

**TESTIMONY BEFORE THE SENATE ARMED SERVICES COMMITTEE**  
**HEARING ON ADDRESSING CHINA AND RUSSIA'S EMERGENCE AS GREAT POWER**  
**COMPETITORS AND THE IMPLEMENTATION OF THE NATIONAL DEFENSE STRATEGY**

**BY**

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# **Blunting China’s Illiberal Order: The Vital Role of Congress in U.S. Strategic Competition with China**

## **I. STRATEGIC ASSESSMENT**

Chairman Inhofe, Ranking Member Reed, distinguished members of the Committee, thank you for the opportunity to discuss a topic of vital importance to the United States. I want to begin with five key observations on the current state of strategic competition between the United States and China:

1) The United States and China are now locked in a geopolitical competition that will endure for at least the next decade. U.S.-China competition is structural and deepening across the central domains of international politics, including security, economics, technology, and ideology. What we are experiencing today is not an episodic downturn or cyclical trough in the U.S.-China relationship, nor is the current rise in tensions primarily due to President Trump or his administration. The United States, the U.S. Congress, and the American people should be preparing for long-term competition with China.

2) The United States, on balance, is currently losing this competition in ways that increase the likelihood not just of the erosion of U.S. power, but also the rise of an illiberal Chinese sphere of influence in Asia and beyond. How this competition evolves will determine the rules, norms, and institutions that govern international relations in the coming decades, as well as future levels of peace and prosperity for the United States. There is no more consequential issue in U.S. foreign policy today. Should the United States fail to rise to the China challenge, the world will see the emergence of a China-led order that is deeply antithetical to U.S. values and interests: weaker U.S. alliances, fewer security partners, and a military forced to operate at greater distances; U.S. firms without access to leading markets, and disadvantaged by unique technology standards, investment rules, and trading blocs; inert international and regional institutions unable to resist Chinese coercion; and a secular decline in democracy and individual freedoms. The net result would be a less secure, less prosperous United States that is less able to exert power and influence in the world.

3) To avoid these outcomes, the central aim of U.S. strategy in the near term should be preventing China from consolidating an illiberal sphere of influence in vital regions and key functional domains. It is imperative that the United States stop China’s advances toward exerting exclusive and dominant control over key geographic regions and functional domains. Only once the United States halts China’s momentum—and in doing so reassures the world about America’s commitment to its traditional leadership role—can Washington conceivably construct a durable and favorable balance of power. This does not mean mounting a Cold War-style containment strategy that seeks to roll back or weaken China. Instead, where China would otherwise develop harmful forms of dominant control, the United States should seek to build “spheres of competition” to contest strategic areas. U.S. policy should focus on enhancing American competitiveness to defend and advance U.S. interests within these vital spheres of competition.

4) The U.S. government is not approaching this competition with anything approximating its importance for the country’s future. Much of Washington remains distracted and unfocused on the

China challenge. The Trump administration sounded some important notes in its first *National Security Strategy* and *National Defense Strategy*, and there are strategic thinkers and sophisticated analysts inside the Trump administration who are attempting to piece together a more competitive strategy. That being said, many of the Trump administration's foreign and domestic policies (for example on alliances, international institutions, trade, human rights, and immigration) do not reflect a government committed to enhancing American competitiveness or sustaining power and leadership in Asia and the world. In key areas, the Trump administration's China policy is confrontational without being competitive.

5) Despite current trends, the United States can still prevent the growth of an illiberal order in Asia and internationally. Continued Chinese advantage in the overall strategic competition is by no means inevitable. In fact, the United States can successfully defend and advance its interests with a concerted effort that brings together the right strategy, sustained attention, and sufficient resources. Moreover, China has its own substantial vulnerabilities, particularly compared to the robust and enduring foundations of American power. As much as China's diplomats and propaganda organs have complained bitterly about U.S. officials speaking in more competitive terms, it is no secret that Beijing has been intensely focused on strategic competition with the United States for decades. In fact, China has been gaining ground across the geopolitical competition primarily because it has most often been the only side competing.

## II. HOW WE GOT HERE AND WHAT'S AT STAKE

U.S. policy toward China since the end of the Cold War was predicated on steering its development and shaping the regional environment such that Beijing would ultimately decide not to challenge U.S. dominance in Asia. At its core, it was a strategy for preventing a China challenge from ever surfacing in the first place. This approach was guided by the promise that economic modernization and interdependence would lead to political and market reforms internally, while also creating overwhelming incentives for China to integrate into the prevailing international order. At the same time, given uncertainties about China's intentions, the United States and its allies developed military capabilities to deter Chinese aggression and dissuade Beijing from aspiring to regional hegemony. There have been ongoing debates in Washington about which element merited greater emphasis, but this combination of "engagement" and "balancing" served as consensus U.S. strategy toward China for decades after the end of the Cold War.

This policy approach was valid as long as there were indications that it was working—or at least enough ambiguity and uncertainty about China's future behavior. Such was the case throughout most of the 1990s and early 2000s, when China adhered to a fairly cautious and conservative foreign policy. But that era has ended, and the results are deeply troubling. Contrary to U.S. aspirations, China is becoming more authoritarian, the regime is tightening its grip on the economy, and its foreign policies are increasingly ambitious and assertive in seeking to undermine and displace the U.S.-led order in Asia.<sup>1</sup>

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<sup>1</sup> See Kurt Campbell and Ely Ratner, "The China Reckoning: How Beijing Defied American Expectations," *Foreign Affairs*, March/April 2018, <https://www.foreignaffairs.com/articles/united-states/2018-02-13/china-reckoning>.

This is not to say that Beijing does not deserve greater voice or influence commensurate with its position as a major power. But there is a difference between greater Chinese power (even China being the most powerful country in the region), and a situation in which Beijing exerts hegemonic control over Asia. The latter would include: the Chinese military administering the South and East China Seas; regional countries sufficiently coerced into not questioning or challenging China's preferences on military, economic, and diplomatic matters; the de facto unification of Taiwan; Beijing with agenda-setting power over regional institutions; a China-centric economic order in which Beijing sets trade and investment rules in its favor; and the gradual spread of authoritarianism, including proliferation of China's model of a high-tech surveillance state. Preventing that future should serve as the central near-term aim of U.S. China strategy.

### III. GUIDING PRINCIPLES FOR U.S. STRATEGY

As the United States embarks on blunting China's efforts to establish an illiberal order, it should do so with the following four tenets:

1. The foundations of American power are strong: We should be approaching the China challenge from a position of confidence. Despite all the pessimism about American dysfunction and decline, the United States continues to possess the attributes that have sustained its international power and leadership for decades. Our people, demography, geography, abundant energy resources, dynamic private sector, powerful alliances and partnerships, leading universities, democratic values, and innovative spirit give us everything we need to succeed if only we're willing to get in the game.
2. Rising to the China challenge is ultimately about us, not them: Since the end of the Cold War, U.S. policy toward China has sought to open its society and economy, while also encouraging it to become a responsible member of the international community. Instead, we find ourselves today confronting an increasingly illiberal, authoritarian, and revisionist power. We should expect that China will continue heading in this direction (at least) as long as Xi Jinping and the Chinese Communist Party are in charge. It is therefore no longer viable for the United States to predicate its strategy on changing China. Rather, how the United States fares in its strategic competition with China will ultimately depend on our own competitiveness, which means we need to be committed and focused on enhancing our national strength and influence.<sup>2</sup>
3. We need a comprehensive China strategy across all domains of the competition: Regardless of the specific topic—Chinese economic coercion, human rights, or the South China Sea—the United States needs a comprehensive strategy that enhances U.S. competitiveness across all domains of the competition, including military, economics, diplomacy, ideology, technology, and information.<sup>3</sup> It would be a mistake to approach our China policy as siloed and tactical responses to particular problems. Succeeding on any individual issue will require strength and skill across all areas of the competition.

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<sup>2</sup> Daniel Kliman, Elizabeth Rosenberg, and Ely Ratner, "The China Challenge," 2018 CNAS Annual Conference, June 21, 2018, <https://www.cnas.org/publications/commentary/the-china-challenge>.

<sup>3</sup> Ely Ratner, "Rising to the China Challenge," Testimony before the House Armed Services Committee, February 15, 2018, <https://www.cfr.org/report/rising-china-challenge>.

4. Building and sustaining a bipartisan consensus on the China challenge will be of utmost importance to America's long-term success: Fortunately, there currently exists a strong degree of bipartisan support for a more competitive U.S. response. It is imperative that this bipartisanship endure in the years ahead. Political fissures on China will have at least three negative consequences: inhibiting the ability of the U.S. government to focus attention and resources on the China challenge; undermining the necessary confidence of U.S. allies and partners that they should side with an America willing to confront China's revisionism; and creating openings for Beijing to divide and conquer within the U.S. political system. U.S. leaders, including on Capitol Hill, should view bipartisanship as a necessary and core feature of U.S. China policy.

#### **IV. RECOMMENDATIONS FOR CONGRESS**

This section contains 20 recommendations for Congress divided between the economic, ideological, and security domains of the competition.

##### **ECONOMIC COMPETITION**

1. **Congress should hold hearings to re-examine the costs and benefits of rejoining the Trans-Pacific Partnership (TPP), now known as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).**

U.S. exclusion from regional trade agreements in Asia will have both economic and strategic consequences for the United States. Now that the CPTPP is in force, U.S. businesses and workers will begin to suffer the costs of trade diversion away from the United States. At the same time, the negative externalities of China's expanding power and influence are growing larger in the absence of U.S. economic leadership. With no viable alternative to a future defined by China-led economic order, countries in the region are increasingly reluctant both to partner with the United States and to resist China's acts of coercion, most notably in the South China Sea. Similar dynamics are emerging elsewhere, where this trend is repeating itself in South Asia, the Middle East, and even parts of Europe and Latin America. U.S. efforts to set high-standard trade and investment rules, knitting together TPP with the Transatlantic Trade and Investment Partnership (TTIP) with Europe, would bracket both sides of the Eurasian continent, thereby reducing China's coercive leverage, resisting the spread of illiberalism, and creating political space for continued security cooperation with the United States. The Trump administration's strategy of pursuing a "free and open Indo-Pacific region" is the right framework, but it will fail without an economic component on par with the scale and scope of TPP. The politics of this are obviously difficult right now in the United States, but both political parties need to find a way back to supporting fair and high-standard multilateral trade deals. Congress should revisit the costs and benefits of remaining outside these agreements, while also articulating what specific adjustments would be required to garner political support in Washington. By refusing outright to join regional trade agreements, the United States is inviting continued Chinese economic coercion and, ultimately, Chinese dominance of Asia and beyond.

2. **Congress should support and enhance non-tariff tools of economic statecraft to respond to China's illegal and unfair trade and investment practices.**

The Trump administration is rightly seeking to address a wide range of unacceptable trade and investment practices by China, including forced technology transfer, intellectual property theft, and market access restrictions. If current negotiations fail, the Trump administration has threatened to widen the scale and scope of U.S. tariffs on Chinese goods. This would be a mistake. Blanket tariffs are not an effective tool because they are indiscriminate and serve as a tax on American businesses and consumers. Moreover, there is real potential for escalating tariffs to negatively impact the U.S. economy and financial markets, which would likely spur political divisions and commensurate calls for a return to a less competitive approach toward China. To avoid these outcomes, even when China inevitably falls short in making structural economic reforms, Congress should support the Trump administration's efforts to freeze the tariff war. At the same time, however, the U.S. government should also vigorously pursue other tools that include targeted tariffs, investment restrictions, export controls, regulatory changes, greater information sharing with the private sector, and law enforcement actions that curb China's ability to profit from its illicit and unfair behavior. As part of that, Congress should urge the Trump administration to employ Executive Order 13694, which provides authorities for sanctions against companies that have used cyber means to steal intellectual property for commercial gain.

### **3. Congress should limit the ability of the Executive branch to levy Section 232 tariffs against U.S. allies and partners on national security grounds.**

The United States should be working with—not alienating—allies and partners to address the China challenge, including sharing information on China's activities, coordinating on trade and investment restrictions, and rerouting global supply chains. It will be exceedingly difficult to address China's coercive, unfair, and illegal trade and investment practices on our own. It was a mistake for the Trump administration to lead with Section 232 tariffs on some of our closest allies, and similarly misguided to threaten auto tariffs against the European Union or withdrawal from NAFTA or KORUS. Instead, the United States needs an international economic strategy that differentiates between allies and strategic competitors. Congress should therefore set limits on the ability of the Executive branch to levy damaging tariffs on close U.S. allies and partners on national security grounds.<sup>4</sup>

### **4. Members of Congress should organize bipartisan Congressional Delegations and parliamentary exchanges to engage with key partners on China.**

Recent legislative efforts by the U.S. Congress, particularly on a new investment screening regime, provide important lessons learned for partner governments. Congress can play an essential role in sharing strategies, information, and expertise with partner legislatures that are only beginning to grapple with the issues and complexity associated with confronting China's illiberal and revisionist actions, including on trade and investment. Moreover, doing so in a bipartisan fashion will send a particularly important signal to the world and to China that the United States is politically united on this issue.

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<sup>4</sup> Peter Harrell, "Congress must rein in White House economic national security powers," *The Hill*, June 7, 2018, <http://thehill.com/opinion/national-security/390958-congress-must-rein-in-white-house-economic-national-security-powers>.

**5. Congress should call for bureaucratic reforms inside the U.S. government, accompanied by an official strategy, to help the United States better organize for China’s economic challenge.**

The U.S. government is not institutionally configured to deal with the China economic challenge. Congress can help rectify this shortcoming by passing two pieces of proposed bipartisan legislation: one requiring the administration to publish a National Economic Security Strategy; and another that creates a new Office of Critical Technologies and Security to coordinate U.S. policies in the technology competition with China.

**6. Congress should play an active oversight role in the creation of the new U.S. International Development Finance Corporation (USDFC).<sup>5</sup>**

The Trump administration and Congress deserve credit for taking steps to use development finance more strategically. To that end, Congress can play an important role in shaping the new USDFC (stood up as part of the BUILD Act) by ensuring it is optimized for U.S. competition with China. For example, Congress should encourage the USDFC to: 1) include a strategy office that coordinates with U.S. defense and intelligence agencies; 2) tolerate a degree of risk in high priority regions; and 3) have authority for surge funding for the rapid delivery of development finance when political circumstances warrant.

**7. Congress should appropriate resources for the U.S. government to provide technical assistance to potential recipients of Chinese government financing.**

China’s economic carrots and sticks—particularly under the rubric of its Belt and Road strategy—are giving Beijing considerable leverage over security and political issues in third countries, including in Latin America and Europe. It bears underscoring that there is significant global demand for infrastructure, and no viable alternative to replace entirely China’s potential provision of resources. That being said, it will run counter to U.S. interests if recipient countries are subject to corruption and coercion, burdened with commercially non-viable development projects, or caught in debt traps that China exploits for political and strategic ends. The United States should team up with like-minded countries (including Australia, India, Japan, and Singapore) to provide technical assistance to help recipient countries evaluate proposed loans and infrastructure projects. Washington should also consider which existing multilateral institutions could act as a clearinghouse of best practices or a neutral forum to assess Belt and Road projects.<sup>6</sup> Cognizant of potential moral hazard, the United States could also consider working with other advanced economies to make funds available at affordable interest rates for governments stuck in China-induced debts traps. Countries like Sri Lanka and Myanmar should have alternatives to handing over strategic infrastructure to Beijing if they find themselves indebted to China.

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<sup>5</sup> These recommendations were designed by Daniel Kliman, senior fellow at the Center for a New American Security.

<sup>6</sup> Daniel Kliman and Abigail Grace, “Power Play: Addressing China’s Belt and Road Strategy,” Center for a New American Security, September 2018, <https://www.cnas.org/publications/reports/power-play>.

- 8. Congress should focus on enhancing American competitiveness by continuing to support increases in funding for basic research, formulating strategic immigration and visa policies, and investing in education, among other priorities.**

Ensuring America's continued economic strength and technological leadership is vital to sustaining U.S. competitiveness.<sup>7</sup> The U.S. government should therefore continue its long tradition of providing seed funding for critical technological breakthroughs. Additional domestic policies focused on enhancing American competitiveness will be critical to the strategic competition with China, including responsible fiscal policies, strategic immigration and visa policies that attract and retain top talent, skills retraining for workers adversely affected by China's predatory economic policies, emphasis on improving STEM education, and efforts to build a bipartisan consensus on the China challenge.

## **IDEOLOGICAL COMPETITION**

- 9. Congress should pass the bipartisan Uyghur Human Rights Policy Act.**

China has placed upwards of a million Muslims in internment camps in the western province of Xinjiang, while also instituting an Orwellian surveillance state that interferes and monitors nearly every aspect of private life. These actions are both morally repugnant, and represent a harbinger of a high-tech authoritarian governance model that China is already actively exporting. Holding Beijing to account for this behavior should be a priority for the United States. The U.S. Congress should therefore pass proposed legislation to ensure that this issue receives the attention it deserves internationally, and to hold both Chinese officials and private companies accountable if they contribute to these unconscionable human rights abuses.

- 10. Congress should provide resources and direct the Defense Department to develop the means to circumvent China's "Great Firewall" and make it easier for Chinese citizens to access the global Internet.**

At times, it will be important for the United States to be able to communicate directly with the Chinese people. The U.S. government should therefore invest in developing and deploying the technologies necessary to circumvent authoritarian firewalls, including in China. This would involve both developing cyber capabilities to disrupt China's censorship tools, as well as finding new ways for citizens inside China to access a free and open Internet.

- 11. Congress should review declassification processes and authorities to ensure timely release of relevant intelligence.**

U.S. intelligence agencies regularly acquire information about China's illiberal, illegal, and otherwise counter-normative behavior against its own people and abroad. Too often, this information is unnecessarily classified and withheld from U.S. policymakers, the American people, and U.S. allies

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<sup>7</sup> Elsa Kania, "China's Threat to American Government and Private Sector Research and Innovation Leadership," Testimony before the House Permanent Select Committee on Intelligence, July 19, 2018, <https://www.cnas.org/publications/congressional-testimony/testimony-before-the-house-permanent-select-committee-on-intelligence>.



and partners. Selective declassification of certain information would better inform the U.S. public and the international community about the often corrupt and abusive domestic and foreign policies of the Chinese Communist Party. Congress should therefore consider when it may be appropriate to loosen declassification processes and authorities to engage in more effective U.S. information operations.

**12. Congress should take measures to undermine the Chinese Communist Party's influence operations in the United States.**

There are a number of measures the U.S. Congress can take to expose and weaken the ability of the Chinese Communist Party to shape discourse and attitudes in the United States. For example, Congress could amend the Foreign Agents Registration Act (FARA) to require greater disclosure of foreign influence operations, while providing additional resources to the Department of Justice for FARA enforcement.<sup>8</sup> Congress should also urge universities, think tanks, and media companies to provide greater transparency and disclosure of projects, institutes, and other resources that are attached to Chinese government funding. In doing so, it is vitally important that Congress and the U.S. government differentiate between the Chinese people and the Chinese Communist Party, targeting counter-influence activities squarely at the latter in rhetoric and practice.

**13. Congress should explore reconstituting a 21st-century version of the U.S. Information Agency.**

The United States should revive its ability to engage in information operations and strategic messaging, which have not featured prominently in U.S. China policy for decades. The goal should be to provide a counterpoint to the billions of dollars China spends each year in propaganda to sell a vision of its own ascendancy and benevolence, alongside U.S. decline and depravity. The resulting perceptions of the inevitability of China's rise and of future dependence on China have reinforced Beijing's coercive toolkit. More U.S. media and information platforms could provide a degree of level setting about the facts and fictions of China's power, expound the strengths of the United States, and cast a more skeptical shadow on certain expressions of Chinese influence, including its governance model, its ideological assertions, and the overall strength of its economy. U.S. information operations could also highlight Xi Jinping's deep unpopularity around the world, as well as his mismanagement of China's economy and failure to deliver on much-needed economic reforms. If creating a new institution like the U.S. Information Agency is not feasible, the U.S. government will still need more modern and sophisticated information dissemination tools. As part of that effort, Congress should ensure that Radio Free Asia and the Global Engagement Center at the State Department are sufficiently resourced. Alternatively, failing to augment U.S. resources in the information space will make it much more difficult to succeed in other areas of the competition.

**14. When appropriate, Congress should reinforce the Trump administration's public reproach of China by passing sense of the Senate resolutions criticizing China's actions.**

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<sup>8</sup> See Peter Harrell, "China's Non-Traditional Espionage Against the United States: The Threat and Potential Policy Responses," Testimony before the Senate Judiciary Committee, December 12, 2018. <https://www.cnas.org/publications/congressional-testimony/chinas-non-traditional-espionage-against-the-united-states-the-threat-and-potential-policy-responses>.

It is essential that the U.S. government publicize and criticize China's revisionist behavior. If the United States remains silent during incidents of Chinese coercion and intimidation against foreign governments and private businesses, it is far more difficult for others in the international community to stand firm. Congress can help by naming and shaming acts of Chinese aggression, supporting U.S. allies and partners, and holding private companies publicly accountable if they are compromising U.S. values and interests for commercial gain.

## **SECURITY COMPETITION**

### **15. Congress should shift and prioritize defense resources for the China challenge.**

The Trump administration's January 2018 *National Defense Strategy* included the critically-important insight that: "Inter-state strategic competition, not terrorism, is now the primary concern in U.S. national security." Congress should endorse this formulation and prioritize defense spending accordingly by supporting a more lethal force, strengthening alliances and partnerships, and reforming the Defense Department to enhance performance and affordability. At the same time, the United States will have to be judicious in how it uses the force. This means being willing to make hard tradeoffs that shift limited U.S. resources—for example intelligence, surveillance, and reconnaissance assets—from the Middle East and Africa to the Indo-Pacific, and from the war on terror to strategic competition with China. Finally, to sustain America's military advantage in the Western Pacific, Congress should ensure that the future force also includes platforms that are smaller, lower-cost, more expendable, unmanned, and autonomous.

### **16. Congress should urge the Trump administration to revise U.S. declaratory policy in the South China Sea.**

China is steadily moving toward dominance of the South China Sea. China's control of the South China Sea, one of the world's most important waterways, would pose a significant threat to U.S. commercial and national security interests. China's track record in recent years—willfully blocking freedom of navigation and using economic coercion over political and security issues—is a troubling indicator of how Beijing would likely exploit administrative control over commercial and military access to the area. Moreover, as the main artery between the Pacific and Indian Oceans, the South China Sea is a critical military arena in which a dominant China would have significant leverage over vulnerable chokepoints and sea-lanes, as well as launching pads to project military power beyond East Asia. Despite the stakes, U.S. policy in the South China Sea remains insufficient, defined primarily by freedom of navigation operations and episodic shows of force. The United States needs a new approach that includes a combination of economic, military, informational, and diplomatic measures.<sup>9</sup>

In the near term, Congress should examine and urge two important changes to U.S. declaratory policy. First, the United States should clarify that the Mutual Defense Treaty with the Philippines covers the South China Sea. In the absence of this change, Philippine officials have indicated that

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<sup>9</sup> Ely Ratner, "Course Correction: How to Stop China's Maritime Advance," *Foreign Affairs*, July/August 2017, <https://www.foreignaffairs.com/articles/2017-06-13/course-correction>. 6

they may seek to renegotiate or even scrap the treaty. It should go without saying that the U.S. alliance with the Philippines is an essential component of U.S. strategy in the region (which is also why Beijing is working so hard to break the alliance apart). In exchange for this act of reassurance, the United States could request more robust implementation of the Enhanced Defense Cooperation Agreement (EDCA) signed in 2014 by Washington and Manila.

Second, in the context of China's blatant revisionism, the United States should reexamine its position of neutrality on sovereignty claims in the South China Sea. One option worthy of consideration would be to adopt a "Senkaku model," whereby the United States would recognize administration of certain islands without taking a formal position on the sovereignty claims. This would allow the United States to partner with and support the efforts of other claimants to defend the features they administer, and prevent Chinese administrative control of the South China Sea.

#### **17. Congress should provide greater resources to help build more capable and independent U.S. allies and partners.**

The U.S. government should work to boost the military power of U.S. allies (especially Japan, South Korea, and Australia) and critical partners (including India, Indonesia, Malaysia, Singapore, Taiwan, and Vietnam) by, for instance, loosening restrictions on certain technology transfers and investing more to enhance partner capacity and interoperability. Frontline states should have independent capabilities to act as a first line of deterrence and defense, and the United States should assist partners in developing their own counter-intervention capabilities to ward off Chinese coercion. To do so, Congress should ensure that U.S. allies and partners associated with the China challenge are receiving an appropriate proportion of U.S. defense trade and arms transfers, including through foreign military financing, foreign military sales, and excess defense articles.<sup>10</sup> The new Asia Reassurance Initiative Act (ARIA) was a step in the right direction and should be fully funded, but U.S. capacity building in the region still pales in comparison to current U.S. resources going toward building foreign forces in Afghanistan and the Middle East.

#### **18. Congress should support exemptions under CAATSA for countries seeking to balance against China.**

It is appropriate for the United States to seek to reduce Russian revenue from overseas arms sales. In certain instances, however, the Countering America's Adversaries Through Sanctions Act (CAATSA) is undermining the ability of the United States to create a favorable balance of power in Asia. To be more specific, Russia's diversified security partnerships in Asia (including with India and Vietnam) are strategic assets for the United States. Sanctioning or threatening to sanction these partners undercuts their ability to provide frontline deterrence and defense against China, and damages U.S. relations with important partners. Moreover, it is not in the interest of the United States to isolate Russia in Asia, which, if successful, could have the effect of forcing China and Russia into a strategic security partnership that would not otherwise exist. Congress should therefore support CAATSA exemptions for Asian powers that are procuring Russian weapons to balance

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<sup>10</sup> For example, see Eric Sayers, "Assessing America's Indo-Pacific Budget Shortfall," *War on the Rocks*, November 15, 2018, <https://warontherocks.com/2018/11/assessing-americas-indo-pacific-budget-shortfall/>.

against China. In the longer term, the U.S. government should explore what kinds of policies or incentive structures might lead regional partners to willingly diversify away from reliance on Russian systems.

**19. Congress should encourage active “burden-shifting” to China, including in Afghanistan.**

China’s interests in security and stability are growing in regions where the United States is expending considerable resources. U.S. policymakers should map areas where China’s interests are rising and, concurrently, the United States is overextended or bearing disproportionate costs. Rather than imploring Beijing to “burden-share” or be a “responsible stakeholder,” the United States should consider unilateral measures to reduce its outlay of resources where U.S. and Chinese goals sufficiently overlap and where China’s interests are sufficiently large such that Beijing would be forced to pick up the slack. Afghanistan is the most obvious example. It is no longer justifiable that the United States is sacrificing American lives and spending several billions of dollars a year in Afghanistan while China provides only tens of millions of dollars.

**20. Congress should not support new wars of choice.**

It will be far more difficult, if not impossible, for the United States to succeed in a strategic competition with China if Washington initiates a new war of choice, including against North Korea or Iran. In addition to the horrendous human costs, America’s strategic position in Asia and globally would be significantly diminished. U.S. attention and resources would be devoured at the expense of U.S. interests in Taiwan, the South China Sea, the East China Sea, and the Indian Ocean. To put it bluntly, starting a war of choice with North Korea or Iran would also be a decision to forfeit strategic competition with China.

## Biography

### Ely Ratner

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**Dr. Ely Ratner** is the Executive Vice President and Director of Studies at the Center for a New American Security (CNAS), where he is a member of the executive team and responsible for managing the Center’s research agenda, publications, and research staff.

Ratner served from 2015 to 2017 as the deputy national security advisor to Vice President Joe Biden, and from 2011 to 2012 in the office of Chinese and Mongolian affairs at the State Department. He also previously worked in the U.S. Senate as a professional staff member on the Senate Foreign Relations Committee and in the office of Senator Joe Biden. Outside of government, Ratner has worked as the Maurice R. Greenberg senior fellow for China studies at the Council on Foreign Relations, a senior fellow and deputy director of the Asia-Pacific security program at CNAS, and as an associate political scientist at the RAND Corporation.

Ratner has testified before Congress and published widely on U.S.-China relations and U.S. national security strategy in Asia. His commentary and research have appeared in the *New York Times*, *Washington Post*, *Wall Street Journal*, *Foreign Affairs*, *Foreign Policy*, *Politico*, *Atlantic*, *Washington Quarterly*, *National Interest*, *Journal of Conflict Resolution*, and *Chinese Journal of International Politics*.

Ratner received his B.A. from Princeton University's Woodrow Wilson School of Public and International Affairs, where he graduated Phi Beta Kappa. He earned his Ph.D. in Political Science from the University of California, Berkeley.