
NEXT STEPS TO DEFEND THE TRANSATLANTIC ALLIANCE FROM CHINESE AGGRESSION

The United States Senate Committee on Foreign Relations

EXECUTIVE SUMMARY

CHAPTER ONE - NATO, THE TRANSATLANTIC RELATIONSHIP, AND CHINA

Since the 2022 invasion of Ukraine, the North Atlantic Treaty Organization (NATO) alliance understandably has focused on the re-emerging threats from Russia. NATO was founded to address these challenges and it should remain a priority. However, China's support for Russia's war, its increasing nuclear capabilities, anti-NATO propaganda, growing presence in the Arctic, and offensive cyber capabilities, to name a few actions, have put the alliance on alert. In 2022, NATO released a new Strategic Concept that for the first time identified the People's Republic of China (PRC) as a serious concern and potential threat. These twin threats of Russia and China and their deepening strategic alliance require serious focus from the alliance.

However, the alliance and its individual members still have a long way to go to make themselves more resistant and responsive to the dangers that China poses. First, NATO's contingency planning for scenarios involving Chinese state interference in the NATO region remains underdeveloped. While China is unlikely to become a direct combatant in a war between Russia and NATO, its control of key infrastructure nodes – in particular ports and their supporting logistics networks – could play a decisive role in the outcome of a conflict in Europe. NATO must also be better prepared for a situation in which the United States must remove some of its military power from Europe in order to respond to Chinese actions in East Asia.

Finally, the United States and Europe, especially European NATO members, must unite to prevent Chinese involvement in any diplomacy over Ukraine and its reconstruction. Currently, both sides of the Atlantic are at best lackadaisical about the risks of PRC involvement. The legitimization of China's peace plan in Ukraine and permitting a role for China in ending the war are deeply naïve and troubling.

To better prepare to counter the strategic threat from China, NATO should:

- **Improve institutional knowledge of China, the Chinese Communist Party (CCP), its strategic culture, and the operational capacity of the People's Liberation Army.**
- **Using the 2022 Strategic Concept as a starting point, develop contingency planning for Chinese state interference and its potential involvement in a war in Europe.**
- **Require member nations to set standards for research security, strategic investments, and procurement in defense-relevant sectors including infrastructure to ensure NATO can defend itself.**
- **Develop specific guidelines that make clear to Ukraine what kinds of Chinese investments would make its eventual NATO membership difficult to approve.**

CHAPTER TWO - CHINA'S SUBNATIONAL DIPLOMACY: A VECTOR FOR MALIGN INFLUENCE IN THE UNITED STATES AND EUROPE

China increasingly uses subnational diplomacy to undermine our free societies and evade national-level efforts to counter foreign influence. Subnational partnerships like sister city relationships, friendship groups, and other people-to-people exchanges are coopted and used to advance the geopolitical interests of the CCP's United Front Work Department. Likewise, international business links between Chinese companies and local actors create channels the CCP can exploit which can lead to local economic dependencies. These can then be leveraged for political gain. Despite transatlantic efforts to shore up secure supply chains, Chinese investments in critical emerging technology sectors in the United States and Europe – many of which occur at the local level – undermine broader national attempts to bolster domestic industries and international competitiveness.

Without proper guardrails, subnational engagements with China also expose our open democratic societies to serious intelligence and hybrid threats. By engaging with politicians, officials, and constituencies at the state and local level, China promotes its preferred narratives and builds relationships that can be utilized to undermine national-level policies and influence public opinion. Chinese operatives also embed themselves in local communities by establishing illegal overseas police stations and partnerships with local governments, which are used as platforms to carry out transnational repression.

To combat Chinese influence at the subnational level, U.S. and European countries should:

- **Increase collaboration between the national and local levels on countering threats of malign influence and interference from China. National actors should also encourage subnational governments to be more transparent about their international engagements.**
- **Hold conversations through multilateral institutions like the European Union and other regional and international fora about how to properly support and protect subnational participation in foreign relations.**
- **Demand reciprocity and set guardrails for legitimate exchange in subnational relationships with China. Use them to demonstrate the merits of U.S. and European systems that value civil liberties and human rights.**