

STATEMENT BY
ELY S. RATNER
ASSISTANT SECRETARY OF DEFENSE
FOR INDO-PACIFIC SECURITY AFFAIRS
OFFICE OF THE SECRETARY OF DEFENSE

BEFORE THE 118th CONGRESS
HOUSE ARMED SERVICES COMMITTEE
MARCH 20, 2024

Chairman Rogers, Ranking Member Smith, and Members of the Committee: thank you for the opportunity today to discuss about how the Department of Defense is addressing the pacing challenge presented by the People's Republic of China (PRC) and working with our allies and partners to advance a shared vision for a free and open Indo-Pacific region.

I am pleased to testify alongside Admiral Aquilino from U.S. Indo-Pacific Command and General LaCamera from U.S. Forces Korea, and I acknowledge that today's posture hearing likely marks the last time that the three of us will share a witness table together in our current roles. I thank both of my colleagues for their years of military service to the United States, including in the past three years as we have worked closely together to uphold peace, stability, and deterrence across the Indo-Pacific region.

In 2022, the *National Defense Strategy* (NDS) identified the PRC as the Department's pacing challenge. Since then, Russia's lawless war in Ukraine has continued into its third year, and we have seen an outbreak of violence and instability across the Middle East in the aftermath of Hamas' terrorist attacks on October 7, 2023. At the same time, the PRC remains the Department's pacing challenge given the rapid modernization of the People's Liberation Army (PLA) and its growing use as a coercive instrument by the PRC. The PRC continues to present the most comprehensive and serious challenge to U.S. national security because it remains the only country with the will and, increasingly, the capability to dominate the Indo-Pacific region and displace the United States as a global power. In fact, the PLA's coercive and risky activities in the Taiwan Strait, the South and East China Seas, along the Line of Actual Control (LAC) with India, and beyond have demonstrated the PRC's revisionist intentions more clearly than ever.

Meanwhile, the 2022 NDS also rightly identifies North Korea as a persistent threat due to North Korea's efforts to advance its illicit nuclear and missile capabilities and engage in destabilizing behavior.

Importantly, conflict in the Indo-Pacific region, as Secretary Austin and senior leaders across the Department have said many times, is neither imminent nor inevitable. This is because, whether on the Korean Peninsula, across the Taiwan Strait, or elsewhere in the region, the Department is doing more than ever to strengthen combat-credible deterrence and to prevail in conflict if necessary. We have also reiterated our openness to dialogue to reduce risks and avoid unintended escalation. Taken together, these efforts are making significant contributions to regional security. More than three years into the Biden-Harris Administration, the Department is supporting Indo-Pacific allies and partners as they strengthen their own capabilities; delivering a more forward regional force posture; connecting U.S. allies and partners in support of a shared regional vision; and making investments to ensure that the U.S. military remains the most capable fighting force in the world.

Supporting Stronger Indo-Pacific Allies and Partners

First, throughout the past year and beyond, the Department of Defense has supported U.S. allies and partners across the Indo-Pacific region as they invest in their own military strength and deterrent. More capable partners who share a free and open regional vision are a critical part of helping advance Indo-Pacific peace and stability.

With Australia, the Department has significantly developed defense industrial cooperation. At the 33rd Australia-U.S. Ministerial Consultations (AUSMIN) in July 2023, our two countries decided to co-produce Guided Multiple Launch Rocket Systems (GMLRS) by 2025 as part of advancing our cooperation on Australia's Guided Weapons and Explosive Ordnance (GWEO) Enterprise. In March 2023, President Biden, Australian Prime Minister Albanese, and United Kingdom Prime Minister Sunak announced our plans to support Australia's acquisition of a conventionally armed, nuclear-powered submarine capability through the Australia-United Kingdom-United States (AUKUS) enhanced security partnership. And in December 2023, the Defense Ministers of the United States, Australia, and the United Kingdom announced new cooperation on advanced capabilities under AUKUS, including the announcement of the AUKUS Maritime Autonomy Experimentation and Exercise Series, an AUKUS Innovation Challenge, and other initiatives. The Unbreakable Alliance between the United States and Australia stands stronger today than ever before, and efforts like these will strengthen the ability of one of our closest Indo-Pacific allies to further contribute to regional peace, stability, and deterrence.

With India, the Department has helped bolster India's defense modernization plans, including by advancing the priorities outlined in the *Roadmap for U.S.-India Defense Industrial Cooperation* that Secretary Austin and his Indian counterpart established during Secretary Austin's June 2023 visit to India. During Prime Minister Modi's Official State Visit weeks later, the United States approved the unprecedented transfer of jet engine technology to India, setting up new co-production opportunities, and in November 2023 our two countries decided to co-produce ground mobility systems. Additionally, the United States and India have continued to drive defense technology innovation through the India-U.S. Defense Acceleration Ecosystem (INDUS-X), which facilitates partnerships among U.S. and Indian defense companies of all sizes, incubators and accelerators, investors, and universities with the support of our two governments. President Biden has described the U.S.-India relationship as "stronger, closer, and more dynamic than at any time in history," and efforts like what I have described will help our two countries' Major Defense Partnership to grow even stronger.

With Japan, the Department has supported Japan's decision to acquire new capabilities that strengthen regional deterrence, including indigenous and acquired counterstrike capabilities like the Tomahawk Land Attack Missile. We have also applauded Japan's decision to double its defense spending over the next five years and develop its research, testing, and industrial expertise to promote regional peace and stability. As Secretary Austin said in December 2022 when Japan released its updated National Security Strategy, National Defense Strategy, and Defense Buildup Program, the U.S.-Japan alliance "remains the cornerstone of peace and prosperity in the Indo-Pacific, and the United States is committed to working with Japan in support of the goals enshrined in both countries' strategies."

The Department has also sustained activities to enable Taiwan to maintain a sufficient self-defense capability, consistent with the Taiwan Relations Act and in support of our efforts to maintain the status quo across the Taiwan Strait. We continue to leverage all tools at our disposal to provide Taiwan with materiel and non-material support necessary for its self-defense – including Foreign Military Sales (FMS), Foreign Military Financing (FMF), and Presidential Drawdown Authority (PDA). The combination of these authorities has enabled us to sustain ongoing security cooperation with Taiwan, prioritizing capability development commensurate with the threats

Taiwan faces. The continued funding of these authorities for Taiwan in both the Fiscal Year (FY) 2025 budget request and national security supplemental will enable the Department to sustain efforts.

With our Southeast Asian partners, we continue to prioritize enhancing their lawful jurisdictional control within their Exclusive Economic Zones (EEZs). We are advancing this outcome through three lines of effort: sense, operate, and integrate. On sensing, we are enhancing partners' awareness of activities within their EEZs, through the Maritime Security Initiative (MSI) and the Indo-Pacific Partnership for Maritime Domain Awareness (IPMDA). With these tools, the Department and Quad partners have delivered more than \$475M in maritime domain awareness support to the region over the last eight years. We are assisting Southeast Asian allies and partners in operating differently by diversifying the maritime platforms and systems they have to respond to incidents within their EEZs. We are identifying and delivering new commercial off-the-shelf technologies, and emerging technologies, that can rapidly strengthen partners' ability to promote safety and security within their waters. Third and importantly, we are using training and exercises to assist partners with safely and effectively integrating maritime domain awareness data in their operational activities.

The 2022 *Indo-Pacific Strategy of the United States* makes clear that the United States “will work with allies and partners to deepen our interoperability and develop and deploy advanced warfighting capabilities as we support them in defending their citizens and their sovereign interests.” By supporting the growing military capabilities of U.S. allies and partners, including through the efforts I have just described, the Department is equipping a range of likeminded states to further contribute to peace, stability, and deterrence in the region home to the majority of the world's people and economy.

Delivering a More Forward Indo-Pacific Force Posture

Second, we are delivering a U.S. force posture in the region that is more mobile, distributed, resilient, and lethal. The Department is fielding combat credible forces in the Indo-Pacific region that can rapidly respond to aggression and successfully deny a potential adversary's objectives. This means deploying U.S. forces forward, integrating alongside our allies and partners, being resilient, and capable of rapid, decisive action. Potential adversaries should know that aggression in the Indo-Pacific region would risk enormous costs and uncertain outcomes – and U.S. force posture remains critical for maintaining that deterrent.

For these reasons, the Department's momentum over the last 18 months toward fortifying our forward defense perimeter has marked a generational improvement in our ability to maintain regional peace, stability, and deterrence alongside U.S. allies and partners.

In December 2022, the United States and Australia announced a series of new force posture initiatives that include increased rotations of U.S. bombers and fighters through Australian bases, as well as future rotations of U.S. Navy and U.S. Army capabilities. These rotations will support training and bring more capable U.S. forces to the Indo-Pacific region, ready to quickly respond to any crisis. The United States is also deepening our logistics cooperation with Australia, which will strengthen our shared ability to move and sustain forces effectively, ensuring we can project

combat power throughout the Western Pacific. At the AUSMIN meeting in July 2023, our two countries built on these efforts, including by deciding to scope additional upgrades at new locations in Australia for rotational U.S. forces, enabling a regular rotation of U.S. Army Watercraft in Australia, and increasing our cooperation in space. Our trilateral plans under AUKUS to support Australia's acquisition of a conventionally armed, nuclear-powered submarine capability committed to a phased approach that increases exchanges of our personnel and SSN port visits to Australia as we prepare to begin forward rotations of SSNs in Australia as early as 2027 in support of Australia's preparations to establish a sovereign SSN capability.

In early January 2023, the United States announced historic posture improvements with Japan that will deliver more capable, ready, and interoperable U.S. forces in the region. These include the first forward stationing of a U.S. Marine Littoral Regiment (MLR), bringing the Marine Corps' most advanced formation and cutting-edge anti-ship capabilities to Japan. In November 2023, the 12th Marine Regiment in Okinawa officially redesignated as the 12th Marine Littoral Regiment, marking a key milestone toward implementation. During the 2023 U.S.-Japan Security Consultative Committee meeting, our two countries also committed to enhanced bilateral exercises and training in Japan's Southwest Islands, which will increase interoperability across key terrain in the region. These improvements will be compounded by even greater capability; for example, the Department is modernizing its fighter aircraft presence in Japan to deliver more capable, advanced tactical aircraft capability to the Indo-Pacific theater.

Later in January 2023, the United States and the Philippines announced the Enhanced Defense Cooperation Agreement (EDCA) would expand to four new sites. As a key pillar of alliance cooperation, EDCA supports combined training, exercises, and interoperability between U.S. and Philippine forces, including to respond more effectively to natural disasters and other crises. This announcement underscored how, in addition to strengthening our existing posture, the United States is also expanding where we invest and operate to new strategic locations. Then at the U.S.-Philippines 2+2 Ministerial Dialogue in April 2023, our two countries decided to accelerate discussions on the U.S.-Philippines Bilateral Defense Guidelines, which Secretary Austin and his Philippine counterpart concluded the very next month. These guidelines will continue to help strengthen our two countries' combined deterrence by deepening our interoperability and enhancing our bilateral planning and information-sharing.

In April 2023, President Biden hosted Republic of Korea (ROK) President Yoon and reaffirmed that the U.S. extended deterrence commitment to the ROK is enduring and ironclad. In support of this commitment, President Biden pledged to increase the visibility of strategic assets to the Korean Peninsula. Since then, the U.S. Department of Defense has deployed a number of strategic assets to the Korean Peninsula, including a nuclear ballistic missile submarine, a carrier strike group, fifth-generation fighters, and strategic bombers, to reinforce deterrence messaging and capabilities. The continued deployment of these U.S. assets, the expanded scope and scale of our combined exercises, and enhanced senior-level dialogues further improve the effectiveness of U.S. extended deterrence in the region and demonstrates our ironclad commitment to the alliance.

In May 2023, the United States and Papua New Guinea (PNG) concluded a Defense Cooperation Agreement (DCA) that will deepen bilateral security cooperation, strengthen the close U.S.-PNG relationship, and increase regional stability and security. We have also successfully

concluded a shiprider agreement to improve PNG’s capacity for maritime domain awareness, and both of these agreements build upon decades of meaningful defense cooperation between the United States and our partner in Port Moresby – where Secretary Austin made history in July 2023 as the first U.S. Secretary of Defense to ever visit the country.

Most recently, the Department was pleased to see Congress pass the *Compact of Free Association Amendments Act of 2024* with a strong bipartisan majority – and we thank the many Members of this Committee who played a pivotal role in advocating for this legislation until its final passage. The Compacts of Free Association (COFA) between the United States and the Federated States of Micronesia (FSM), Palau, and the Republic of the Marshall Islands (RMI) ensure that the United States – and only the United States – can maintain a military presence in the Freely Associated States (FAS), and they allow FAS citizens to strengthen our All-Volunteer Force through dedicated military service in the U.S. Armed Forces. As part of these agreements, the U.S. military serves as the defense force for FSM, Palau, and RMI, which in return grant the United States assured access for our military operations, as well as sites for critical defense posture efforts in the region. That is why passing legislation to fund the U.S. economic assistance at the heart of the Compacts marked one of the 118th Congress’ most significant achievements to advance U.S. strategic priorities in the Indo-Pacific region.

Each of these achievements could have been the highlight of the year for the United States’ forward presence in the Indo-Pacific region. But through relentless work by President Biden, Secretary Austin, and our colleagues across the Administration, made possible by the support of Congress, the United States has advanced them all together, and in just the past 18 months. These changes help deter conflict by underscoring that the U.S. military stands ready—and forward—in the region, upholding stability and prosperity by defending ourselves, our interests, and our allies and partners.

Connecting Allies and Partners in Support of a Shared Indo-Pacific Vision

Third, the United States is deepening and connecting our alliances and partnerships across the Indo-Pacific region. Our regional alliances and partnerships are stronger today than they have ever been, and together we are advancing a shared regional vision for peace, stability, and prosperity.

With Japan and the ROK, for example, our three countries are cooperating more deeply than ever following President Biden’s historic Camp David Summit in August 2023 with Prime Minister Kishida and President Yoon. Just months after the summit, we delivered on two key objectives identified by our leaders: a multi-year, trilateral exercise plan, and the full activation of a real-time North Korea missile warning data-sharing mechanism.

With Australia and Japan, we are strengthening cooperation through participating in bilateral and trilateral exercises, and the United States and Australia are working in lockstep to integrate Japan into our existing force posture initiatives. We are expanding our cooperation in intelligence, surveillance, and reconnaissance; in unmanned aerial systems, and in science and technology. We are also working together in new groupings. For example, defense ministers from Australia, Japan, the Philippines, and the United States met together for the first time at the

2023 Shangri-La Dialogue to discuss expanding cooperation in the maritime domain. These new constellations of allies and partners bring together common interests and advanced capabilities in ways that harbor the potential to make powerful contributions to deterrence in the region.

With the Association of Southeast Asian Nations (ASEAN), we are also investing in programs to enhance regional cohesion and capacity to respond to shared challenges, including a new Emerging Defense Leaders' Program for young Southeast Asian leaders, which will convene its inaugural class in May. This is in addition to our robust engagement in the ASEAN Defense Ministers' Meeting-Plus Expert Working Groups, where we support the exchange of knowledge and best practices across a range of functional topics, including maritime security, military medicine, counterterrorism, and humanitarian assistance and disaster relief.

Finally, with partners across the region, we are also operating together like never before, with exercises growing in scale, scope, complexity, and participation. This year's Exercise BALIKATAN with the Philippines, for example, will include more than 17,600 service members from the Philippines, France, Australia, and the United States, and feature multi-domain littoral live fire exercises and cyber defense elements. Meanwhile, Exercise SUPER GARUDA SHIELD with Indonesia featured more than 4,000 service members from over ten countries. Australia hosted Exercise MALABAR with India, Japan, and the United States for the first time in 2023.

Speaking at the Reagan National Defense Forum in December 2023, Secretary Austin stated that "in this decisive decade, 2023 will be remembered as a decisive year for implementing U.S. defense strategy in Asia." The United States and our allies and partners achieved historic results together over the last year, and the Department remains committed to advancing our multilateral cooperation in the years ahead.

Investing in U.S. Military Capabilities to Strengthen Indo-Pacific Deterrence

Finally, with the support of Congress, the Department is delivering cutting-edge capabilities in the near term and investing in the capabilities our warfighters will need to maintain deterrence in the long term.

The Biden-Harris Administration's budget request for Fiscal Year (FY) 2025 will further strengthen these efforts. We know that having a combat-credible military, capable of gaining warfighting advantages and simultaneously exploiting adversary vulnerabilities in potential conflict, is the primary source of U.S. deterrence in the Indo-Pacific region and beyond. For that reason, the Department is urgently modernizing U.S. military power with advanced capabilities and the right operational concepts to address the challenges posed by the PLA.

To achieve these ends, the Biden-Harris Administration's FY 2025 budget requests major investments in air power, including fifth generation aircraft; sea power, including undersea capabilities; modernization of the nuclear triad and nuclear command and control; resilient space capabilities; joint all domain command and control; and cybersecurity and cyber space operations, among others. More broadly, the budget request also seeks significant levels of funding for research and development and for procurement to support the deployment of near-term and long-term capabilities critical for deterrence in the decades ahead.

These capabilities will strengthen deterrence by ensuring the U.S. military could penetrate and operate inside an adversary's anti-access/area-denial (A2/AD) defenses, conduct strikes against a range of potential targets, and ultimately prevail in conflict. The proposed investments in the FY 2025 budget request would improve our forces' survivability, ability to generate combat power in contested environments, information and decision advantages, and logistics.

This budget also includes significant investments under the Pacific Deterrence Initiative (PDI), totaling \$9.9 billion. Together with other investments in the Biden-Harris Administration's budget request, PDI expenditures support advanced capabilities and more resilient posture across the Indo-Pacific region.

The FY 2025 budget request also includes major funding requests for munitions, including precision long-range munitions that are vital to our warfighting requirements in the Indo-Pacific region. Combined with proposed funding for the munitions industrial base in the national security supplemental passed by the U.S. Senate in February 2024, this budget request would mark a truly generational investment in our country's future production capacity. The budget includes significant investments in anti-ship munitions, including the Standard Missile (SM-6), the Long-Range Anti-Ship Missile (LRASM), and the Maritime Strike Tomahawks (MST), as well as land-attack munitions such as the Precision Strike Missile (PrSM), Joint Air-to-Surface Standoff Missile (JASSM), and upgrades to the Tomahawk Land Attack Missile. Combined with the multiyear procurement authority that Congress has already provided the Department, investments like these will strengthen the Department's ability to effectively steward taxpayer dollars and support the U.S. industrial base as we continue to stand with our allies and partners.

The FY 2025 budget also includes an unprecedented investment in the submarine industrial base to accelerate the production and maintenance of attack submarines, one of our most effective capabilities for maintaining deterrence. While this funding for our submarine industrial base is necessary to meet our national needs, these investments will also support U.S. commitments under AUKUS. The FY 2025 requests includes \$11.4 billion in investments from FY 2025 to FY2029. Australia has also committed to making a significant and proportionate financial investment in the U.S. submarine industrial base to accelerate delivery of Virginia class submarines. The Administration's FY 2025 request is in addition to the \$3.3 billion for the submarine industrial base currently pending before Congress in the national security supplemental. Congress can support these efforts by delivering both final FY 2024 appropriations and the national security supplemental to provide funding to accelerate this critical capability.

As we seek investments in these critical capabilities, the Department is also bringing these capabilities together in new operational concepts like the Joint Warfighting Concept, which will enhance the U.S. military's ability to operate across all domains, draw upon all instruments of our national power, and perform effectively alongside our allies and partners in the Indo-Pacific region.

For decades, the U.S. military's capability and credibility have formed the heart of deterrence in the Indo-Pacific region. The Department's major investments are designed to ensure that it continues to build the most capable and credible fighting force in the world.

Conclusion

Mr. Chairman, we remain clear-eyed about growing challenges to peace and stability in the Indo-Pacific region, as do our allies and partners. Even as we have delivered significant momentum in recent years against the backdrop of crises elsewhere in the world, meeting our pacing challenge will require heightened urgency, attention, and resources in the years ahead.

Just as the Department would not have been able to achieve the results I described today without robust support from Congress, our efforts will only continue to bear fruit with the bipartisan help of Congress.

Thank you for your time and attention, and I look forward to your questions.