mekong-U.S. Partnership, to build capacity and address regional challenges.

A notable example of how we are building connections is through our support of the Young Southeast Asian Leaders Initiative and the Young Pacific Leaders Program, which serve as the U.S. Government's signature leadership development programs for youth across Southeast Asia and the Pacific Islands.

Third, we are driving Indo-Pacific prosperity. With the continued negotiations for the Indo-Pacific Economic Framework for Prosperity (IPEF), which seeks high-ambition outcomes, and the launch of the Partnership for Global Infrastructure and Investment (PGII), the President's budget will foster economic engagement that will promote a connected, resilient, and fair Indo-Pacific economy. The President's Budget will also enable us to follow through on the commitments made during the U.S. Asia-Pacific Economic Cooperation host year in 2023.

Fourth, we are bolstering Indo-Pacific security. Recognizing that security is a necessary condition for prosperity, the President's Budget will build the capacity of our Indo-Pacific partners to respond to and resolve both domestic and transnational security threats.

We remain committed to maintaining peace and security across the Taiwan Strait. Our one China policy, which has remained consistent, has helped to maintain cross-strait peace and stability for the past 40 years. In line with the Taiwan Relations Act, the United States will continue to assist Taiwan in maintaining a sufficient self-defense capability.

For example, our cybersecurity capacity building programs have assisted our ASEAN and Pacific Islands partners by developing their incident response capability to protect and defend against malign cyber actors.

Fifth, we are building regional resilience. U.S. security depends on our collaboration with our allies and partners to address shared challenges. The President's Budget supports health security, climate adaptation and mitigation efforts, and energy security to build regional resilience to transnational threats. For example, we are supporting our Pacific Islands partners through an agreement with NOAA to co-develop new environment and ocean observing technologies that will help them better prepare for rising sea levels.

In summary, the United States' role in the region must be more effective and enduring than ever before. As is often said at these budget hearings—resources determine priorities—and as such our partners and allies in the Indo-Pacific are keenly looking at our ability to deliver resources as a sign of our commitment and durability in the region. The President's FY 2024 budget request will allow us to build on our existing efforts and will further strengthen our commitment in the region.

With that, I'd like to thank you for inviting me to testify today. I am pleased to answer any questions you may have.

Senator VAN HOLLEN. Thank you for your testimony.
Assistant Director Schiffer.

STATEMENT OF THE HON. MICHAEL SCHIFFER, BUREAU FOR ASIA, UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT, WASHINGTON, DC

Mr. SCHIFFER. Chairman Van Hollen, Ranking Member Romney, distinguished members of the committee, thank you for inviting me to testify on USAID's role in advancing U.S. foreign policy priorities in East Asia and the Pacific.

It is good to be back in this room, although I have to say sitting behind you in the dais is a much more comfortable view than the view from this table.

As my colleague, Assistant Secretary Kritenbrink, laid out, the importance of the East Asia and Pacific region for the United States cannot be understated.

The region is home to the majority of humanity, the world's fastest growing economies, the busiest maritime trade routes. These countries are essential partners in creating a free and open Indo-Pacific that improves lives in Asia, underwrites regional stability and security, and helps generate prosperity here at home.

USAID is clear-eyed about the strategic context of the region as well as the People's Republic of China and China's intent to rewrite existing national regional rules and global rules and norms for its own narrow advantages.

Our development approach starts not with the question of what we are against, but rather what we are for. USAID embodies what the United States can offer the region as a partner and friend development to communities and families who are seeking to transform their lives and, more broadly, as a leader in U.S. efforts to advance a free and open, connected, prosperous, secure, and resilient Indo-Pacific.

That is what the region wants and that is what we strive to provide. The President's Indo-Pacific strategy serves as the primary thrust of our fiscal year 2024 budget request, which aims to improve resilience to health and climate threats, foster sustainable, inclusive, and transparent economic growth, and strengthen democratic institutions to support good governance and human rights.

This corresponds most directly with the most pressing challenges to sustainable development in the region and the requests we receive from our partners: support to address rising authoritarianism, the ease and proliferation of information manipulation, and the climate crisis, all of which seriously threaten food security, citizen-responsive governance, and national sovereignty in the region.

To tackle these challenges, the President's fiscal year 2024 budget request for USAID includes \$964.4 million for East Asia and the Pacific, which is a \$194 million increase, or 25 percent, over the fiscal year 2023 request.

We believe that this increase is merited by the scope and scale and urgency of the challenges that we face in the region. In line with the Administration's priorities, USAID's request prioritizes key sectors that advance U.S. national security and prosperity alongside that of our partners and our allies in Asia and the Pacific.

First, to boost inclusive economic growth USAID will promote trade and investment, private sector productivity, and digital connectivity.

Second, our demand-driven climate change activities will help reduce emissions, protect critical infrastructure and ecosystems, implement regulatory reforms, mitigate resource conflict, and help partners transition to renewable energy.

Third, we will work to reverse democratic backsliding and strengthen democratic institutions and norms.

Fourth, to bolster women's economic empowerment, gender equity, and human rights, USAID will work to increase women's political, civic, and economic engagement, address gender inequality, and combat gender-based violence.

Finally, to strengthen health systems to detect and respond to emerging threats, USAID will continue to bolster the resilience of partner countries and economies to prevent, detect, and respond to pandemic threats and increase their ability to withstand future shocks.

With your continued support this budget request will allow USAID to deliver on our commitment to East Asia and the Pacific.

As Administrator Power has noted, it is in America's best interest to help feed the world, to help protect fellow democracies, to advocate for the dignity of all people, not only to reflect an America that is generous, compassionate, and moral, but also to protect the safety and prosperity of the American people.

With your continued support and on behalf of the American people, USAID you will continue our central role in realizing this vision, will increase in partner countries resilience, capacity, and advancing sustainable prosperity and security for communities across the Indo-Pacific.

I look forward to your counsel and to your questions. Thank you.
[The prepared statement of Mr. Schiffer follows:]

Prepared Statement of Mr. Michael Schiffer

INTRODUCTION

Chairman Van Hollen, Ranking Member Romney, Distinguished Committee Members: Thank you for inviting me to testify on USAID's role in advancing U.S. foreign policy priorities in East Asia and the Pacific and our FY 2024 Budget Request.

The East Asia and Pacific region is home to over 2 billion people, the world's fastest-growing economies, the busiest maritime trade routes, and many rapidly urbanizing societies. It is also quickly becoming one of the most digitally connected regions. These countries are essential partners in creating a free and open Indo-Pacific that improves lives in Asia, underwrites regional stability and security, and helps generate prosperity here at home as well.

Our approach to the region starts not with the question of what we are against but rather the question of what we are for. We are clear-eyed about the People's Republic of China's (PRC) capabilities and intent to wield its financial, economic, political and military power to advance its own interests and rewrite, for its own narrow advantage, existing regional and global rules and norms. But, we know what the United States can offer to the region, as a partner and as a friend, in advancing a shared vision for a free and open, connected, prosperous, secure, and resilient Indo-Pacific.

USAID sees tremendous opportunities in the region and is well positioned to support our nation's Indo-Pacific Strategy (IPS), which is the primary thrust of our budget request for FY 2024. Our efforts under the IPS focus on three primary areas: improving resilience to health and climate threats; fostering sustainable, inclusive, and transparent economic growth; and strengthening democratic institutions to support good governance and human rights. The increases in climate, energy security,

and economic growth funding in the region are directly responsive to requests from our partners in the region, who consistently raise these areas as opportunities for additional support and engagement. Our commitment to supporting good governance, economic growth, and sustainable resource management are all critical to the achievement of the goals of the IPS. This request also supports the Administration's objectives under the Pacific Partnership Strategy.

We are also aware that the region's continued growth and prosperity are hindered by rising authoritarianism, which threatens human dignity, freedom, and equality. Authoritarian practices across the region are undermining democratic values and threatening sustainable development, food security, citizen-responsive governance, and national sovereignty. These practices include an acceleration and diffusion of information manipulation. Exacerbating these challenges, countries across East Asia and the Pacific are still grappling with the consequences of an unprecedented global pandemic, through which autocrats have attempted to further concentrate their power and control.

On top of this, the climate crisis has become a threat multiplier. Drought and heavy rains are restricting countries' ability to feed themselves. Hunger and food security concerns have only increased as the Kremlin's unjust war in Ukraine continues to disrupt global supply chains.

All of these challenges have combined to inflict significant economic harm on the most marginalized communities in the region.

The development challenges of today are more formidable than those the world has faced at any time since World War II, with significant implications for America's national security. Due to the generous support of Congress, USAID stands at the forefront of U.S. Government efforts to address these challenges and provide affirmative global leadership in alignment with U.S. National Security Strategy priorities. Our ability to translate our development and humanitarian assistance into progress beyond programs is key to achieving long-lasting prosperity and stability for our partners in East Asia and the Pacific, as well as for the United States.

PRIORITIES

The President's FY 2024 budget request for USAID includes \$964.4 million for East Asia and the Pacific in the Development Assistance, Economic Support Fund (ESF), and Global Health Programs-USAID accounts. This is a \$194 million increase, or 25 percent, over the FY 2023 request. In addition, the FY 2024 budget request includes new multifaceted mandatory resources to out-compete the PRC and strengthen our role in the Indo-Pacific region. The request includes \$2 billion over 5 years to accelerate implementation of an affirmative vision for the Indo-Pacific, which is defined by U.S. values and advances a free and open, connected, prosperous, secure and resilient region.

Through critical, targeted investments, this request will help our East Asian and Pacific partners build regional capacity and resilience to the growing threat posed by the PRC, uphold shared values, and continue to provide affirmative leadership in the region. This request will also advance the U.S. commitment to a free, open, connected, prosperous, secure, and resilient Indo-Pacific. In line with Administration priorities, the FY 2024 request prioritizes a set of key themes to advance U.S. national security and prosperity alongside that of our partners and allies in Asia and the Pacific: boost inclusive economic growth, especially regarding post-COVID-19 recovery and including support for free and open emerging digital technologies and connectivity; continue to address challenges posed by climate change; reverse democratic backsliding and strengthen democratic institutions and norms against authoritarianism, corruption, disinformation, and coercion; and bolster women's economic empowerment, gender equity, and human rights. In addition, USAID will continue to strengthen health systems to prevent, detect, and respond to emerging threats, strengthening global health security.

With FY 2024 funding, USAID will continue to build regional capacity and resilience to address regional challenges from political and humanitarian crises, to climate concerns and digital connectivity and security. It will also support U.S. coordination, bilaterally and regionally, with the Association of Southeast Asian Nations (ASEAN), the Pacific Community (SPC), Pacific Islands Forum (PIF), the Partners in the Blue Pacific (PBP), and the Australia-India-Japan-United States Indo-Pacific Quad.

I will now detail the FY 2024 budget request by strategic sector and share several country highlights.

ECONOMIC GROWTH

In East Asia and the Pacific, USAID’s FY 2024 budget request includes \$122.6 million for economic growth, which is a \$48.3 million increase, or 65 percent over the FY 2023 request. This budget will allow USAID to advance inclusive, broad-based economic growth, a critical factor for enabling and supporting democratic governance that delivers for the people. While resourcing all elements of our Indo-Pacific Strategy is an Administration priority, funding to advance our economic strategy in the region is our top resource need.

This budget will fund USAID efforts to support economic growth and the Indo-Pacific Economic Framework (IPEF) through sectors such as trade and investment, private sector productivity, and digital connectivity—contributing toward a more connected, resilient, green, and fair economy across the Indo-Pacific. Currently, USAID has on-the-ground presence in five IPEF member countries in the East Asia and the Pacific region: Fiji, Indonesia, the Philippines, Thailand, and Vietnam. We expect IPEF to drive private sector capital into the region and tackle economic priorities that we have not addressed in past trade arrangements, including supply chain resilience, the clean energy transition, and efforts to combat corruption. These are all issues that are increasingly significant economic drivers of growth and essential to U.S. competitiveness.

USAID assistance will help partners resist coercive, unfair, and/or corrupt PRC trade practices and advance policy, institutional, legal, and regulatory reforms that improve transparency, regulatory quality, and competition standards. These reforms will result in increased trade and investment diversification away from PRC state-owned enterprises, and toward more inclusive and sustainable partnerships.

USAID will continue working toward IPS objectives through private sector engagement to improve competitiveness and connectivity. For example, with FY 2024 funding, USAID will provide technical support to help Indonesia plan, finance, and implement clean energy programs and expand access to energy. USAID will support digital development in Indonesia, especially cybersecurity, to drive inclusive economic growth and attract greater, and mutually beneficial, U.S. investment. USAID will integrate climate change programming into its workforce development programs, preparing young Indonesians for the “green jobs” of the future. These programs will emphasize private sector partnerships, especially with U.S. businesses.

In Mongolia, USAID will continue to promote economic diversification so that the market is more enticing to private businesses seeking to invest and trade. USAID will help Mongolian micro-, small- and, and medium-sized enterprises (MSMEs) access the financing and skills they need to grow their businesses, enter the digital economy, and become more competitive. This is significant given that MSMEs make up nearly 98 percent of all enterprises in Mongolia and employ 52 percent of the country’s workforce. This work builds on previous success: since 2019, USAID has helped 2,640 small and medium enterprises throughout Mongolia to receive \$39 million in financing.

Similarly, in Laos, USAID will build a more inclusive economy by expanding access to markets and financing for MSMEs. We will support businesses as they continue to rebuild after the COVID-19 pandemic, particularly in agricultural areas and the hard-hit tourism sector. USAID will also assist Laotian MSMEs to adopt the latest digital solutions for e-commerce so that they can thrive in the post-pandemic economic environment.

CLIMATE AND ENERGY SECURITY

For East Asia and the Pacific, USAID’s FY 2024 budget request includes \$279.3 million for climate, which is a \$108.8 million increase, or 64 percent, over the FY 2023 request. The FY 2024 request emphasizes the Administration’s priority of addressing climate change by reducing emissions, protecting critical ecosystems, implementing legal and regulatory reforms, mitigating resource conflicts, helping nations transition to renewable energy, and building resilience against the impacts of climate change. With this funding, USAID seeks to address climate change and its increasing and interconnected impacts.

The FY 2024 request includes a significant increase for regional programming on climate adaptation in IPEF countries. With this additional funding, USAID will be able to respond to IPEF partners’ requests, as articulated in the course of the IPEF negotiations, to help them implement IPEF commitments and grow their economies, as well as the economy of the United States. We will support them in adapting to climate change through investments in systems for agriculture and food supplies, nature-focused solutions, resilient cities, and financial investments in adaptation, particularly climate-friendly infrastructure, in alignment with the Partnership for Global Infrastructure and Investment (PGII).

Across the region, USAID will enhance climate change adaptation and mitigation by improving access to, and use of, information and tools that can help countries slow, stop, and reverse rapid deforestation, improve land management, and prepare and respond to the impacts of climate change. USAID will support of net-zero energy grid development in Asia by promoting power sector reforms, supporting the deployment of state-of-the-art energy technologies, and modernizing power grids.

With FY 2024 resources, USAID will help our Pacific Islands neighbors realize their ambitious climate adaptation and mitigation goals by advancing the adoption of renewable energy sources, increasing access to infrastructure resilient to a changing climate, and strengthening early warning systems for climate-induced disasters. To promote transformative adaptation and resilience solutions, FY 2024 resources will facilitate more residents to adopt climate-smart livelihoods and mobilize climate financing. Since 2016, USAID has mobilized more than \$500 million dollars for Pacific Island countries from international climate finance institutions and supported local institutions to receive full accreditation to directly access international climate finance. With FY 2024 resources, USAID will also improve the performance of energy utilities, increase transparent private sector investments in the energy sector, and expand off-grid clean energy systems in Pacific Island countries.

In addition, the request will allow USAID to boost the resilience of communities around the region so that they can keep working and earning a living—despite the negative impacts of climate change. Adaptation programming protects lives, promotes productive livelihoods, and supports resilient ecosystems in countries like Vietnam, where low-lying cities and delta regions are extremely vulnerable to climate change-related flooding. In Vietnam, USAID will use FY 2024 resources to protect the landscapes and biodiversity that agricultural communities depend on. We will continue to develop sustainable, climate-smart livelihoods, building on success creating jobs in parks, conservation zones, and watershed protection areas as well as in ecotourism. In the Philippines, which the 2022 World Risk Index ranked as the country with highest disaster risk, USAID will improve the coping capacities of vulnerable communities in the face of disaster and capitalize on the use of climate-smart technologies to advance U.S. leadership in addressing climate security, as well as food security. In Timor-Leste, USAID will support the incorporation of improved, climate-smart agricultural practices, increasing the availability of nutritious food while also leading to lower use of fertilizers and associated emissions.

USAID will also continue to engage our partners in the region and identify adaptation needs in Pacific Island countries, where extreme weather and shifting climate patterns pose an existential threat. Although collectively these nations contribute less than half a percent of global greenhouse emissions, they are on the frontlines of the struggle against climate threats.

DEMOCRATIC GOVERNANCE

For East Asia and the Pacific, USAID's FY 2024 request includes \$181.9 million for democracy, rights, and governance programming, which is a \$5.5 million, or 3 percent, increase from the FY 2023 request.

Against a backdrop of rising authoritarianism, this budget will allow USAID to strengthen democratic institutions and the rule of law that are critical for peace and stability. It will allow USAID to further promote and protect a free press and civil society across the region; address discrimination, inequity, and marginalization; and counter disinformation and malign influence. Critically, it will enable USAID to support democratic institutions as a bulwark against corruption and coercion.

In the Philippines, USAID will use FY 2024 resources to fortify the Philippines' democratic foundations and enable the country to become a more stable and open partner to the United States. To bolster responsive, democratic governance, USAID will protect human rights and the rule of law while broadening citizen participation to increase public support for democratic systems. USAID will improve delivery of basic social services, combat corruption, and curtail transnational criminal activities—such as the trafficking of persons. USAID will assist the Philippine Government to perform key governmental and public administration functions effectively and efficiently. With this request, USAID will strengthen governance structures at the local level, promote decentralization, and promote youth engagement, political participation, and leadership. Empowering citizens to produce leaders responsive to their constituents can increase resilience against the malign influence of the PRC. This work will build on USAID's progress in increasing civil society participation in local governance; for example, in 2022, USAID supported the government to streamline accreditation for civil society organizations (CSOs), increasing the number of accredited CSOs by 85 percent. Accreditation has enabled these organizations to par-

ticipate in government processes and advance key development priorities in their communities.

In Timor-Leste, which celebrated 20 years of democracy last year, democracy champions are now working to build still-nascent institutions, bolster human capital, and overcome significant health and economic challenges. To support the country's development trajectory, USAID will use FY 2024 funds to strengthen civil society and support the Timorese Government's accountability and integrity reform program, which seeks better management of state public resources for improving service delivery for citizens. This includes strengthening health sector governance and the capacity of civil society organizations. Funding will allow USAID to implement programs that reduce opportunities for corruption and builds on a cooperative and fruitful partnership with the government; for example, in 2022, a USAID-supported copyright law designed to protect digital creativity and innovation was approved by parliament and is set to come into force in June 2023. Additionally, with the request, USAID will assist Timor-Leste to meet the requirements to join ASEAN as a full member state.

Support to Indonesia, a member of the G20, home to ASEAN headquarters, and a nation in strategic proximity to over one-third of the world's commercial shipping, demonstrates U.S. commitment to this growing democracy and the overall connectivity and prosperity of the Indo-Pacific. With FY 2024 funding, USAID will support the government to improve basic public services, increase transparency, promote tolerance, and build inclusive coalitions for advocacy that engage citizens as the voice for accountability and reform. Building on Indonesia's strong democratic foundation, funds will also expand access to information; support the protection of constitutional rights, including for journalists and Indonesia's most vulnerable populations; and address corruption. For instance, since 2018, USAID has provided crucial support to Indonesia Corruption Watch to create an online learning platform that has educated tens of thousands of youth, community members, and civil servants on corruption prevention.

HEALTH

For East Asia and the Pacific, USAID's FY 2024 request includes \$196.3 million for the Global Health Programs (GHP)-USAID account, which is a \$5.8 million increase, or 3 percent, over the FY 2023 request.

Health programs that support stronger health systems play a critical role in sustainable, inclusive development gains and support a free, open, and resilient East Asia and Pacific region over the long term. With this request, USAID will continue to bolster the resilience of partner countries and economies to prevent, detect, and respond to infectious disease threats—including future outbreaks—and increase their ability to withstand future shocks. FY 2024 resources will also help address tuberculosis, malaria, and other diseases; improve nutrition and health among mothers and babies; and promote resilient health supply chains, all of which will also contribute to strengthening health systems to recover from COVID-19-related disruptions.

At the global level, the COVID-19 pandemic underscored the link between public health, emerging diseases, and the economy. The FY 2024 request will allow USAID to support ASEAN health security priorities through technical support and capacity building in partnership with the Center for Disease Control (CDC)'s regional office in Hanoi. USAID activities will promote coordination and information sharing across ASEAN member states through the ASEAN Public Health Emergency Coordination System, as well as support ASEAN's goal to establish a One Health approach to address emerging infectious diseases based on the relationships between human and animal health and the environment. Funds requested in the FY 2024 Budget will support the region in identifying and addressing emerging infectious disease threats at the national, regional, and community levels; strengthen laboratory and surveillance capabilities; improve risk communication; and prevent, detect, and reduce the spread of antimicrobial resistant pathogens.

Across the East Asia and Pacific region, USAID will continue to support the goal of combating infectious diseases. Malaria and drug-resistant malaria, in particular, remain serious and persistent threats to public health, particularly in Southeast Asia, which has the second highest estimated malaria burden globally.¹ With FY 2024 funding, under the U.S. President's Malaria Initiative, USAID will scale up proven preventive and treatment interventions and new approaches with the aim of eliminating drug resistant strains in the Mekong Delta. For example, in Thai-

¹ <https://www.who.int/southeastasia/health-topics/malaria#:text=Malaria%20is%20a%20serious%20and,highest%20estimated%20malaria%20burden%20globally>

land, USAID helped integrate drug efficacy monitoring within routine surveillance systems to ensure complete patient treatment and to detect early signs of drug resistance, an approach that is now being replicated in other Greater Mekong Sub-region countries, contributing to a safer, more secure, and resilient Indo-Pacific.

In Laos, USAID will strengthen health systems and expand services for maternal child health and nutrition (MCHN) programming. FY 2024 funds will improve much-needed health and nutrition outcomes among pregnant and postpartum women, newborns, children, and adolescents in hard-to-reach communities. These efforts will also strengthen local level health care providers' ability to engage with communities to improve nutrition and build local-level health governance and resilience. This MCHN initiative—a priority for the Government of Laos—serves as an important trust building measure in our growing bilateral relationship as well as an activity with a strong localization focus and an excellent way to strengthen local governance, accountability, and local voices.

USAID will use FY 2024 resources to address the myriad health crises in Burma precipitated by the coup, including the near collapse of the public health system, large-scale population displacements, and the inequitable COVID-19 and routine childhood immunization coverage in areas out of the regime's control. In the past year, TB incidence increased by 17 percent, malaria cases increased by 64 percent, and coverage of routine childhood immunizations plummeted to catastrophic levels. Fifty percent of the public health workforce remains on strike, leaving critical gaps in service delivery for the most vulnerable and marginalized people. With FY 2024 funding, USAID will expand TB services through non-regime-controlled channels, including the private sector. Funding will intensify malaria prevention and treatment efforts in ethnic-administered areas along Burma's borders, which are contending with a dual catastrophe: a severe malaria spike and hundreds of thousands of displaced people facing an elevated risk of malaria transmission and death. The funding will also build the capacity of ethnic health organizations to monitor health threats and deliver lifesaving services in resistance areas, including the administration of routine immunizations for children.

GENDER EQUALITY AND WOMEN'S EMPOWERMENT

For East Asia and the Pacific, USAID's FY 2024 request includes \$119.1 million attributed for gender, which is a \$5.9 million increase, or 5 percent, over the FY 2023 request.

USAID recognizes that the full participation of all people—including women, girls, and marginalized groups—is essential to a resilient and prosperous region. With FY 2024 resources, USAID will continue to promote gender equality and women's empowerment across East Asia and the Pacific. We will increase women's political, civic, and economic engagement; address gender norms and systems that perpetuate inequalities; and combat gender-based violence so that more individuals can live safer, healthier lives and contribute more fully to their societies.

In Papua New Guinea (PNG), USAID will use FY 2024 resources to prioritize the empowerment and protection of marginalized populations, with a focus on women and girls—who are increasingly vulnerable to gender-based violence and human trafficking. It will allow USAID to boost women's skills and increase their access to credit so that more women can participate in the formal economy. USAID will expand investments that directly increase women's political and social participation in PNG, building on recent successes; in 2022, USAID increased inclusion in PNG's national election by supporting women parliamentary candidates, with one USAID-trained candidate, Kessy Sawang, winning her election and becoming one of only two women currently serving in PNG's national parliament.

USAID will use FY 2024 resources to implement shared U.S. and ASEAN priorities of gender mainstreaming, women's economic empowerment, addressing gender-based violence, and women, peace, and security as agreed upon in the September 2022 U.S. ASEAN Gender Ministerial led by Administrator Power. USAID will expand gender equity and inclusion across ASEAN sectors in support of the ASEAN Gender Mainstreaming Framework. USAID will also support ASEAN to implement the Regional Plan of Action for Women, Peace, and Security which was launched in December 2022. Within economic sectors, USAID will support ASEAN Member States to better address Gender Based Violence in the workplace as well as promoting women's economic empowerment through supporting women-owned small and medium enterprises to fully participate in the digital economy through training and introduction to new technologies.

CONCLUSION

USAID remains committed to our friends and partners across East Asia and the Pacific, and we have heard from leaders and communities across the region of the importance of continued U.S. commitment and presence in the region. This budget request allows us to provide the necessary resources for USAID to deliver on our commitments and continue our central role in strengthening U.S. security and prosperity through investments that increase partner country resilience. Our efforts aim to contribute to greater stability and economic opportunity for all. Thank you for the opportunity to appear before you today. I look forward to your counsel and questions.

Senator VAN HOLLEN. Thank you, Mr. Schiffer.

Now we are going to begin with questioning and we will have multiple rounds of questioning for members who are interested. There is a lot of ground to cover in a short period of time.

I am going to start with some security-related questions and that means, Assistant Secretary Kritenbrink, these questions will be directed to you.

We all know that President Xi and the PRC have been following very closely what has happened in Ukraine, both the response of the Ukrainian people as well as the support the United States and our allies and partners have provided to Ukraine both on the military front as well as united action on the economic front, which, while not perfect, I think China has taken notice of the unity of that effort as they consider their options and future options with respect to Taiwan.

My question is this. When it comes to our ability to organize a united economic response in the event that China were to provide lethal assistance to Russia in its war against Ukraine, where does that stand now, and part two of that question is do you agree that in the interests of deterring any Russian aggression against—excuse me, any PRC aggression against Taiwan, it makes sense to signal in advance not just the fact that we are continuing to provide Taiwan with the means to defend itself, but does it make sense to signal in advance a united partnership with our EU colleagues as well as our democratic partners in East Asia to impose very tough economic consequences in the event of any aggression by the PRC against Taiwan, which in and of itself, obviously, would create a huge amount of economic stress and tension?

Mr. KRITENBRINK. Yes, sir, Mr. Chairman. Thank you very much for your questions, which are incredibly important.

I would say that we have continued to express our deep concern regarding the support that China has continued to provide Russia in its illegal and unprovoked war in Ukraine.

We have also specifically made clear that there would be significant consequences if China were to provide lethal assistance to Russia and I think that is something that not only the United States has made clear, but that many of our partners around the world in Europe and Asia have made clear as well.

We do think that is vitally important that, again, as you noted at the outset, in the National Security Strategy of the United States we make clear that we support globally a rules-based order that has helped to undergird the peace and prosperity for these past many decades and that rules-based international order is currently under assault and the key example of that, again, is Russia's invasion.

We have continued to make that clear to counterparts in Beijing, as have our partners, and we will continue to do so.

I also agree with you, Mr. Chairman, that we know that countries around the world are watching closely and carefully what is happening in Ukraine and I would hope that everyone around the world including in Beijing would note the incredible unity in the international community opposing Russia's invasion and the collective imposition of costs on Russia.

In the context of Taiwan, we have continued to signal, Mr. Chairman, that there is no change to our long-standing "One China" policy of which you are familiar. That framework has helped to maintain peace and stability across the Taiwan Strait for more than four decades now.

The United States of America is committed to maintaining that peace and stability, we support the status quo, and we oppose changes to that status quo by either side, and I think it is important and has been gratifying that many partners around the world have also recognized that peace and stability across the Taiwan Strait is a key matter of international concern. It is not just an internal Chinese matter.

You referenced the 50 percent of global shipping that passes through the Taiwan Strait on any given day. We talk about the large number of high-end chips that are manufactured in Taiwan, including 90 percent of high-end chips.

Any kind of a crisis or conflict in the Taiwan Strait would be devastating to the global economy. I think it is very much in our interest and our collective interest with allies and partners and friends to continue to signal that—just how important it is to maintain peace and stability across the Taiwan Strait and, again, to send a message to China that we would oppose any efforts to use other than peaceful means to try to change the situation there.

Senator VAN HOLLEN. Thank you. I may circle back to some of those to follow-up on some of those points.

Mr. KRITENBRINK. Yes, sir.

Senator VAN HOLLEN. Let me turn it over to Senator Romney.

Senator ROMNEY. Thank you, Mr. Chairman.

As I mentioned in my opening remarks, Chairman Menendez and I worked together on legislation calling for a comprehensive strategy to be developed with regards to China and deep—with deep granular and tactical aspects as well as outside involvement.

Our legislation became law in the NDAA 2 years ago. Senator Risch and I wrote a letter to the President last November requesting an update on that progress. We have not received a response to that.

By law, the Administration must submit the China comprehensive strategy 270 days after they submit the National Security Strategy. Given the fact that that was submitted October 12, it means that the final strategy on China is due on July 8.

More than 200 days have now passed since the National Security Strategy was put in place. What progress has been made by the Administration in developing that kind of comprehensive tactically included grand strategy with regards to China, Mr. Kritenbrink?

Mr. KRITENBRINK. Mr. Ranking Member, thank you very much for your question and yes, sir, we are very much aware of the letter from you and Ranking Member Risch.

As you outlined at the top, Senator, obviously, the United States has made very clear what our approach to China is. It was outlined in the speech that Secretary Blinken gave last year.

I can assure you, Mr. Ranking Member, that the Administration will fulfill the requirement outlined in the NDAA. We will share our comprehensive China strategy with China in the coming weeks.

This Administration obviously has regularly briefed Congress on matters related to China. We will continue to do so. We look forward to doing so and we appreciate your support on that and we will deliver that strategy. We expect to deliver that strategy well ahead of the deadline that you have referenced.

Senator ROMNEY. Thank you. I would note that I would hope numerous aspects of that would be classified—

Mr. KRITENBRINK. Yes, sir.

Senator ROMNEY. —and would only be available to a—

Mr. KRITENBRINK. I believe almost all of it would be, sir.

Senator ROMNEY. Yes. Yes. Excellent.

Are there outside people being involved in that effort?

Mr. KRITENBRINK. Senator, I would say that, obviously, we are aware of the language in the NDAA regarding giving the President an option to establish this advisory board.

I think it is fair to say that we do regularly consult with outside experts and former practitioners on our approach to China.

I do not know that I could say that they are formally involved in the formation and the execution of our classified China strategy, but obviously we have benefited a great deal from outside expertise as we have crafted our strategy.

Senator ROMNEY. I would only underscore that I think the credibility and the permanence of that strategy would be enhanced by having the perspective of people from both parties and people outside the governmental sphere.

I would—is there a point person that is responsible for this or is there some—are you the one that is leading this effort or who in the State Department is leading that effort? Do you know?

Mr. KRITENBRINK. On the strategy or the consulting?

Senator ROMNEY. Yes.

Mr. KRITENBRINK. As with many things, Mr. Ranking Member, this is a collaborative effort across the interagency, but I think it is safe to say and I would hope would be apparent that the White House has the lead on crafting the government-wide U.S.-China strategy, but certainly the State Department and my bureau has played a—

Senator ROMNEY. That would be Jake Sullivan or—

Mr. KRITENBRINK. Yes, sir, the National Security Advisor and his team.

Senator ROMNEY. All right. I just cannot resist elaborating on a point that was raised by the Chairman at this committee, which is Taiwan, and I was of the view that it was unlikely that China would immediately invade Taiwan.

There were some who thought that when Russia went into Ukraine, that China would immediately follow suit. I did not think

that was a particularly wise thing to suggest for numerous reasons, but one being that China would learn that many times there are unintended consequences for that type of action and nations that have invaded a sovereign neighbor have often found that some unintended consequences have come back to hurt them very badly as, clearly, Russia has found with regards to Ukraine.

China invading Taiwan would potentially have those consequences, one of which relates not just to chips, but to the proprietary products that go into manufacturing various high-tech products.

It is my understanding that Taiwan manufactures literally hundreds of items beyond semiconductors that could be produced nowhere else and that if those were to be disrupted, the China's economy would be severely impacted.

I would only encourage us to evaluate how many of those products there are, how much impact would be felt in this economy were there to be interruption of some kind, but it is my hope and belief that the extraordinary proprietary capabilities that Taiwan has will serve as perhaps one of the most effective deterrents of—to keep China from carrying out kinetic activity.

Therefore, at least in my own view—I am sorry I am going on here—but in my own view that China is going to look for not just a military, if you will, takeover of Taiwan, but looking for a gradual economic and geopolitical takeover and that we should be focused not just on our military strengthening, but also on those geopolitical efforts that are going to be necessary to keep Taiwan's backbone strong.

If you have any comment on that, either one of you, I am happy to hear it if the chairman will oblige.

Senator VAN HOLLEN. I will. Please keep it—

Mr. KRITENBRINK. Thank you, Mr. Chairman.

Senator VAN HOLLEN. [Inaudible]

Mr. KRITENBRINK. Yes, sir.

Mr. Ranking Member, I would just say I think you have outlined clearly the case for why it is vitally important to maintain peace and stability across the Taiwan Strait and why it is in no one's interest, including the PRC's, to take precipitous action that would lead to conflict. There would be serious consequences for the entire world if such an event were to happen.

I would say, Mr. Ranking Member, I would just add that we are focused on not just the maintenance of peace and stability, but doing so through deterrence and we believe that that involves a wide range of efforts, not just the provision of arms of a defensive nature to Taiwan, but also working to build out Taiwan's international space and to ensure that Taiwan continues to play a key role globally as well.

We are committed to using all means at our disposal to contribute to that peace and stability across the Taiwan Strait and I think you have outlined the case very well, Mr. Ranking Member.

Senator ROMNEY. Thank you.

Senator VAN HOLLEN. Thank you.

Senator Schatz.

Senator SCHATZ. Thank you, Chairman. Thank you both for being here.

Assistant Secretary, I am closely monitoring the negotiations with the Freely Associated States. I met with Ambassador Yoon. I think we are on a very positive track, but we are now at the point where we, obviously, have to land this particular airplane, but then we have to get it through the legislative process.

Two questions. First, we just want your commitment to work with us to find a moving vehicle that we can put this into. I think it is unlikely to get floor time on its own. That is a simple yes or no.

The second question for you is if you could just briefly talk about how important it is to renew this Compacts of Free Association.

Mr. KRITENBRINK. Senator Schatz, thank you very much for your question.

Obviously, we are committed to working closely with members of this body to ensure that we conclude successfully the negotiations over the Compacts of Free Association and that we work to ensure that those compacts are reflected in U.S. law.

Senator, I would say that concluding the Compacts of Free Association are in America's vital national interests. They are absolutely central to our entire approach to the region, certainly, vitally important to our entire position in the Pacific, not just the Northern Pacific, but the entire Pacific.

We have—as you well know, Senator Schatz, we have long-standing historic relations with the three Freely Associated States, reflecting our special history together.

The compacts—of course, the nature of those agreements are very important not just to the three Freely Associated States, but also to U.S. national security interests as well, and those compacts ensure not only America's strategic position across the Pacific, but also the continued peace and stability and prosperity across much of the Pacific.

We think it is vitally important. We are very grateful for your support, Senator.

Senator SCHATZ. Thank you.

As you know better than I do, this is a big year for expanding the U.S. presence in the Pacific. Just to check in, are you on track for opening all four planned new missions this year?

Mr. KRITENBRINK. What I would say, Senator, is this. As you know, we have already opened our new embassy in the Solomon Islands. We are on track this month to open our new embassy in Tonga and we continue to engage with our friends in Vanuatu and Kiribati as well on our proposed new embassies there.

The President's budget request reflects these efforts and we are committed to carrying out the diplomacy to get those done.

Now, the only reason why I am not giving you a definitive answer, Senator, is, obviously, for each of these embassies it requires negotiation and consent, of course, with—

Senator SCHATZ. Yes. Absolutely. I—

Mr. KRITENBRINK. We are working diligently and we are on track, but I cannot guarantee the timeframes, for example, for Vanuatu and Kiribati, which are not worked out.

Senator SCHATZ. I got it, but if you could get back to the committee with some additional fidelity, understanding that this has got to be an iterative process and—

Mr. KRITENBRINK. Yes, sir.

Senator SCHATZ. —nothing about me without me. We cannot just do this without the cooperation of the other governments.

Mr. KRITENBRINK. Of course.

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

U.S. Embassy Honiara, Solomon Islands opened on January 27, 2023. U.S. Embassy Nuku'alofa, Tonga will open on May 9, 2023.

For Kiribati, we are in discussion with the Kiribati Government and developing plans for a potential embassy, the opening of which would be subject to congressional consultation and notification. We anticipate that the timeline for opening Embassy Tarawa will, in large part, depend on how quickly the Kiribati finalize internal deliberations.

For Vanuatu, State has consulted the appropriate congressional committees regarding plans to open an embassy in Port Vila. State has sent assessment teams to Port Vila to identify potential embassy facility options. Provided no unanticipated delays and subject to congressional notification, our goal is to open Embassy Port Vila in calendar year 2023.

Senator SCHATZ. I understand that.

I do not think there is anything that I hear more about from my Filipino-American constituents than the visa operations in the Philippines, and I know COVID sort of smashed consular operations everywhere and you have got tech issues and staffing issues.

I am just—would like to be reassured that coming out of COVID and understanding the importance. Tomorrow, President Marcos visits with President Biden and we are, I think, on a relatively positive track.

I want to be careful about how we characterize this because we have had some difficulty in terms of aligning our values between the United States and the Philippines, particularly on human rights.

I am cautiously optimistic about that, but the people-to-people relationships depend on the efficiency of those offices and I am wondering if you can give me some good news.

Mr. KRITENBRINK. Senator, well, first of all, thank you very much for raising this issue.

We had the honor of hosting President Marcos in the White House yesterday and then joining at dinner with him last night, and I think—as you outlined and as was announced in the joint statement that we just released in the context of his visit, I think President Marcos' visit here has strengthened to a great deal our long-standing alliance and friendship, and this is a broad-ranging very deep partnership that you have outlined.

Certainly, people-to-people ties are key to that, including the 4 million Filipino Americans here in the United States.

Regarding consular issues, and I assume, Senator, you are referring to visa delays and the like?

Senator SCHATZ. Yes.

Mr. KRITENBRINK. I am happy to take that back and talk with my colleague, Assistant Secretary Rena Bitter. I know from my previous conversations with her that she and her colleagues in the Consular Affairs Bureau are very focused on reducing those wait times. I do not know exactly where we stand right now in the Philippines, but I will take that back and find out.

Senator SCHATZ. Thank you.

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

The Department of State is committed to safeguarding national security while facilitating legitimate travel to the United States. In the first 6 months of this fiscal year, the U.S. Embassy in Manila has issued more nonimmigrant visas than during the same time period in pre-pandemic FY 2019.

We are lowering visitor visa interview wait times worldwide, including in the Philippines. This is a direct result of hard work in the field and a focus on innovation and efficiency in our processes while staffing continues to recover. Embassy Manila is on track to process more nonimmigrant visas this year than any previous year. For a visitor visa, the interview appointment wait time in Manila as of May 8 was 155 days, which is less than a quarter of its peak last year. Wait times for work, student, crew, and exchange visitor visas are substantially shorter; for example, the wait time for a student visa interview is 16 days.

The embassy has offered tens of thousands of additional nonimmigrant visa appointments over the last several months, primarily for tourist and business applicants, and will continue to add interview slots to accommodate demand from Philippine travelers.

Immigrant visa interview wait times are also decreasing and have been eliminated in most immediate relative categories and for healthcare workers.

Senator VAN HOLLEN. Thank you, Senator Schatz.

I do want to welcome Senator Duckworth to the committee and now turn it over to Senator Ricketts for questions.

Senator RICKETTS. Thank you, Mr. Chairman.

Mr. Chairman, when you were going through the credentials of Secretary Kritenbrink, you forgot to mention that he is from Nebraska so—

[Laughter.]

Senator RICKETTS. Now, he is a Loper, so I did not say Cornhusker from Nebraska.

Mr. KRITENBRINK. Thank you, Senator.

Senator RICKETTS. I had the privilege of doing a trade mission to Vietnam when he was Ambassador.

Speaking of Nebraska, we certainly had the firsthand experience with the malign ambition and threats the Chinese Communist Party faces to Nebraskans when the spy balloon floated across our airspace as well as a number of other airspace—states' airspace and, of course, Nebraska is home to the Strategic Command, which manages our nuclear forces, so very concerning with regard to that.

It is nothing—it pales in comparison to what the Chinese Communist Party does to Taiwan, whether it is cyber attacks, fighter jets, war planes, and that sort of thing and, of course, President Xi in his most recent Party Congress again reiterated his desire to unify with Taiwan if—by force if necessary, and, obviously, this has been a topic of conversation here already. Obviously, it is important for us to be able to provide to the Government of Taiwan the arms they need to protect themselves.

I think we have got former INDOPACOM Commander Admiral Davidson, Chief of Naval Operations Admiral Gilday, Air Mobility Commander General Mike Minihan.

All have said that China could be attempting to take over Taiwan sometime in the next few years, and President Biden has been strong in talking about defending Taiwan, sometimes so much his staff has had to walk back some of his comments.

My question gets to the budget proposal where—help me, because I am looking through this and I do not see, as I am walking through this budget, very many mentions of Taiwan, in fact, just

one in the entire budget where Taiwan is even mentioned as a priority.

You got the new global FMF line, which provides only \$16 million baseline for Indo-Pacific and that is not just for Taiwan, that is the entire Indo-Pacific.

Talk to me about what this budget means for helping to make sure Taiwan can defend itself should the Chinese Communist Party want to take over Taiwan by force.

Sixteen million dollars does not sound like very much money and, again, I think that USAID—you are talking about—you are proposing a 25 percent increase in your budget. It was \$193 million, something like that.

There seems to me a disconnect there.

Mr. KRITENBRINK. Senator, thank you very much for your questions and, again, let me just underscore what a priority it is and how important it is to the United States of America that we continue to maintain peace and stability across the Taiwan Strait and that we deter any possibility of precipitous PRC action aimed at Taiwan.

I think, as you have outlined, we noted, of course, China's stated policies in which they claim that the so-called great rejuvenation of the Chinese nation is incomplete without "reunifying with Taiwan." This is deeply concerning.

We are deeply concerned by the range of Chinese coercive actions aimed at Taiwan that threaten to undermine the status quo and the peace and stability that is so important to all of us.

I can underscore and make—I want to make absolutely clear, Senator, that not everything that we are doing on Taiwan is going to be reflected in the budget lines before you.

Just under this Administration—just last year, actually, we notified 13 different arms sales to Taiwan. We have notified \$15 billion—rather, \$5 billion, excuse me—\$5 billion in foreign military sales to Taiwan under the Biden administration and that accounts for in the larger picture \$37 billion since 2010 and \$21 billion since 2019.

We are committed to making available to Taiwan the necessary defensive arms so that it can maintain a sufficient defense capacity.

I will point out, Senator, we are open to and we are grateful for the various options that have been made available to the Administration to assist Taiwan to maintain self-defense capacity.

We are open to exploring all of those different avenues. I think that foreign military sales have been the primary channel that has been used to date, but we are open to exploring all of those means and, again, we are absolutely committed to meeting our obligations under the *Taiwan Relations Act*.

Senator RICKETTS. In your opinion, do we need—given the potential threat here from the Chinese Communist Party to take Taiwan by force, is it your opinion that we need to accelerate arms sales to Taiwan and are there specific things that you would recommend that the Government of Taiwan focus on with regard to the types of military sales?

Mr. KRITENBRINK. Senator, we are doing everything possible to accelerate all of the arms sales that have already been notified and

some of that is related to improvements that the U.S. Government can make—needs to make.

Some of that is related to supply chain and industrial base challenges and I know that we work with members of the Senate to address those as well.

Again, we will meet our obligations under the *Taiwan Relations Act* to assist Taiwan to maintain a sufficient self-defense. At the same time, arms sales alone do not represent everything that we are doing, of course.

We are consulting with our Taiwan partners on a daily basis on the things that they can do to better defend themselves and that relates to the various defense reforms that President Tsai and others have carried out in Taiwan.

That includes mobilizing an “all-society defense.” It means investing in asymmetric defense capabilities that we believe better deter the possibility of a precipitous action against Taiwan and it also involves things like extending the mandatory service or conscription period for Taiwan youth to 1 year.

We are—and it also has involved quite a substantial increase in Taiwan’s own defense budget. We think, together with meeting our obligations, friends in Taiwan have done a great deal to increase their own defensive capacity.

Then I would add, Senator, as I mentioned to the ranking member, we are also working with partners around the world who, like us, share an interest in maintaining peace and stability so that we can build out deterrence in that way as well.

Thank you.

Senator RICKETTS. Thank you.

Senator VAN HOLLEN. Thank you.

Senator Duckworth.

Senator DUCKWORTH. Thank you, Mr. Chairman.

Gentlemen, welcome. One of the consistent messages I hear from our partners in the region is the exceptional value they place on United States-provided training, whether through the Fulbright program, the YSALI program, the Young Southeast Asian Leaders Initiative, or the IMET program through DoD.

I know that English language training also remains in high demand to help improve interoperability and facilitate future collaboration. These programs build relationships that leave positive impacts over decades as recipients move into senior leadership positions in their own countries.

Assistant Secretary Kritenbrink, how does this—welcome. Good to see you again, by the way.

How does this budget expand our ability to offer these key programs and others like them to our Indo-Pacific allies and partners and what more can we be doing?

Mr. KRITENBRINK. Senator Duckworth, ma’am, nice to see you again. Thank you very much for your question.

I could not agree more that I think people-to-people ties forms a bedrock for almost every bilateral relationship that we have in the region, and you outlined many of the key exchange programs. There are many more, of course—Fulbright, YSALI, IMET, and others.

In the President's budget request, it includes a 13 percent increase in our diplomatic engagement budget and that covers both our staffing across the region and also our public diplomacy program.

If you would like further details on exactly what would be involved, I would be happy to come back to you with that.

We do agree with you that it is building people-to-people ties and it is also being active in the information space to counter lots of the disinformation coming from various parts of the region that we think are vitally important for our long-term interests, but we are very much committed to people-to-people ties.

Senator DUCKWORTH. Thank you, and do come back with me with more detail.

Mr. KRITENBRINK. I will, ma'am.

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

The Department's FY 2024 request reflects the Administration's commitment to a free and open Indo-Pacific and our prioritization of people-to-people engagements that underpin our strong and growing relationships in the region.

We have requested a total increase of \$10.7 million USD in .7 PD funds to support staffing for Expo Osaka, new U.S. direct hire positions, and countering disinformation programs. Of that total request, \$5.7 million USD in .7 PD funds will be used to support the 152,000-member (and growing) Young Southeast Asian Leaders Initiative (YSEALI) and the Young Pacific Leaders (YPL) program. Both programs sit squarely within EAP's goal of building networks of individuals who share and advance democratic values and support U.S. policies. Both programs are also critical to developing a robust, U.S.-oriented generation of leaders to support our economic, security, and democracy building goals. These participants are a tailor-made audience for our positive vision for the region in the face of the PRC's information operations and economic coercion.

EAP supports ECA's FY 2024 request for \$6.2 million in ECE funds to fulfill the Administration's commitment to doubling YSEALI exchanges, as announced at last year's ASEAN summit, so that 900 emerging leaders will benefit from YSEALI's academic and professional opportunities every year.

EAP has coordinated with the Bureau of Educational and Cultural Affairs (ECA) to develop a robust plan to expand American Spaces in the Pacific Islands, which provide a platform for outreach, training, English language learning, and countering disinformation.

We support Embassy Vientiane's top mission resource request priority, the construction of a new American Center in Laos, to increase English language instruction as well as educational and training opportunities that will have an outsized impact.

Senator DUCKWORTH. I do want to continue on a topic I discussed with Administrator Power last week regarding how this budget request helps prioritize consistent, clean, safe drinking water access for the priority countries and I understand that priority list includes countries like Indonesia and Philippines.

Assistant Administrator Schiffer, can you share more details with us regarding the investments and activities planned in both of these countries, Philippines and Indonesia, under the U.S. Global Water Strategy and, specifically, I would like to hear a bit about how USAID has found success prioritizing local partners and local solutions that result in lasting improvements with domestic partners.

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

Working with local communities through the Administrator's focus on localization so that we are pushing programs out to those that know best the problems that they face so that we can work

with them to help build their capacity to face them, is at the heart of much of the work that we do and that is for water and sanitation as well as across a whole range of our works.

On the programs in Indonesia and the Philippines specifically, I will be happy to get back to you because we are still very much in keeping with the spirit of the localization effort and consulting and working with local partners so that we are taking on board their priorities as we develop those programs.

We are still in the process of determining the pathway forward, but I can tell you that we have had tremendous success in Vietnam, as Assistant Secretary Kritenbrink knows from his time there, as well as in the Pacific Islands in working with local communities on clean water and sanitation issues, and that is an area that we get a tremendous return on our foreign assistance and development dollars for building better relationships in those countries that then have all sorts of additional overflow equities for our diplomatic posture.

Senator DUCKWORTH. If you could get back to me at a later point with your plans on clean water initiatives in Indonesia and Philippines, in particular, I would appreciate it.

Mr. SCHIFFER. We would be happy to.

Senator DUCKWORTH. Thank you.

Secretary Kritenbrink, I want to talk to you about accessibility—ADA compliance. The lack of accessibility at so many of our facilities is a serious obstacle to full participation in the State Department with persons with disabilities both for our own staff, but also when we host nation members at events at the embassies, and it is also really tough for individuals with family members who may be disabled.

When I went to Japan a couple years ago, I found the mission to not be accessible. I was offered a stay in a hotel room that I was told was going to be accessible. I got there. It was not accessible.

My entire CODEL had to move very late in the evening to a different hotel. This last time that I went to Japan, I was offered a hotel room, luckily before we went, that was the same one that was found to be not accessible the last time I was there, and we flagged it and we were put in one that was accessible.

I saw that the State Department's fiscal year 2024 budget request—and by the way, I think the ambassador's residence is still not fully accessible in Japan. Yes.

I saw that the State Department's fiscal year 2024 budget request includes \$5 million for the accessible housing program through which the Department intends to provide at least one residence accessible to employees with disabilities at every post with a housing pool.

Of those posts with a housing pool, how many missions in the EAP region currently lack accessible housing, and given the current funding available, how long do you expect it would take the Department to ensure at least one accessible residence at every such mission in your region?

Mr. KRITENBRINK. Senator, thank you very much for raising this very important issue.

I will need to take that back and come back to you with the details. I know that we are committed across the U.S. Government

and across our bureau to make sure that our facilities are accessible.

I will need to take that back to come back with you on the details. I do know that we have worked very hard to make our facilities accessible.

It sounds to me like based on your direct experience we have a long ways to go, but I am happy to take that back and I will get you a specific answer.

Senator DUCKWORTH. Thank you.

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

Currently nine posts in EAP have at least one residence that is fully compliant with the Architectural Barriers Act (ABA), and 34 posts do not. We estimate between 1 and 6 months, at a cost of \$150,000–\$200,000, to bring one residence into full compliance. The time and amount of funding that would be required to make at least one housing pool residence at each EAP post fully ABA compliant varies depending on the operating environment and size of residence.

The Department is addressing this issue globally through initiatives like the Staff Housing Opportunity Purchase Program, the Build to Lease Program, and the Adaptable-Accessible Housing Acquisition Program to expand readily available, adaptable, and accessible housing to accommodate members of the Foreign Service and their families globally. The goal is to ensure employees with disabilities can almost immediately occupy suitable housing on arrival, rather than wait for posts to lease new units or renovate existing ones. These programs focus on government-owned or leased adaptable, accessible residences at posts with housing pools.

Mr. KRITENBRINK. Thank you.

Senator DUCKWORTH. Mr. Chairman.

Senator VAN HOLLEN. Thank you, Senator Duckworth.

Let me turn it over to Senator Hagerty, and thank you for hosting a Japanese delegation here on the Hill yesterday led by Mr. Motegi.

Senator HAGERTY. Yes. Thank you, and he was very appreciative as well, Senator Van Hollen, of the respect and the showing that we had there with 10 senators, I think. It underscores how important the bilateral relationship is and they were very appreciative. Thank you.

Senator VAN HOLLEN. Yes, indeed.

Senator HAGERTY. It is good to see old friends here today. I have been looking forward to this discussion. I am sorry we do not have more time to talk today, but I am going to spend my time with you if I might, Assistant Secretary Kritenbrink, to talk to you about a couple of items that concern me.

One of them is regarding a report that I saw in the *Financial Times* on April 14. They reported—I am going to read this directly—that, “China is refusing to let the U.S. Secretary of State Antony Blinken visit Beijing over concerns that the FBI will release the results of an investigation into the downed suspected Chinese spy balloon.”

The spy balloon issue has not gone away. The FBI report, I think, is something that the American public will value in terms of letting us finally get authoritative facts about what actually happened with the spy balloon and their egregious violation of U.S. sovereignty.

My first question, Secretary Kritenbrink, do you support the full release of the FBI report on this Chinese spy balloon to Congress?

Mr. KRITENBRINK. Senator, I absolutely support making sure that people are aware of what happened. I think that this incident—I know many members of the Administration have had an opportunity to brief on this. This was a completely unacceptable incident. It violated American sovereignty and territorial integrity.

Senator HAGERTY. I agree, and I hope that—

Mr. KRITENBRINK. I think our reaction—our actions taken in response to it were crystal clear.

Senator HAGERTY. I hope the EAP will be responsible for the full report to be released to Congress.

Next question—

Mr. KRITENBRINK. I would say, sir, given that these are matters beyond my responsibility, I would of course have to refer you to the Department of Justice and FBI.

Senator HAGERTY. There, I presume, would be an unclassified version of this report, too. Again, I would just like to see EAP being supportive of the release of this and not the contrary.

The other question that I think that the point raised by the *Financial Times* comment is whether the Chinese pressure to obtain—whether our desire to obtain an official visit with China is going to in any way affect our decision to release the report and my question of you is if you support releasing the FBI report on the Chinese spy balloon prior to any senior level visit to China.

Mr. KRITENBRINK. I would respond to it in a couple of ways.

Again, Senator, I would have say on the details of any FBI report, I would have to refer you to the Department of Justice and FBI.

If I could say, though, very specifically we continue to make clear to our Chinese counterparts that we will always stand up and defend American national interests, full stop.

Senator HAGERTY. Let me come back to the quote again.

Mr. KRITENBRINK. We are also committed, sir, to managing responsibility—managing responsibly this intense competition between the United States and China and part of that, in our mind, has to involve senior level communication and keeping channels open. It is the only way to responsibly manage—

Senator HAGERTY. Even if China conditions that sort of dialogue on meeting their demands like not releasing the FBI report on the China spy balloon?

Mr. KRITENBRINK. We do not believe in engagement based on demands and preconditions. We think that responsible nations ought to engage with one another and do everything possible to—

Senator HAGERTY. I hope that means that you will not meet their preconditions then at least relating to the FBI report on the spy balloon.

I would like to come to another issue and that relates to fentanyl. As you know, China is the principal source of chemical precursors that the Mexican cartels are synthesizing into fentanyl. They are smuggling it across our border and killing our kids with it.

Top Chinese officials, including Foreign Minister Qin Gang, have publicly demanded that the United States accept certain preconditions before China will cooperate on fentanyl. China's pre-

conditions include delisting Chinese entities involved in the Uighur genocide.

My next question is whether it is your view that China expects the United States to accept certain preconditions before it will discuss potential cooperation with us on the fentanyl crisis?

Mr. KRITENBRINK. Senator, I will have to leave to Beijing to talk about what its position is. Our position is crystal clear. China needs to do everything possible to stop the chemicals that feed the fentanyl trade and now China has demonstrated in the past it has the capacity to do so. When we had agreements in 2019 to register those chemicals, there was a dramatic drop in fentanyl.

What we see now oftentimes are these precursor chemicals that in many instances are technically legal that are diverted to the cartels and then synthesized into fentanyl.

We have made clear that there are many things that the Chinese could do to cut down on that trade. I know that Treasury and others in the U.S. Government have recently taken action to sanction certain entities to make that—

Senator HAGERTY. Treasury has. It is interesting. The State Department has actually pulled back any condemnation. At the same time, the Treasury has been willing to go forward and name Chinese entities.

What I hate to see, Secretary Kritenbrink—and I have the utmost respect for you, as you know—but what I hate to see is us find ourselves in a situation where the CCP is making demands on us and that we in some way are acceding to those demands just so we can get some sort of high-level visit over in Beijing and a photo opportunity. We need to be pressing them at every level.

Mr. KRITENBRINK. Senator, we do not believe in dialogue for dialogue's sake. Dialogue needs to be focused on a purpose. At a minimum, the necessary communication channels need to be open so that we can do everything possible to avert a miscalculation that could lead to conflict.

There are many other reasons why we ought to be talking to one another including, as you outlined here, Senator, very important issues including fentanyl, which is one of our absolute top priorities. There are several others as well.

Senator HAGERTY. We agree on that. I appreciate it, but this is absolutely critical that their preconditions not be accepted.

Thank you, Secretary.

Senator VAN HOLLEN. Thank you, Senator Hagerty.

Let me just say, Assistant Secretary, I share Senator Hagerty's view that we cannot allow China to establish preconditions for the opportunity to talk to them.

Let me—we are going to have a second round of questions now for members who are interested. As we heard, we are going to be soon welcoming today or tomorrow President Marcos from the Philippines and, of course, we had a very busy week last week with the South Korean President Yoon and I thought a lot of positive developments came out of that meeting between President Yoon and President Biden including the announcement of the Washington Declaration.

Assistant Secretary Kritenbrink, if you could just expand on the—exactly what the new declaration means. Is this a reinforcement of existing policy? Is it any change in existing policy?

If you could take that opportunity just to discuss the threat being posed by North Korea, and also as part of your answer, I am one of the authors of the Otto Warmbier *BRINK Act* along with former Senator Toomey, which was designed to impose secondary sanctions on any country or entity that is undermining the sanctions that we have on North Korea, and I have been very concerned about leakage in that sanctions regime.

If you could just take this opportunity to answer those questions in the context of North Korea and the threat it poses.

Mr. KRITENBRINK. Mr. Chairman, thank you very much for these incredibly important questions.

I fully agree that the visit by Republic of Korea President Yoon was incredibly successful and it represented, I think, a powerful expansion and further strengthening of our vitally important alliance.

Mr. Chairman, the Washington Declaration was issued primarily because of the unprecedented and growing nature of the threat from North Korea, which continues to launch regularly ballistic missiles, continues to issue irresponsible and threatening rhetoric that threatens violence against South Korea and the United States as well.

In response to that, our two presidents issued the Washington Declaration. They made clear that as a result of the Washington Declaration, the U.S. is committed to making every effort to consult with the R.O.K. in nuclear crises and we have also created a new bilateral mechanism that is designed to help us engage and plan on nuclear and strategic issues.

We have also agreed to regular strategic asset deployments and better integration of R.O.K.—of Republic of Korea conventional assets into U.S. strategic planning. This is being done, really, just for one reason and that is the nature of the growing DPRK threat.

I would say as a result of that threat our alliance with the Republic of Korea has never been stronger, our alliance with Japan has never been stronger, and the trilateral work between Washington, Tokyo, and Seoul has never been more robust.

The United States continues to make clear to Pyongyang that we are open to diplomacy and dialogue, which will be the only sustainable long-term means of resolving this matter.

In the meantime, in the face of the growing DPRK threat and threatening rhetoric, we will take the steps that we need to defend our allies and the American people, and I think in a nutshell that is what the Washington Declaration means.

Mr. Chairman, I would also say as North Korea continues to refuse to engage diplomatically, we will also not just take these steps to strengthen our defenses, but we will also continue to implement and to expand the sanctions regime that is imposed on North Korea and we will continue to impose costs for their irresponsible behavior.

Senator VAN HOLLEN. I appreciate that. Just on that last point on the sanctions—and I have met with the deputy secretary of the Treasury Department and others—if you look at the annual U.N. reporting on the leakage in North Korea sanctions, it is substan-

tial, and I look forward to following-up with you and your team and the Department of Treasury on what more we can do to close those gaps because I am not convinced that we are nailing down everything that we can there.

Let me just—there is so much to ask on the economic front, but I am just going to focus in on one area because I am trying to get clarification, especially on the infrastructure budget that is before us and you, I think, outlined some of this in your testimony.

The Congressional Budget Justification requests \$250 million for a State-USAID co-managed Partnership for Global Infrastructure and Investment Fund. The justification also requests \$2 billion in mandatory funds for an international infrastructure fund.

The budget also mentions the Trade Development Agency and says that it will, “prepare infrastructure projects,” via the inter-agency process and support the Administration’s goal to mobilize \$200 billion from the PG—from the global infrastructure account over the next 5 years and it notes that there will be \$2 billion for the Indo-Pacific region.

I have been a longtime believer in the fact that we need to leverage more of our tools on the infrastructure front. You cannot beat something with nothing and, obviously, the Belt and Road Initiative includes a number of infrastructure investments, some of them funds misspent and we have been clear and warned countries about the fact that those investments comes with strings that come back to bite them.

Can you clarify, Mr. Kritenbrink, all these different infrastructure proposals that are set forth in the budget?

Mr. KRITENBRINK. Mr. Chairman, I can certainly do my best. I am not an infrastructure expert either, but I believe I understand the requests.

There is—of course, with the DFC and TDA and many others we continue to work with our discretionary funding to try to create the appropriate environment to facilitate sound infrastructure investment across the region and as part of that effort and as part of the President’s PGII initiative, there is a \$250 million discretionary request this coming year.

Mr. Chairman, you had mentioned two other important components of the President’s budget that involve not just the discretionary requests, but also a number of mandatory requests.

I had mentioned the \$7.1 billion related to COFA. Then there is another \$6 billion in mandatory requests including \$2 billion mandatory requests related to the new International Infrastructure Fund and \$2 billion related to other economic-related initiatives in the Indo-Pacific.

The thinking behind that is that for the International Infrastructure Fund, mandatory funding would give us the ability to focus over multi years long-term projects and focus on hard infrastructure where we find many of the greatest needs are around the world and in the Indo-Pacific.

Regarding the separate \$2 billion mandatory request related to economic initiatives specifically in the Indo-Pacific region, again, based on the mandatory multiyear funding we believe this would give us the capacity to engage in long-term unprecedented eco-

conomic engagements that we think would advance, obviously, our national interest.

It involves things like resilient supply chains, connectivity, and also anti-corruption efforts which, unfortunately, the PRC uses corruption to its end.

Again, the key here is to try to safeguard long-term funding for these strategic economic initiatives across the Indo-Pacific. I hope that helps to clarify the request.

Senator VAN HOLLEN. It does.

Mr. Schiffer, I do not know if you want to briefly comment on it and then I am going to turn it over to Senator Ricketts.

Mr. SCHIFFER. Sure. No, I appreciate the opportunity.

As Assistant Secretary Kritenbrink laid out, as we think about this issue, there are different purposes even to the same ends that the mandatory and the discretionary funds are able to provide.

For example, in the Pacific Islands we partner with Japan, Australia, New Zealand, and others on projects like the Papua New Guinea Electrification Partnership where we are able to come in with technical assistance, they can come in with hard infrastructure, and then we can each leverage each other's comparative advantages so that we can leverage those partnerships.

To be able to do that, though, requires our being able to make long-term commitments to these projects over multiple years and so as we focus on improving the enabling environment across the Indo-Pacific, removing transaction level barriers and building like-minded partner consortiums to compete on projects and to mobilize financing from the U.S. Government, the private sectors, and others, we find that both the discretionary and the mandatory pieces are essential if we are going to be able to move forward in building the sort of economic environment for the Indo-Pacific that I know we all strive for.

Senator VAN HOLLEN. Thank you.

Senator Ricketts.

Senator RICKETTS. Thank you, Mr. Chairman.

Secretary Kritenbrink, at the end of your last question answered to me, you talked about how there is more than just arm sales that will help deter the People's Republic of China and I could not agree more.

We need to shore up existing alliances, develop new security partnerships, and one of the things that a lot of countries in Asia care about is trade and that seems to be missing from this overall strategy.

The President unveiled his Indo-Pacific Economic Framework in October 2021 that set a high-level outline for things like labor standards and environment, open digital data flows, free, fair, and open trade in investment policies, resilient supply chains. You just mentioned that.

It does not really do that—it is not a vision to the concept of a traditional trade agreement to talk about tariffs or market access and, to me, does not seem like that actually will help fundamentally shift supply chains, does not help promote U.S. agriculture or manufacturing—specifically, if you think about Nebraska, we are—we have a lot of trade exports in agriculture—does not help encourage countries to really embrace these standards.

In fact, it is not even really an agreement at all, but just talks about an outline about how talks might begin down the road.

In the meantime, the People's Republic of China is not wasting any time. They have entered into a regional comprehensive economic partnership, a free trade pact that includes many of our allies and covers about 30 percent of the world's population.

The chairman mentioned the Belt and Road Initiative where the People's Republic of China is making significant investments in Pacific nations. I think they are the largest investor in Pacific nations and it is building goodwill for them.

My question is how does the Biden administration expect to effectively compete with the People's Republic of China's influence in the region if we do not have a more ambitious and comprehensive trade strategy for how we are going to develop these trade relationships with countries in that part of the world?

Mr. KRITENBRINK. Senator, thank you very much for your question.

We are quite excited by the prospects involved in IPEF where, as you noted, it is true that tariff liberalization will not be part of IPEF, but nevertheless among the four pillars in IPEF is a trade pillar that we think is incredibly important to breaking down a range of nontariff barriers and creating a common set of high standard rules across the region.

We believe in IPEF. We have the regions, 14, including the United States, of the most important dynamic economies in the region and we are aiming to set the rules of the road for the 21st century economy.

As I mentioned—and the trade pillar does not include tariff liberalization, but it includes many other elements that we think are important including issues related to labor, environment, the digital economy, and the like. The other pillars of IPEF are related to supply chains, clean energy, and then what we call the fair economy, tax and anti-corruption.

We believe that IPEF will be a transformational agreement. It includes many elements that are unprecedented and we are committed to concluding it at an early date and I think you can see through its membership it shows as well, I think, the appetite for U.S. engagement including U.S. economic engagement across the region.

Senator RICKETTS. You do not believe that tariffs need to be a part of that overall equation as well? This is the hard dollars, right, that countries care about and you just acknowledged that the tariffs are not part of this.

Mr. KRITENBRINK. They are not part of the current conversations, Senator, but we are confident that IPEF, when concluded, will be an important and transformational agreement that is very much in America's national interest and in the interests of America's farmers and workers.

Senator RICKETTS. Okay. I do want to follow-up real quick on one of the things that the chairman was talking about with regard to the sanctions on North Korea.

I believe that in the 3 months since the White House announced some of their—announced that Pyongyang was covertly supplying rockets and missiles to U.S.-sanctioned Wagner Group, that only

one Slovakian individual has been sanctioned for attempting to negotiate the North Korean-Russia arms deal and I am wondering what is the status of implementing these sanctions on North Korea that were overwhelmingly passed on a bipartisan basis.

Besides the Slovakian national sanction in late March of 2023, why has the Administration not sanctioned North Korean and Russian entities, individuals, and banks involved in these Pyongyang-Moscow proliferation activities?

Mr. KRITENBRINK. Senator, we remain deeply concerned by a range of North Korean actions including the action you have referred to of it providing weapons to the Wagner Group for Russia's use in Ukraine.

As you noted, we have applied sanctions related to that action and we are committed to taking whatever actions we can to penalize those involved in that action and to deter further transactions, but this is a deeply concerning and disturbing action, no doubt about it.

Senator RICKETTS. Thank you, Mr. Chairman.

Senator VAN HOLLEN. Thank you.

Senator Hagerty. Then, if no Democrat arrives, Senator Cruz.

Senator HAGERTY. Thank you, Mr. Chairman.

Just a brief follow-up question. Again, Secretary Krittenbrink, I would like to come to you, if I might, to talk about Taiwan and specifically the *Taiwan Enhanced Resilience Act* that Chairman Menendez led. I was proud to join him and we included that in the 2023 NDAA.

That law provides for \$2 billion worth of foreign military finance between now and 2027 and a billion dollars per year of presidential drawdown authority that would all be used to help support Taiwan's military posture.

The other thing that the Menendez law included was the requirement for a spending plan that was due March 1, 2023, and I am certain that you and Jessica Lewis are working closely on this, but I wanted to get your sense for when we will have this report ready.

Mr. KRITENBRINK. Senator, I will have to take that back and come back to you with a specific answer.

The only thing I could say on the spot would be, as I indicated, we are grateful for the support of this committee and the various authorities and tools that have been made available to us.

We are open to exploring using all tools available to us to assist Taiwan in maintaining a credible self-defense capacity, but I will have to take your question back and come back with this.

Senator HAGERTY. This is an area you know very well and you understand the threat posture there. We have got now a \$19 billion backlog in foreign military sales to Taiwan. Again, we have got these new authorities that the Menendez law has put forward and the spend plan is absolutely critical.

Again, it is due March 1. I cannot imagine a more threatening concern that we have in the region—East Asia, Pacific—than the situation in the Taiwan Strait.

I will look forward to hearing right away when this will be provided to us and, hopefully, it will be very, very soon. Thank you.

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

The Department of State is currently drafting the report and will transmit very soon.

Senator HAGERTY. Thank you, Mr. Chairman.

Senator VAN HOLLEN. Senator Cruz.

Senator CRUZ. Thank you, Mr. Chairman.

Mr. Kritenbrink, you and I have spoken several times about my concerns that the Biden administration has been consistently weak on China and, in particular, weak in supporting Taiwan.

One area we have discussed multiple times is this Administration's continued prohibition on our Taiwanese allies from displaying symbols of their sovereignty on American soil, and you know the history of this policy. It was the Obama administration that first implemented the policy at the behest of the Chinese Communist Party.

When President Trump became Trump—became President, I spent 4 years battling the Trump administration, urging them to change the policy and, finally, at the end of the Administration I was successful and the State Department changed the policy to allow Taiwan to do what all of our other allies can do, which is to appear on U.S. soil, to appear on U.S. Government properties with Taiwanese flags, wearing Taiwanese military uniforms.

When President Biden became President and he nominated Tony Blinken to be Secretary of State, I asked Mr. Blinken about this question before this committee and Secretary Blinken committed at the time to keep the policy in place “for the time being.”

It turned out that phrase “for the time being” meant just so long—just enough time for him to get confirmed and get in office because shortly after he got there, he reversed the policy. He returned to the same appeasement of the Chinese Communist Party that had prevailed under the Obama administration, and I have to say it occurred at a particularly bad time when China is engaging in more and more aggressive and bellicose actions towards Taiwan.

Now, at your confirmation hearing, I asked you about this and you committed to this committee, and I quote—you said, “I am committed in every way to growing our partnership in Taiwan.”

Now, every way presumably includes allowing the Taiwanese to display their flags, their uniforms, their symbols of sovereignty. Has the State Department done so and, if not, why?

Mr. KRITENBRINK. Senator Cruz, thank you for your question.

Respectfully, I would say, Senator, that the U.S. Government's policy related to symbols of sovereignty, that policy and those restrictions have been in place since the very beginning of the implementation of our “One China” policy and our unofficial partnership—

Senator CRUZ. With respect, that is not true because the Trump State Department reversed them and allowed Taiwan to display the symbols of sovereignty.

Mr. KRITENBRINK. Senator, these were not new policies that came about in the Obama administration. These are restrictions that from the very beginning—

Senator CRUZ. Is it true the Trump administration reversed the policy?

Mr. KRITENBRINK. It is true that near the end of the Trump administration, the contact guidelines that have traditionally guided U.S. Government interaction with Taiwan were rescinded.

Senator CRUZ. The policy was they could display their symbols of sovereignty and then the Biden administration came in and acquiesced once again to the Chinese Communists.

I will point out this view is not an esoteric view. I have not once, but twice introduced legislation to allow the Taiwanese to display their symbols of sovereignty and this committee has passed that legislation with an overwhelming bipartisan vote multiple times.

If you have Democrats and Republicans on the Senate Foreign Relations Committee telling the State Department respect the Taiwanese and treat them as allies, why does the Biden State Department refuse to follow that guidance?

Mr. KRITENBRINK. Senator, since 1979 we have not had formal diplomatic relations with Taiwan. Taiwan is an important, but unofficial partner with whom we have an incredibly robust relationship. I would argue—

Senator CRUZ. Well, all right. Let me ask a different question.

Mr. KRITENBRINK. Senator, if I could just—

Senator CRUZ. I want to ask another aspect. My time is running out.

Mr. KRITENBRINK. I would argue, Senator, that our partnership with Taiwan has never been stronger. We have—and I think—

Senator CRUZ. All right. Well, let me give another example then, Mr. Krittenbrink. Mr. Krittenbrink—

Mr. KRITENBRINK. Yes, sir.

Senator CRUZ. —another area where I am very concerned concerns Taiwan's participation in the International Civil Aviation Organization.

Last Congress, I authored legislation, which became law with bipartisan support, requiring the Administration to formulate and transmit a strategy for securing Taiwan's inclusion in ICAO.

We saw particularly during the COVID pandemic with the incredible number of flights going through Taiwan that it was asinine not to include discussions with Taiwan. It should be a no-brainer. Taiwan is a global hub for civil aviation.

Well, the State Department recently transmitted that report. I have it in my hand here. Without being unkind, it does not approach remotely the urgency of the legislation—the urgency of the issue that the legislation required.

I want to ask you what is State Department's specific concrete strategic plan to secure Taiwan's participation in the International Civil Aviation Organization?

Mr. KRITENBRINK. Senator, we agree with you that Taiwan ought to participate meaningfully not just in ICAO, but in many other international institutions, given Taiwan's important matter—important role in global affairs and the global economy.

I will have to take back your question on our specific strategy for doing so, but I hope our position is clear and just one—

Senator CRUZ. By statute it should have been in this report and it is not?

Mr. KRITENBRINK. I am happy to take that back and take a look at that, Senator.

Senator CRUZ. Thank you.

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

Increasing Taiwan's meaningful participation in the UN system and in other international and regional organizations is an important priority for the U.S. Government. As noted in the report, our efforts to support Taiwan's increased participation at the International Civil Aviation Organization (ICAO) strongly ramped up in the fall of 2022. After Secretary Blinken delivered a clear message on Taiwan to ICAO leadership in a face-to-face meeting in October 2022, our Mission to ICAO stepped up engagement with like-minded partners in Montreal to further increase the pressure.

Our strategy has been to put together a substantial group of likeminded states that continues to meet with ICAO leadership and Taiwan counterparts to lay the groundwork for direct Taiwan participation. The main goal—as voiced by Taiwan—is to increase Taiwan's participation in ICAO technical meetings and ultimately participate in ICAO's next assembly in 2025. We are also working closely with Taiwan to continue to promote its international status in the aviation world, including through co-sponsorship of an August 2023 event in Taipei that will showcase Taiwan's work in aviation security.

Senator VAN HOLLEN. Thank you, Senator Cruz.

Just a couple more areas of inquiry, and thank you both, again, for your testimony and for your efforts on all these areas.

I want to turn quickly to the question of Burma and quickly get both of your assessments of the situation there, which by my own evaluation is just a continuing miserable situation.

We raised this issue—we, meaning our delegation—when we went to Indonesia since Indonesia is currently chairing ASEAN and received some briefings from their point person on this.

Can you talk a little bit about the Administration's current approach to Burma, Mr. Kritenbrink? Mr. Schiffer, if you could talk a little bit about USAID's efforts because I know USAID is also using some funding to try to address some of the civil society issues.

Mr. KRITENBRINK. Mr. Chairman, thank you.

Since the coup d'etat that took place in Burma in February 1, 2021, I think what has happened in Burma is an absolute travesty and the junta continues to carry out a pattern of violence and murder, bombing innocent civilians, schools, beheading activists, carrying out a campaign of terror that is simply shocking to the conscience.

The United States continues to work with a range of partners in the international community to put pressure on the junta to, first, stop the violence and, second, to return to a democratic path.

We continue to support the efforts of ASEAN. I am sure, Mr. Chairman, you heard about this when you were in the region. We support the ASEAN five-point consensus. We support the work of the U.N.

I think we have to be very candid and honest in our assessment that the regime has not changed course. As a result, we continue to take a range of our own unilateral efforts to place pressure on the regime and that has included the designation of 82 individuals and 32 entities who have been involved in carrying out this indiscriminate violence against the Burmese population.

We are also carrying out more than \$100 million in assistance programming for the Burmese people, for the Burmese opposition and the democratic movement, but perhaps on that I could turn to my colleague, Mr. Schiffer, who I am certain has more depth on the details of those programs.

Mr. SCHIFFER. Thank you, and thank you, Senator, for raising this important question.

Burma's military regime must be held accountable for the atrocities that they have committed and the violence that they have inflicted on the people of Burma since that country's very founding during the Rohingya genocide and, most recently, following the February 2021 coup.

As Administrator Power has offered on numerous occasions, USAID stands with the people of Burma including the pro-democracy opposition, ethnic minority groups, and the brave civil society actors who are fighting for civil and political rights and an inclusive federal and democratic future for their nation in the face of a brutal military dictatorship.

I cannot really add to the items that Assistant Secretary Kritenbrink enumerated, that do indeed shock the conscience.

We at USAID, along with our State Department colleagues, have been working over the past several months to assess the situation on the ground in Burma and to determine what additional options and opportunities there may be to both assure that humanitarian assistance gets to the people that are most in need in Burma and in the refugee communities that have spilled out across Burma's borders, as well as to determine what nonlethal assistance consistent with the requirements of the *Burma Act* we might be able to provide, particularly assistance that can help the people of Burma to prevent atrocities.

We are still in the process of making determination on that. We are very happy to come up here, hopefully, in the not too distant future with our colleagues from State and to brief the committee about the options that we have identified and our proposal for a way forward.

Senator VAN HOLLEN. Thank you, Mr. Schiffer.

Let me also just take this opportunity to thank you and Administrator Power and all your colleagues at USAID for the terrific work you are doing in this region.

As I mentioned, I was in Indonesia and Vietnam. We met with the USAID teams and they were doing first-rate work, and thank you. I got word this morning in another committee, the Appropriations Foreign Ops Subcommittee, that we have cleared the agreement with the Indonesian Government so we can move forward on our biodiversity and other efforts there. Thank you for those.

Senator Ricketts.

Senator RICKETTS. Great. Thank you, Mr. Chairman. Well, we are going to continue the discussion on Indonesia.

Senator VAN HOLLEN. Okay.

Senator RICKETTS. Obviously, as we look to bolster our relationships with countries in Asia and counter the PRC's influence, Indonesia has become a challenge.

Just over the last decade China has deepened its ties with Indonesia, in many cases in direct competition to the United States.

China has delivered sizable investments, pouring billions of dollars into developing the world's largest nickel deposits, has been a major partner in the country's infrastructure push, including a high-speed train that is, admittedly, over budget and late.

China has invested in the first 9 months of 2022 \$5 billion in Indonesia compared to the United States' \$2 billion, and in return Indonesia has been delivering back for the People's Republic of China.

It voted in favor of the PRC's position at the U.N. on the persecution of the Uighurs, and ASEAN—Indonesia has consistently been on the PRC's side as far as unrestricted economic access to the 10 member nations on the defense front.

While the U.S. and Indonesia have held recent joint military exercises, the PRC and Indonesia have also announced that they will hold and resume exercises on their own.

I believe Indonesia has expressed unhappiness with the recent Australia-U.K.-U.S. submarine agreement with some officials threatening to not allow Australia's nuclear-powered submarines to travel through their sea lanes. Given its strategic location and miles of vital sea lanes, Indonesia is a defensive necessity if the PRC decides to take Taiwan by force.

Secretary Krittenbrink, what actions is the Biden administration considering to strengthen our ties with Indonesia considering how important their geostrategic position in the world is?

Mr. KRITENBRINK. Senator Ricketts, thank you very much.

I could not agree with you more about the importance of Indonesia and, certainly, Indonesia remains one of our most important partners in the region as reflected in the strategic partnership that we—the formal strategic partnership that we have with them.

I would say, as the world's largest Muslim majority nation, the world's third largest democracy and, obviously, as a long-standing leader in ASEAN, they have been one of our primary partners in the region for some time.

We were gratified with the leadership that Indonesia showed last year in the G20 where I think they navigated a very difficult circumstance involving, obviously, Russia's illegal invasion of Ukraine and also pressure from the PRC, and I think the outcomes of the G20 were quite productive and we have similar expectations for how they will approach their chair here in ASEAN.

I would say, Senator, that we have made significant investments in our relationship. I know last November, when President Biden traveled to Bali for the G20 summit, we announced a new Millennium Challenge Corporation program—compact, rather—of \$698 million.

We announced \$20 billion in public and private support for the new Just Energy Transition Partnership with Indonesia and I think, Senator, I would say that friends in Indonesia often underscore that they live in a tough neighborhood.

Like many partners in the region, they have often underscored that they do not want to be forced to choose, and our message to our friends in Indonesia and to all of our friends across ASEAN is we are not asking you to choose. That is not the game that we play. Others may. We do not.

We want to give countries like Indonesia choices, give them a better offer and make sure they have the opportunity to make their own decisions free from coercion. I am confident in the future of our partnership with Indonesia. I know that Indonesia, like others in the region, they do not want to be dominated or coerced by anyone.

I am confident that like we do, they value the partnership that we have together and we are engaged in a whole range of areas from the economic and the infrastructure side to people-to-people ties to security ties, including in the maritime domain, and I am confident we will continue to do that, going forward.

Again, I think as long as we continue to demonstrate our leadership and commitment to the region and to Indonesia, I am optimistic about our future together.

Senator RICKETTS. Okay. Great. Thank you very much, Secretary. Appreciate your being here today as well as Mr. Schiffer as well. Thank you.

Mr. KRITENBRINK. Thank you, Senator.

Senator VAN HOLLEN. Thank you. Thank you, Senator Ricketts.

I agree with Senator Ricketts that we do need to up our game in East Asia and the Pacific. That does require resources and a commitment which, of course, gets back to your budgets and mission today, and I look forward to working with my colleagues to make sure that we have the resources to match our strategy.

We had a very good meeting with the Indonesian President, President Jokowi, along with other top leaders in Indonesia. They expressed great interest in the new JETP program, but that is going to require dollars. I know the DFC was there. They were on the ground before we got there.

In order to make these commitments of the resources for our different institutions, the State Department, DFC, others, are going to be absolutely required. I do agree with Senator Ricketts that we need to identify those.

In terms of the mandatory funding, I also sit on the Appropriations Committee. Members of the Appropriations Committee look a little askance at mandatory funding, but I do believe when you are talking about trying to make longer-term commitments, mandatory funding plays a very, very important role.

Let me just also, finally, say in closing to both of you, thank you for what you are doing. I do want to just say with respect to Taiwan, Ambassador Kritenbrink, thank you for laying out very clearly and firmly what our policy is.

We want to preserve the status quo. We will provide Taiwan with the military assistance and equipment it needs to make itself a porcupine, to deter aggression, and to defend itself.

I do not think there is—Taiwan has, as you have testified to, purchased lots of U.S. military equipment. We do need to address the pipeline issue. I could not agree with you more, Senator Ricketts and others, who have made that point.

I do not think it is any secret that some of us had concerns last year when one of the provisions in the legislation that passed this committee was to create a new foreign assistance program for Taiwan.

My view is Taiwan is a friend. They are also a very advanced economy. They purchased billions of dollars of assistance for defense, and my concern at the time was that by authorizing a certain amount of assistance—military assistance for Taiwan, if the Administration or others down the road do not ask for the full amount, it would be seen as not meeting our commitments.

I actually thought that was a mistake to do that because I do believe that Taiwan has the economic punch to purchase equipment, but we need to make sure that they get what they need and what they want and also to advise them as we have on purchasing equipment that does take advantage of asymmetric defenses and make them a porcupine.

I just want to close. I thank you, Mr. Schiffer, and your colleagues at USAID.

Ambassador Kritenbrink, please give our thanks to all your colleagues at the State Department, both the Foreign Service officers as well as the civil servants. Always impressed when we go overseas and also grateful for your service and testimony here today. Thank you.

Let me just get some housekeeping out of the way here. I know I was given a piece of paper about—here we go. For the information of the members, the record will be open until close of business tomorrow, Wednesday, May 3, for the submission of any questions for the record.

Again, thank you both for your testimony and service. The hearing is adjourned.

[Whereupon, at 4:41 p.m., the hearing was adjourned.]

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

RESPONSES OF MR. DANIEL J. KRITENBRINK TO QUESTIONS SUBMITTED BY SENATOR TIM SCOTT

Question. President Biden’s Indo-Pacific Economic Framework (IPEF) is designed to counter China’s growing influence in the Indo-Pacific by promoting a progressive model of economic development. It aims to attract regional partners on the pretext of trade without offering any tariff reduction or market access. Instead, this Administration focuses on promoting a radical global green and progressive labor agenda.

Critics argue that the U.S. cannot effectively build regional allies to counter China’s malign activities without a robust and enforceable trade component. It is concerning that the Biden administration may not fully grasp the importance of robust and enduring trade policy as foreign policy in Asia. Moreover, this Administration appears to have abandoned the pursuit of lasting agreements—that require ratification by Congress—to advance our economic and national security interests for non-binding, shortsighted arrangements for political expediency.

Can you offer insights on how the U.S. can further leverage IPEF to boost regional cooperation and ensure its long-term sustainability?

Answer. The Indo-Pacific Economic Framework for Prosperity (IPEF) represents an affirmative vision of economic cooperation among allies and likeminded partners in the region. Importantly, the membership of IPEF reflects the economic diversity of the region as well as the interconnectivity among the partner countries that drives economic growth, job creation, and innovation.

IPEF is intended to address the economic priorities of the 21st century, including rules for trade, supply chain resilience, and the clean energy transition, that are increasingly major economic drivers and critical both to our competitiveness and to greater economic integration. IPEF will also improve the trade and investment environment in the region by enhancing our collective efforts to combat corruption.

To date, negotiations have been constructive, and there remains a strong commitment and positive momentum to deliver concrete economic outcomes. Partners have shared their enthusiasm for driving sustainable and inclusive economic growth throughout the region.

Question. Our partners in the Indo-Pacific face tremendous economic and security threats from an increasingly aggressive China. Effective deterrence is needed to ensure the region remains free, open, and prosperous.

In March, the United States, Australia, and the United Kingdom announced an unprecedented plan to enable Australia to acquire conventionally armed, nuclear-powered submarines under what's referred to as Pillar One of the AUKUS Agreement. If implemented properly, AUKUS has the potential to be a useful tool for deterrence and I'm eager to see what role the experts at the Nuclear Power Training Unit (NPTU) in Charleston, South Carolina can play in the process of executing Pillar One.

However, I am concerned about Pillar Two of the AUKUS Agreement—trilateral cooperation on research and development of the advanced capabilities we need to address the threats of tomorrow. It is my understanding that the State Department has been reluctant to address some of the regulatory barriers that could limit cooperation with our key allies.

While I realize these concerns may originate in another bureau of the Department, I am asking if you can provide insight into some of these reservations and recommendations on how we can address them so as not to hinder critical security cooperation with our allies?

Answer. Through AUKUS, the United States, Australia, and the UK are significantly deepening our long-standing cooperation on a range of security and defense capabilities. The Department of State recognizes the need to foster even more efficient and flexible export control systems to support operational readiness and interoperability of U.S. allies and meet the security challenges of the future, including through AUKUS.

The United States is working with both allies to facilitate secure transfers of technologies key to achieving the vital goals of AUKUS. AUKUS partners continue robust discussion to review our systems to develop solutions to optimize our defense trade and actualize AUKUS as quickly, efficiently, and safely as possible. I have full confidence that our combined efforts will ensure that our sensitive military technology is protected from nations who seek to harm our interests.

Question. Xi Jinping's ambition to expand China's nuclear capabilities is evident as the country's nuclear warheads are currently projected to reach 1,500 by the mid-2030s. Recently, Xi and Putin signed an agreement to extend their nuclear cooperation, with Russia delivering 25 tons of highly enriched uranium to China to help their build-up program. They are also cooperating on a joint nuclear project to benefit both their stockpiles, creating the possibility that the U.S. would be facing two nuclear superpowers by the mid-2030s.

This is one of the most challenging periods for the global nuclear order—potentially more so than during the Cold War.

What are your assessments to address the urgency of the problem and curb China's nuclear proliferation, from the State Department's perspective?

Answer. I remain deeply concerned about the PRC's rapid and opaque expansion of its nuclear weapons arsenal, which exceeds previous efforts in both scale and complexity. The PRC has been reluctant to substantively engage on practical measures to reduce nuclear risks. Such confidence building measures are vital to reduce the possibility of misunderstanding or miscalculation. We will continue to press the PRC to engage in substantive bilateral and multilateral talks on strategic risk reduction measures and crisis communications to reduce the risk of accidental nuclear war.

Question. Last year, Congress provided considerable resources to increase our engagement with Pacific Island nations, as China seeks to expand its influence in the region.

Can you provide an update on if/how those dollars have been obligated since the end of 2022?

Answer. The Department appreciates Congressional support for this region and intends to continue advancing the Biden administration's Pacific Partnership Strategy, announced at the U.S.-Pacific Island Country Summit in September 2022. U.S. prosperity and security depend on a free and open Pacific region. The strategy aims to enhance enduring relationships through expanded diplomatic presence and assistance, leverage allies and partners to address Pacific priorities, and empower the Pacific to build resilience to 21st century challenges and capitalize on opportunities.

The FY 2023 653(a) report will reflect allocations for the \$150 million in foreign assistance for Pacific Island Countries provided in the FY 2023 omnibus. The Department and USAID will consult with appropriate committees prior to obligation of funds.

