

**Statement of
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Chairman Risch, Ranking Member Menendez, and Members of the Committee: Thank you for the opportunity to appear before you, and to discuss U.S. policy in the Indo-Pacific region, including Hong Kong, alliances and partnerships, and other issues. I would also like to thank the Committee for its leadership in advancing U.S. interests by supporting engagement across the Indo-Pacific region.

The U.S. Indo-Pacific Vision

During my first months in office, I have worked with Secretary Pompeo to advance the Administration's Indo-Pacific strategy. Our approach recognizes the region's central global importance and central role in American foreign policy, as underscored by the President's National Security Strategy. Our vision for a free and open Indo-Pacific is built on common principles that have benefitted all countries in the region, including respect for the sovereignty and independence of all nations, regardless of their size.

The history of U.S. engagement in the Indo-Pacific is a story of trade and commerce, starting over two centuries ago when the trading ship the Empress of China left New York and traveled across the Indian Ocean to Canton, where it traded American ginseng for Chinese tea and porcelain. It is also one of shared sacrifice, as we joined with partners to push back the tides of imperialism, communism, and despotism.

Since World War II, the Indo-Pacific region has undergone a remarkable transformation. Hundreds of millions of people have climbed out of poverty; dictatorships have given way to democracies; and the region has become home to world-class companies and the engine of global economic growth. This transformation was in no small part due to U.S. engagement. Today, the United States is the largest source of foreign direct investment in the Indo-Pacific. We conducted over \$1.8 trillion in two-way trade with the region in 2017. All five of our non-NATO bilateral defense alliances are in the Indo-Pacific. And over 730,000 Asian students are right now studying in the United States, accounting for more than two-thirds of international students in America.

Over the decades, this engagement has upheld enduring principles: freedom of the seas; market-based economics and open investment environments; free, fair, and reciprocal trade; good governance; respect for human rights and fundamental freedoms; and friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples. These are not just U.S. values; they are shared globally and across the Indo-Pacific region. ASEAN's Outlook for the Indo-Pacific adopted in June recognizes and upholds many of the

same values as essential for peace and prosperity, as do the regional visions of Japan, South Korea, India, Taiwan and other partners.

The Trump Administration's approach involves a range of elements.

With respect to the economic pillar of the Indo-Pacific Strategy, the State Department is focusing on three main areas: infrastructure, energy, and the digital economy. We are also working with our interagency partners to promote open markets; high standards and transparency; and free, fair, and reciprocal trade. Our economic initiatives help the countries in the region use private sector investment as the path to sustainable development. In August, Secretary Pompeo announced nearly \$30 million for energy development through the Japan-U.S. Mekong Power Partnership (JUMPP), building on our Asia EDGE regional energy initiative announced by the Secretary last year. This month we enhanced our Infrastructure Transaction and Assistance Network (ITAN) by launching a Transaction Advisory Fund to help countries negotiate complex infrastructure deals. Next month we will host the first U.S.-ASEAN Cyber Policy Dialogue in Singapore as we continue to implement programs under the Digital Connectivity and Cybersecurity Partnership (DCCP).

With respect to governance, we seek to build capacity for good governance and adherence to international law, rules, and standards. This will strengthen civil society and democratic institutions in the region, counter corruption, and help countries attract the high-quality financing necessary to fuel their economic development while securing their sovereignty. We are already implementing well over 200 governance programs under our whole-of-government Indo-Pacific Transparency Initiative, and we are identifying new areas of cooperation with likeminded partners. These efforts strengthen democratic systems and civil society; empower citizens; fortify institutions; and eliminate laws that tie-up private investment while also combating corruption and hidden costs in foreign transactions.

On the security front, our aim is to build a flexible, resilient network of like-minded security partners to promote regional stability; ensure freedom of navigation, and other lawful uses of the sea; and address shared challenges in the region. Last year, Secretary Pompeo committed nearly \$300 million in security assistance to improve maritime domain awareness in order to protect critical sea lanes. In addition to implementing this assistance, we launched a new program in August to counter transnational crime along the Mekong, and just last week we conducted the first-ever U.S.-ASEAN maritime security exercise. We have also seen continued significant progress in our relationship with India, including through the Quadrilateral Dialogue with Japan and Australia.

Recent Travel

The Secretary's travel to Thailand, Australia, and the Federated States of Micronesia (FSM) in early August reinforced these elements of our strategy and reaffirmed our commitment to partnerships across the Indo-Pacific. I would like to share a few highlights from that trip.

In Thailand, the Secretary participated in several ASEAN-related meetings that demonstrated our support for ASEAN's central role in the region's architecture. At the U.S.-ASEAN Ministerial,

ASEAN Foreign Ministers welcomed a U.S.-proposed leaders' statement on energy security. We highlighted increased U.S. economic investment, launched energy and transnational crime programs, and celebrated the 10th anniversary of the Lower Mekong Initiative. We also deepened our longstanding partnership with Thailand, one of our oldest allies.

At the East Asia Summit Ministerial, the Secretary made a clear statement on China's bullying in the South China Sea and urged ASEAN and China to move forward with a meaningful Code of Conduct that comports with UNCLOS. The Secretary shared his concerns about backsliding on human rights and democracy in the region, including the plight of Rohingya from Burma's Rakhine State. He urged Burma and partners to create conditions conducive to the safe, voluntary, dignified, and sustainable return of displaced Rohingya. He reiterated our commitment to final, fully verified denuclearization of the DPRK and held a trilateral meeting with Japan and the ROK to discuss this and other concerns, including the need to resolve the differences between these two important U.S. allies. At the ASEAN Regional Forum Ministerial, he supported the adoption of three policy statements and joined Brunei in co-sponsoring a statement on Aviation Partnership and Security.

The Secretary then traveled to Sydney for AUSMIN, where we deepened our coordination with Australia across the Indo-Pacific and beyond. Secretary Pompeo asked for Australian participation in patrols in the Straits of Hormuz. Two weeks after the meeting, Prime Minister Morrison announced Australia's intention to join.

Finally we travelled to the Federated States of Micronesia, where the Secretary announced that we intend to negotiate amendments to certain provisions of the Compacts of Free Association with the Freely Associated States. Resourcing these commitments will require close consultation with Congress to advance partnerships, economic growth, and democracy and human rights as we see China expanding its strategic influence.

I recently returned to the region to follow up on the Secretary's visit and continue to advance our strategy. My first stop was Timor-Leste, one of the world's newest democracies, to represent the United States at the 20th anniversary of its independence referendum. During my visit, I attended a ceremony to witness the entry into effect of Timor-Leste's maritime boundary treaty with Australia, a first-ever use of the UNCLOS conciliation mechanism. In Indonesia, I reaffirmed our strong political, security and economic relations, and spoke with alumni of U.S.-sponsored exchange programs from across Southeast Asia. I also met with the ASEAN Secretary General to reiterate the importance of ASEAN to our Indo-Pacific vision.

In Brunei, my counterparts hosted the 4th Senior Officials Dialogue, where we discussed ways to enhance our security cooperation, strengthen economic ties, and ensure respect for common values, including human rights. In meetings with Singapore's senior leadership, we reviewed our strategic partnership and the growing economic bonds evidenced by our surplus in goods and services trade with Singapore. In all my stops, the message from my interlocutors was clear: they want America present; they want America engaged in the Indo-Pacific, and, they want increased American economic ties, investment, and companies – along with the transparency and good business practices they bring.

Upcoming Engagements

The past few months have been quite productive, and I believe the trend will continue as we prepare for the November East Asia Summit, Indo-Pacific Business Forum, and APEC CEO Summit and Leaders' Meeting.

We are responding to our partners' desire for U.S. economic engagement by holding the Second Indo-Pacific Business Forum in Bangkok on the sidelines of the East Asia Summit. The forum will reinforce the benefits of partnering with the dynamic U.S. private sector and the importance of high standard development, transparency, and the rule of law. We have already sent out invitations to nearly 400 U.S. companies in many of your districts, and I welcome you to join us.

At the Forum, we will also highlight the significant human capital element of our Indo-Pacific Strategy. Our flagship youth leadership program, the Young Southeast Asian Leaders Initiative (YSEALI), has a network of over 142,000 young people committed to working with the U.S. on leadership and regional cooperation. We support dozens of other programs, such as the International Visitors Leadership Program, Fulbright scholarships, and the International Law Enforcement Academy in Bangkok. We will do more to highlight these outstanding programs and partner with other countries who share our commitment to investing in people.

Beijing's Malign Conduct

Finally, while the U.S. Indo-Pacific Strategy has made significant progress to reinforce and advance the free and open order in the Indo-Pacific region, we are increasingly concerned that some are actively seeking to challenge this order. We are committed to working with any country that plays by the rules, but we will also stand up to any country that uses predatory practices to undermine them.

As the President's National Security Strategy makes clear, we are especially concerned by Beijing's use of market-distorting economic inducements and penalties, influence operations, and intimidation to persuade other states to heed its political and security agenda. Beijing's pursuit of a repressive alternative vision for the Indo-Pacific seeks to reorder the region in its favor and has put China in a position of strategic competition with all who seek to preserve a free and open order of sovereign, diverse nations.

Since early July, Chinese vessels have conducted maritime surveys near Vanguard Bank with armed Coast Guard escorts and maritime militia in order to intimidate Vietnam and other ASEAN states away from developing oil and gas resources in the South China Sea. Through repeated illegal actions and militarization of disputed features, Beijing has and continues to take actions to prevent ASEAN members from accessing over \$2.5 trillion in recoverable energy reserves.

Economically, the Chinese government uses an arsenal of policies inconsistent with free and fair trade, including market access restrictions; opaque, discriminatory regulatory processes; currency manipulation; forced technology transfer; intellectual property theft; and creation of non-market excess industrial capacity to build Beijing's manufacturing base at the expense of its

competitors. Through initiatives such as One Belt One Road, Beijing has flooded much of the developing world with hundreds of billions of dollars in opaque infrastructure loans, leading to problems such as unsustainable debt burdens and environmental destruction and often giving Beijing undue leverage over countries' sovereign political decisions. We welcome fair and open economic competition with China, and economic engagement between China and other countries that adheres to international best practices such as transparency, responsible lending, and sustainable environmental practices. But where China acts in a manner that undermines these principles, we are compelled to respond.

We have repeatedly expressed our concern over China's actions to bully Taiwan through economic coercion, squeezing Taiwan's international space, and poaching diplomatic partners. These actions undermine the cross-Strait status quo which has created peace and benefitted both sides of the Strait for decades. Last week in Taipei we co-hosted the inaugural U.S.-Taiwan Consultations on Democratic Governance in the Indo-Pacific, to explore ways to prevent election interference and promote adherence to the rule of law in the region. This builds upon the success of the Global Cooperation and Training Framework, jointly sponsored by the United States and Taiwan, which has convened experts from over 30 nations from the Indo-Pacific and beyond to forge solutions to make our societies healthier, safer, and more democratic.

Meanwhile Beijing's military modernization continues at a break neck pace. Its exercises in the region are increasingly complex and clearly intended not only to deter U.S. efforts to sustain our forward presence in the region, but to signal to other countries, and to the authorities on Taiwan, that they are under direct threat. Beijing's conduct is at odds with its public narrative of a "peaceful rise."

The United States has an abiding interest in peace and stability across the Taiwan Strait. The United States has for decades maintained our support for Taiwan's ability to maintain a sufficient self-defense capability and we will continue to support an effective deterrence capability for Taiwan. U.S. arms sales to Taiwan are informed by the Taiwan Relations Act and based on continuing assessments of Taiwan's defense needs. To meet those needs, in 2019 alone, this administration approved and notified Congress of potential sales of more than \$10 billion dollars of critical defensive equipment including stinger missiles, F-16C/D Block 70 aircraft, M1A2T Abrams Tanks, and other needed equipment to preserve peace and stability in the Taiwan Strait.

The United States seeks a constructive and results-oriented relationship with China grounded in fairness and respect for sovereignty. The Trump Administration has emphasized the imperative to compete with China. This does not mean we seek conflict, nor does it preclude cooperation when our interests align. Yet we will not shy away from exposing and contesting actions that undermine the free and open international order that has fostered peace and prosperity in the Indo-Pacific for decades.

Nor will we be silent about the Chinese government's repression at home. As Secretary Pompeo has said, the ongoing human rights crisis in China is "truly the stain of the century." In Xinjiang, authorities are deliberately attempting to strangle Uighur culture and stamp out the Muslim faith, including by detaining more than one million ethnic and religious minorities in camps. And in Tibet, where the Communist Party's oppression goes back decades, thousands of Buddhist

monks and nuns have been evicted from their residences in just the past year alone. Disturbingly – and ironically – the party continues to assert its role in the Dalai Lama’s reincarnation process, even as President Xi has urged party members to remain “unyielding Marxist atheists.” We believe that Tibetans, like all faith communities, must be able to practice their faith freely and select their leaders without interference. We will continue to assert this belief, and we remain committed to supporting meaningful autonomy for Tibetans.

Then there is Hong Kong, which has of course raised some particularly acute concerns in recent months. Hong Kong’s astounding rise to a global center of finance and commerce was predicated on its open society, rule of law, and respect for fundamental rights and freedoms. That this rise continued even after Hong Kong returned to Chinese control in 1997 is a result of the assurances China gave to the United Kingdom in the Sino-British Joint Declaration (the “Joint Declaration”); namely, that Hong Kong would maintain a high degree of autonomy and maintain its liberal traditions as reflected in the Hong Kong Basic Law (the “Basic Law”). Preserving this autonomy was also the purpose of the United States-Hong Kong Policy Act of 1992, which has shaped U.S. policy toward Hong Kong since.

We believe that the freedoms of expression and peaceful assembly—core values that we share with Hong Kong—must be vigorously protected. Hong Kong is governed under Beijing’s “One Country, Two Systems” framework. Protestors in Hong Kong are only asking Beijing to keep its promises made in the Joint Declaration and the Basic Law. Beijing has responded by repeatedly blaming the U.S. Government for “black hand” tactics and publically identified U.S. diplomatic personnel, putting them at risk.

China has provided no evidence of a “black hand” behind the protests in Hong Kong, because it doesn’t exist. Hong Kongers took to the streets because Beijing is undermining its own “One Country, Two Systems” framework. As Secretary Pompeo has observed, the protestors are asking that Beijing uphold its commitments under the Joint Declaration and the Basic Law. And as President Trump has said, we seek a “humane” resolution to the protests. The United States supports peaceful assembly and freedom of expression.

Thank you for the opportunity to speak with you today. I look forward to your questions.