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**Before the Senate Foreign Relations Committee
Subcommittee on East Asia, the Pacific,
and International Cybersecurity Policy**

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Senator Gardner and Members of the Subcommittee, thank you for the opportunity to appear before you to discuss U.S. policy in the Indo-Pacific region and implementation of the Asia Reassurance Initiative Act of 2018, or ARIA. I would like to thank Senator Gardner, as well as Senator Cardin and other co-sponsors, for their leadership in introducing and championing ARIA, and to express my appreciation for the work of the entire Subcommittee in advancing U.S. interests by supporting engagement across the Indo-Pacific region.

ARIA and U.S. Policy in the Indo-Pacific

Secretary Pompeo expressed his deep appreciation earlier this year for the strong bipartisan support that led to the passage of ARIA. He voiced our belief that ARIA implements a comprehensive, multifaceted, and principled U.S. policy to advance our vision for a free and open Indo-Pacific—a vision we share with allies and partners worldwide. ARIA reaffirms our longstanding commitment to support our allies and partners and deter adversaries in the region. It advances U.S. leadership in promoting peace and security, advancing economic prosperity, and promoting respect for human rights and fundamental freedoms.

With the support of ARIA, we continue to implement a whole-of-government effort to advance a free and open Indo-Pacific. Our approach recognizes the region's 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 benefited all countries in the region, including respect for the sovereignty and independence of all nations, regardless of their size.

We have a fundamental interest in ensuring that the future of the Indo-Pacific is one of freedom and openness rather than coercion and corruption. The United States is the largest source of foreign direct investment in the Indo-Pacific. We conducted over \$1.9 trillion in two-way trade with the region in 2018. Several of our non-NATO bilateral defense alliances are in the Indo-Pacific. More than two-thirds of international students currently in the United States are from the Indo-Pacific, more than double the number from the rest of the world combined.

This approach champions the values that underpin the rules-based order and promote strong, stable, democratic, and prosperous sovereign states. We know that market economies, open investment environments, free, fair, and reciprocal trade, good governance and respect for human rights are crucial for the region's prosperity. We defend and promote freedom of the seas in accordance with international law. We are building new partnerships with countries and institutions that share our commitment to an international system based on clear and transparent rules.

In FY 2018, the State Department and USAID allocated over \$2.5 billion in foreign assistance and diplomatic engagement funds toward the Indo-Pacific Region.¹ While this amount is higher than the \$1.5 billion authorized in ARIA annually for fiscal years 2020 through 2023, our Indo-Pacific allocations also include funding for efforts authorized in bills other than ARIA, such as law enforcement programs. Consistent with key provisions in ARIA, a wide range of our programs seek to unlock private sector investment throughout the Indo-Pacific, improve defense capacity and resiliency of partners, promote regular bilateral and multilateral engagement, support good governance, and encourage responsible natural resource management.

In my few months as Assistant Secretary, I have been grateful to see how closely our efforts align with bipartisan views in Congress, as reflected in ARIA, the BUILD Act, and many other pieces of legislation, public statements, travel, and other efforts by lawmakers. We benefit greatly in the region from the strong and consistent voices from across the U.S. government in support of the norms and values our approach represents.

EAP is proud to have submitted to Congress on time the reports assigned to it. These reports include: the Strategy to Address the Threats Posed by, and the Capabilities of, the Democratic People's Republic of Korea; the Strategic Framework for Engagement with ASEAN; and progress on the Lower Mekong Initiative. We work closely with other bureaus of the Department and with interagency partners as they draft reports on their responsibilities, and I look forward to continuing to share information with Congress as we progress on implementation of ARIA and the Indo-Pacific Strategy.

As ARIA recognizes, our alliances with Japan, the Republic of Korea, the Philippines, Thailand, and Australia have helped sustain regional peace and prosperity for generations. ASEAN, which is at the literal center of the Indo-Pacific and is central to our vision, recently released its Outlook on the Indo-Pacific, recognizing shared values as essential for regional stability and development. We are expanding our partnership with India as it elevates its economic, security, and cultural role in the region. We continue to strengthen and deepen our relationship with Taiwan, consistent with the Taiwan Relations Act and other important legislation. And we are joining with the Mekong states, the Pacific Island countries, and many multi-lateral organizations to face emerging challenges.

I recently returned from a productive trip to the United Nations General Assembly, where I joined Secretary Pompeo in deepening our commitment to the region. In meetings with

¹ FY 2019 allocations are not yet final.

counterparts, we advanced cooperation on good governance and security issues, and deepened economic ties based on free, fair, and reciprocal trade and transparent, market-based investments.

On the sidelines of the U.N. General Assembly, I joined Deputy Secretary of State John Sullivan and co-sponsors Canada, Germany, the Netherlands, and the United Kingdom to hold a panel discussion on the human rights crisis in Xinjiang. We underlined our continuing demand that Beijing reverse its highly repressive policies in Xinjiang. We listened to brave survivors of detention and other abuses in Xinjiang share their deeply painful experiences, so that the world cannot continue denying the truth about the assault on religious freedom in the People's Republic of China. I encourage everyone to listen to the testimony of Uighurs such as Zumuret Dawut, Nury Turkel, and Rishat Abbas, who spoke that day. I also note that on October 7 the Commerce Department placed export restrictions on 28 People's Republic of China entities for ties to repression in Xinjiang, and on October 8 the State Department announced visa restrictions on responsible Chinese government and Communist Party officials.

My next visit to the region begins later this month and will include the Indo-Pacific Business Forum, on the sidelines of the East Asia Summit in Bangkok on November 4. Co-sponsored by the governments of the United States and Thailand, the Indo-Pacific Business Forum is the premier U.S.-sponsored business event in the region for 2019, elevating our economic and commercial engagement, especially in the areas of infrastructure, energy, and digital economy. 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. Later in November, we will work closely with our partners in the region to break down trade barriers for companies, boost exports, and support job growth at the Asia-Pacific Economic Cooperation (APEC) forum, the premier economic forum in the region.

ARIA and U.S. Security Interests in the Indo-Pacific

In line with ARIA's objective "to improve the defense capacity and resiliency of partner nations to resist coercion and deter and defend against security threats," we seek to build a flexible, robust network of like-minded security partners. Together we promote regional stability, ensure freedom of navigation, overflight, and other lawful uses of the sea, and address other shared challenges in the region.

Last year, Secretary Pompeo committed an additional \$300 million in security assistance to improve maritime domain awareness, maritime security capabilities, information sharing, humanitarian assistance and disaster relief, and peacekeeping capabilities. In addition to implementing this assistance, we launched a new program in August to counter transnational crime along the Mekong, and we recently conducted the first-ever U.S.-ASEAN maritime security exercise. We have also seen progress in our relationship with India, both bilaterally and through the Quadrilateral Consultations with Japan and Australia.

While we have made significant progress in reinforcing and advancing the free and open order in the Indo-Pacific region, we recognize that some are actively seeking to challenge and supplant 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 or replace 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. The Chinese Communist Party's pursuit of a repressive alternative vision for the Indo-Pacific seeks to reorder the region in its favor and has put Beijing in a position of strategic competition with all who seek to preserve a free and open order of sovereign nations within a rules-based order.

Maritime Security

As stated in ARIA, "the core tenets of the United States-backed international system are being challenged...by China's illegal construction and militarization of artificial features in the South China Sea." PRC actions in the South China Sea are a threat not only to South China Sea claimant states, or to Southeast Asian nations generally, but to all trading nations and all who value freedom of the seas and the peaceful settlement of disputes.

The manner in which Beijing has bullied its neighbors is consistent with the statement of Beijing's then-foreign minister at the 2010 ASEAN Regional Forum that "China is a big country and other countries are small countries, and that's just a fact." This notion that might makes right, and that the big will do what as they will while the small suffer what they must, is a threat to sovereignty, peace, dignity, and prosperity in the world's most dynamic region.

PRC maritime claims in the South China Sea, exemplified by the preposterous nine-dashed line, are both unlawful and unreasonable. These claims, which are without legal, historic, or geographic merit, impose real costs on other countries. Through repeated provocative actions to assert the nine-dashed line, Beijing is inhibiting ASEAN members from accessing over \$2.5 trillion in recoverable energy reserves, while contributing to instability and the risk of conflict.

We remain skeptical of the PRC's sincerity to negotiate a meaningful Code of Conduct that reinforces international law. While claiming that they are committed to peaceful diplomacy, the reality is that Chinese leaders – through the PLA navy, law enforcement agencies, and maritime militia – continue to intimidate and bully other countries. Their constant harassment of Vietnamese assets around Vanguard Bank is a case in point. If it is used by the PRC to legitimize its egregious behavior and unlawful maritime claims, and to evade the commitments Beijing signed up to under international law, a Code of Conduct would be harmful to the region, and to all who value freedom of the seas.

As ARIA emphasizes, it is the policy of the United States to ensure freedom of navigation, overflight, and other lawful uses of the sea. We work with Indo-Pacific allies and partners to conduct joint maritime training and operations to maintain free and open access, and we have welcomed historic firsts in that regard.

We participated in the first joint sail by U.S., Indian, Japanese, and Philippine navies through the South China Sea in May 2019. We hosted the first U.S.-ASEAN maritime exercise in September 2019, building on the expansion of the Southeast Asia Maritime Law Enforcement Initiative (SEAMLEI) in 2018. Along with the daily operations of U.S. ships and aircraft throughout the region, we conducted more Freedom of Navigation Operations in the South China Sea in 2019

than in any of the past 25 years, to demonstrate that the United States will continue to fly, sail, and operate wherever international law allows.

At a meeting in New York on September 23, President Trump and Singapore's Prime Minister Lee Hsien Loong signed the latest update to the 1990 memorandum of understanding regarding U.S. use of facilities in Singapore. This agreement allows continued U.S. military access to Singapore's air and naval bases and provides logistic support for transiting personnel, aircraft and vessels. The agreement extends the original MOU for an additional 15 years, reflecting Singapore's ongoing support for U.S. military presence which has underpinned the peace, stability and prosperity of the Indo-Pacific region for decades.

Quadrilateral Consultations

ARIA rightly emphasizes the importance of the Quadrilateral Consultations (involving the United States, Australia, India, and Japan) to augment the numerous bilateral and trilateral arrangements that support the U.S. Indo-Pacific Strategy and strengthen the region's ASEAN-led multilateral architecture.

On September 26 in New York, Secretary Pompeo hosted the first ever Ministerial-level meeting with the foreign ministers of Australia, India, and Japan to discuss collective efforts to advance a free and open Indo-Pacific. This "Quad" meeting reaffirmed our countries' shared commitment to close cooperation on maritime security, quality infrastructure, and regional connectivity in support of a rules-based order that promotes stability, growth, and economic prosperity.

Taiwan

Consistent with ARIA and other legislation, we have repeatedly expressed our concern over Beijing's actions to bully Taiwan through economic pressure, constraints on its international space, and poaching of its diplomatic partners. These actions undermine the cross-Strait status quo that has benefitted both sides of the Strait for decades.

Through the American Institute in Taiwan, we recently held 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.

On October 7 in Taipei, the United States and Taiwan launched a new U.S.-Taiwan Pacific Islands Dialogue. In accordance with the Taiwan Travel Act, Sandra Oudkirk, the Deputy Assistant Secretary for Australia, New Zealand and the Pacific, led the U.S. delegation. The United States, Taiwan, and major donors in the Pacific identified ways to better coordinate aid and help prevent Taiwan's remaining diplomatic allies in the Pacific from taking on unsustainable and opaque debt from China.

The United States has an abiding interest in peace and stability across the Taiwan Strait. The United States has—for decades—supported Taiwan’s ability to maintain a sufficient self-defense capability, as required in the Taiwan Relations Act. We will continue to support an effective deterrent capability for Taiwan that is, as ARIA states, “tailored to meet the existing and likely future threats from the People’s Republic of China.”

U.S. arms sales to Taiwan and its 23 million people are informed by the Taiwan Relations Act and based solely on continuing assessments of Taiwan’s defense needs. While some claim that U.S. arms sales to Taiwan contravene the 1982 U.S.-China Joint Communiqué that mentions the gradual reduction of arms sales to Taiwan, recently declassified documents pertaining to this so-called “Third Communiqué” clearly illuminate President Reagan’s intent. As President Reagan wrote on August 17, 1982: “In short, the U.S. willingness to reduce its arms sales to Taiwan is conditioned absolutely upon the continued commitment of China to the peaceful solution of the Taiwan-PRC differences. . . . In addition, it is essential that the quality and quantity of the arms provided Taiwan be conditioned entirely on the threat posed by the PRC.” To meet those needs, in 2019 alone, this administration approved and notified Congress of potential sales of more than \$10 billion of equipment to preserve peace and stability in the Taiwan Strait.

North Korea

ARIA calls for “pursuing a peaceful denuclearization of the Democratic People’s Republic of Korea through a policy of maximum pressure and engagement,” which is the approach we are taking. The United States remains ready to resume constructive discussions with North Korea on each of the four pillars of the Singapore Joint Statement. Our goal is to achieve the final, fully verified denuclearization of the DPRK, as committed to by Chairman Kim in Singapore. That includes transforming the U.S.-DPRK relationship, establishing a lasting and stable peace on the Korean Peninsula, complete denuclearization, and making progress on the recovery of remains.

As President Trump has said, sanctions remain in effect. Relevant UN Security Council resolutions remain in full effect, and UN Member States are bound by the obligations they impose. We also call on countries around the world to continue to take action to combat sanctions evasion.

Republic of Korea-Japan Relations

Our steadfast alliances with Japan and the Republic of Korea have enabled decades of peace, prosperity, and development throughout the Indo-Pacific. Both key allies are committed to maintaining a free and open Indo-Pacific and to pursuing denuclearization of the Korean Peninsula. In line with ARIA, we work to deepen the trilateral security cooperation between us, including in missile defense, intelligence-sharing, and other defense-related initiatives.

Recent challenges in the relationship, stemming from historical grievances and trade and security-related actions, have created an increasingly unsafe and unstable security environment in Northeast Asia. We have repeatedly expressed our concern with South Korea’s decision to terminate the General Security of Military Information Agreement (GSOMIA) with Japan. The

value of arrangements such as GSOMIA to U.S., South Korean, Japanese, and regional security was underscored again recently with North Korea's Oct. 2 missile launches.

While our position has been that we will not serve as a mediator between our two allies, this certainly has not precluded extensive engagement. We have been meeting frequently in both bilateral and trilateral settings to deliver clear messages to both sides and seek mutually agreeable solutions. We trust that our allies will prioritize our collective strategic interests, as they have in the past.

Cybersecurity

In line with the ARIA's finding that there "should be robust cybersecurity cooperation between the United States and nations in the Indo-Pacific region," the United States is increasing its support to partners to help defend their networks from cyber threats that undermine our mutual economic and security interests.

These efforts help counter malicious cyber activities by North Korea, China, cyber criminals, and other state and non-state cyber actors that seek to steal money, intellectual property, and other sensitive information. The United States also coordinates with likeminded Indo-Pacific partners—such as Japan, India, Australia, and Republic of Korea—to build cyber capacity in the region, share best practices, and strengthen the resilience of critical infrastructure.

ARIA and U.S. Economic Interests in the Indo-Pacific

We have seized on ARIA's call to "work with partners to build a network of states dedicated to free markets and protected from forces that would subvert their sovereignty." We are advancing high standards and transparency in all investments and projects, and advancing free, fair, and reciprocal trade. Our economic initiatives help countries in the region use private sector investment as the path to sustainable development. We encourage innovation and reinforce that all parties must respect intellectual property rights.

Infrastructure and Investment

The United States supports the development of infrastructure in the Indo-Pacific region that is physically secure, financially viable, and socially responsible. The interagency Infrastructure Transaction and Assistance Network (ITAN) optimizes U.S. development finance and assistance tools to catalyze private sector investment.

Since its launch in July 2018, ITAN has enhanced transparent legal and procedural frameworks for overseeing complex infrastructure projects in Southeast and South Asia. In addition, USAID has increased support to the Philippines' infrastructure development strategy, advised Vietnam on its Power Development Plan and attracting private sector investment, and improved public financial management in the Maldives. ITAN also launched the Transaction Advisory Fund (TAF) on September 16. The TAF helps partners assess major infrastructure projects by supporting transaction advisory services, including contract negotiation and bid or proposal evaluation.

The new U.S. International Development Finance Corporation (DFC) will further these efforts, thanks to the 2018 passage of the BUILD Act. By doubling the U.S. government’s development financing capacity to \$60 billion and enabling equity investments and feasibility studies, the BUILD Act empowers the DFC to advance private-sector-led development for projects that are quality, transparent, and financially viable.

Energy

In line with ARIA’s exhortation to “explore opportunities to partner with the private sector and multilateral institutions, such as the World Bank and the Asian Development Bank, to promote universal access to reliable electricity in the Indo-Pacific region,” we are pushing forward on energy cooperation with friends and allies across the region.

Energy demand in South and Southeast Asia is projected to grow drastically by 2040, and meeting this growth will be critical to security and economic development in the region. The Indo-Pacific accounts for nearly 30 percent of all U.S. energy exports and totaled more than \$50 billion in 2018. The United States uses its energy resources and technological expertise to promote energy security and access across the Indo-Pacific region, expand opportunities for U.S. exports of energy and related services and technology, and work with partners to set transparent, market-based energy policies.

Asia EDGE (Enhancing Development and Growth through Energy) is a U.S. whole-of-government effort to meet these goals and catalyze private sector investment in energy markets. Since its launch, Asia EDGE has facilitated U.S. private investment in Vietnam’s energy sector, including a U.S. company’s natural gas-fired power plant and liquefied natural gas (LNG) import terminal. In August 2019, the United States announced its intent to provide an initial \$29.5 million to support Mekong countries’ pursuit of energy security and their citizens’ reliable access to electricity in line with the U.S.-Japan Mekong Power Partnership.

Digital Economy

The Digital Connectivity and Cybersecurity Partnership is a multi-year, whole of government effort to promote an open, interoperable, secure, and reliable Internet. By catalyzing economically sustainable and secure private sector network investments, promoting regulatory reforms, and encouraging adoption of cyber security best practices, this initiative will provide a credible alternative to top-down, authoritarian approaches to internet and ICT development and enable nations to realize the tremendous economic benefits of the digital economy.

ASEAN is the world’s fastest growing internet region, and DCCP includes several ASEAN-focused programs, such as support for e-commerce and digital services in the ASEAN Economic Community and technical assistance for policy makers from ASEAN member states. We are advancing the U.S.-ASEAN Smart Cities Partnership. The capstone of our ASEAN engagement was the first U.S.-ASEAN Cyber Policy Dialogue in Singapore in October 2019.

Also, the USTR negotiated a United States-Japan Digital Trade Agreement, which was signed this month. The United States-Japan Digital Trade Agreement includes high-standard

provisions that address key digital trade issues and meets the same gold standard on digital trade rules that was set by President Trump’s landmark United States-Mexico-Canada Agreement (USMCA). This agreement will boost the already approximately \$40 billion worth of digital trade between the U.S. and Japan.

Multilateral Engagement

As highlighted in our ARIA reports on the Lower Mekong Initiative and our Strategic Framework for Engagement with ASEAN, multilateral engagement is vital to our vision for the Indo-Pacific. ASEAN is most effective when it speaks with one voice about pressing political and security issues. It took an important step in this regard with the June 2019 release of its “Outlook on the Indo-Pacific,” which articulates an inclusive vision for a rules-based order. The United States supports ASEAN’s efforts to ensure that all Indo-Pacific countries, regardless of their size, have a proper stake in determining the future of the region.

The United States is one of 21 member economies in the Asia-Pacific Economic Cooperation (APEC) forum for facilitating economic growth, cooperation, trade and investment in the Asia-Pacific region. We also continue to take an active role in the Lower Mekong Initiative, especially to increase engagement on issues such as the environment, health, education, and infrastructure development.

ARIA and U.S. Values in the Indo-Pacific

The United States is a champion of civil society, the rule of law, and transparent and accountable governance across the region. We concur with ARIA’s finding that “the promotion of human rights and respect for democratic values in the Indo-Pacific region is in the United States’ national security interest,” and we work to advance these objectives across the region.

We seek to build capacity for good governance and adherence to international law, rules, and standards. We are implementing governance programs under our whole-of-government Indo-Pacific Transparency Initiative and identifying new areas of cooperation with likeminded partners. These efforts strengthen civil society and democratic institutions in the region, counter corruption, and help countries attract the high-quality financing necessary for sustainable economic development. In addition, in line with ARIA, we work to establish high-level bilateral and regional dialogues with Indo-Pacific nations on human rights and religious freedom, while supporting robust people-to-people exchange programs.

Among current issues affecting the region, Secretary Pompeo has pressed Burma to create conditions conducive to provide for the safe, voluntary, dignified, and sustainable repatriation return of displaced Rohingya. We are galvanizing international pressure on the People’s Republic of China to halt its repression of Uighurs, ethnic Kazakhs, Kyrgyz, and members of other Muslim minority groups in Xinjiang, and we insist that the selection of religious leaders by the Tibetan community be free of interference by the Chinese Communist Party. With respect to Cambodia, we have been vocal that the government should re-open political space and permit genuine political competition to strengthen and support democratic institutions.

Hong Kong

In Hong Kong, we believe that the freedoms of expression and peaceful assembly—core values that we share with the people of Hong Kong—must be vigorously protected. We continue to urge Beijing to uphold its commitments under the Sino-British Joint Declaration to respect Hong Kong’s high degree of autonomy.

As President Trump said at the United Nations General Assembly, “As we endeavor to stabilize our relationship [with Beijing], we’re also carefully monitoring the situation in Hong Kong. The world fully expects that the Chinese government will honor its binding treaty, made with the British and registered with the United Nations, in which China commits to protect Hong Kong’s freedom, legal system, and democratic ways of life. How China chooses to handle the situation will say a great deal about its role in the world in the future. We are all counting on President Xi as a great leader.”

Transparency Initiative

In November 2018, Vice President Pence announced the Indo-Pacific Transparency Initiative to empower the region’s citizens, combat corruption, and build resilience to foreign influence operations that threaten nations’ sovereignty. Over 200 programs, worth more than \$600 million since the beginning of the Trump Administration, focus on anti-corruption and fiscal transparency, democracy assistance, youth development, freedom of expression, including for journalists, and other fundamental freedoms and human rights.

The U.S. government uses all available tools—including sanctions under the Global Magnitsky Human Rights Accountability and the Foreign Corrupt Practices Acts, visa restrictions, and other means—to punish and deter those who engage in serious human rights abuse and corruption abroad. These tools also hold U.S. companies accountable to high standards of transparency and ethical behavior in all engagements across the Indo-Pacific region and globally.

Human Capital

Human capital development underpins all our engagement throughout the Indo-Pacific.

To implement youth initiatives outlined in ARIA, the United States has supported more than 5,000 emerging regional leaders in Young Southeast Asian Leaders Initiative (YSEALI) exchange programs or regional training workshops on topics such as sustainable infrastructure, good governance, and entrepreneurship since 2013. In addition, the Young Pacific Leaders program has forged strong ties with emerging leaders across 19 Pacific nations.

As Secretary Pompeo said in Bangkok in August: In addition to investing over generations in official alliances, partnerships and multilateral institutions across the Indo-Pacific, the United States has also, importantly, “invested in your human capital. Our educational programs and universities have nurtured thousands of Asian leaders for decades, from local leaders to heads of state. And some of our most important ambassadors – private businesses – grew alongside you to our mutual benefit.”

These remarks captured a fundamental but often overlooked aspect of U.S. international engagement: Our government, education sector, and private sector all do significant work, both together and separately, to invest in talent and to help nurture the future of our foreign partners. This is seen in a range of areas, from U.S. firms training local engineers in growing markets, to official U.S. government efforts to promote education, entrepreneurship, economic empowerment, leadership, and health. Congressional support for such programs is longstanding, and we will be expanding our emphasis on these going forward.

As always, though, we must be cautious as we pursue some kinds of international exchange. We welcome the large numbers of Chinese students and scholars who come to the United States to study, research, and learn with their American peers. But they must not be pressured by the People's Republic of China to engage in activities beyond the scope of legitimate academic pursuits. Coercion of even a single Chinese student or scholar in the United States is unacceptable.

President Xi Jinping has set forth an ambitious national strategy to break down all barriers between the civilian and military technological spheres by "fusing" the defense and civilian industrial bases through what Chinese officials call "military-civil fusion." This strategy prioritizes developing or acquiring advanced technology that is useful militarily, either for the modernization of the People's Liberation Army or for other domestic purposes, such as general surveillance or the particularly egregious repression seen in Xinjiang. The acquisition of technology needed for military-civil fusion occurs both via legitimate means, such as joint research and development with foreign firms or collaboration with foreign universities, but also via illicit means, through theft and espionage that must be countered. (I addressed these issues in a speech on Sept. 28.)

I would like again to thank Senator Gardner and this Subcommittee for your efforts to advance U.S. interests and values in the Indo-Pacific region. I truly believe that by working together, in a whole-of-government effort, we can ensure the security, prosperity, and success of the United States and the peoples and countries of the Indo-Pacific. I look forward to answering your questions and working with you and your staffs further on these issues.