

Assistant Secretary Daniel J. Kritenbrink
for the Bureau of East Asian and Pacific Affairs
“FY 2024 Budget Request for East Asia and the Pacific”

Senate Foreign Relations Committee, Subcommittee on East Asia, the
Pacific, & International Cybersecurity Policy

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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.