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 SEPTEMBER 19, 2023 Chairman Rogers, Ranking Member Smith, and Members of the Committee: thank you for the opportunity to share today about how the Department of Defense (DoD) is strengthening deterrence across the Taiwan Strait.

I am pleased to testify today alongside Major General McGee from the Joint Staff and Deputy Assistant Secretary Resnick from the Department of State, underscoring DoD's commitment to working as an active part of a whole-of-government approach by bringing together insight and expertise from civilian and uniformed counterparts alike.

At the outset of today's hearing, let me be absolutely clear: the Department remains committed to abiding by the well-established one China policy of the United States, guided by the Taiwan Relations Act (TRA), the Six Assurances, and the Three U.S.-China Joint Communiques. It is this longstanding policy that has preserved peace and stability across the Taiwan Strait for more than four decades, and it is why this Administration opposes any unilateral changes to the status quo from either side of the Strait. We have not supported Taiwan independence, we do not support it now, and we stand firmly behind the principle that cross-Strait differences must be resolved by peaceful means.

However, it is no secret that the People's Republic of China (PRC) has waged a campaign of military, diplomatic, and economic pressure against Taiwan. The PRC has never renounced the potential use of military force as a tool for unification with Taiwan. More broadly, we have seen the PRC increasingly turn to the People's Liberation Army (PLA) as an instrument for coercion in support of its global ambitions, including but not limited to conducting more dangerous actions in and around the Taiwan Strait. The PLA's overreaction to President Tsai's routine and precedented transit across the United States, for example, further illustrated the PRC's ongoing attempts to bully and intimidate Taiwan and its neighbors in the Indo-Pacific region.

It is for reasons like these that the Department's 2022 *National Defense Strategy* identified the PRC as our "pacing challenge," and it is also why we are laser-focused on meeting our commitments consistent with the TRA, which forms the bedrock of peace, stability, and deterrence in the Taiwan Strait. As I told Members of the Senate Foreign Relations Committee in 2021, Taiwan is located at a critical node within the First Island Chain in the Indo-Pacific region, and its security is critical to the region's security and the global economy. That is why successive Administrations and Congresses with leaders from both parties have sustained the TRA with strong bipartisan support for providing Taiwan with self-defense capabilities and maintaining our own capacity to resist any use of force that jeopardizes the security of the people on Taiwan.

Speaking before dozens of senior defense and military leaders from across the Indo-Pacific region and the world in Singapore in July 2023, Secretary Austin warned that "conflict in the Taiwan Strait would be devastating."

Taiwan plays a vital role in the world economy, with high-technology exports like semiconductor chips. And the Strait itself has substantial areas where high seas freedoms of navigation and overflight are not only guaranteed under international law, but absolutely essential for global commerce and prosperity. The use of military force across the Strait, whether in the form of an outright invasion, a blockade, or other means, would risk human life and global prosperity on a scale unimaginable for this century.

Mr. Chairman, experts agree that major conflict in the Taiwan Strait would destroy lives and ruin livelihoods both in and around the Strait – as well as far beyond. A recent report by the Council on Foreign Relations warned that conflict in the Taiwan Strait would result in thousands of casualties, jeopardize more than two trillion dollars in global economic activity, and ignite a global economic depression. A June 2022 study by the Center for a New American Security found that conflict in the Strait would be extremely costly for any parties involved, including and especially the PRC. Another report released earlier this year by the Center for Strategic and International Studies echoed this finding. These risks underscore the extent to which peace and stability across the Taiwan Strait matter for modern life across the Indo-Pacific region, global prosperity around the world, and the economic and national security interests of the American people.

It is no coincidence, therefore, that we have seen a growing number of states in the region and throughout the international community reiterate the importance of peace and stability in and around the Taiwan Strait. The fact is that maintaining peace, stability, and deterrence across the Taiwan Strait is not just a U.S. interest – it is a matter of international concern. By attempting to change the status quo across the Strait and the wider region, the PRC seeks to put at risk the peace that has brought historic prosperity to the Indo-Pacific region and the world for decades.

Importantly, we do not believe that conflict is imminent or inevitable, because we believe that deterrence across the Strait is real and strong today. We are doing more than ever to keep it that way. Our policy is focused on preventing military conflict against Taiwan with both deterrence and diplomacy, and that is why the Department plays such an active role in this Administration's efforts to strengthen our military capabilities, modernize our regional force posture, network Indo-Pacific allies and partners in meaningful ways that strengthen deterrence, and provide Taiwan with effective self-defense capabilities.

Meeting the Challenge

Faced with the PRC's challenges to peace and stability across the Taiwan Strait, throughout the Indo-Pacific region, and beyond, the Department is doing more than ever alongside our allies and partners in support of our common vision for a free and open region. As I shared in July 2023 with the House Select Committee on Strategic Competition Between the United States and the Chinese Communist Party, the Administration is delivering a military that is far more capable, deployed in more places across the region, and more deeply integrated with our allies and partners. And importantly, we are also delivering on our commitments consistent with the TRA.

Investing in a More Capable U.S. Military

First, with the support of Congress, the Department is delivering cutting-edge capabilities right now and investing in the capabilities our warfighters will need to maintain deterrence well into the future, and to prevail in conflict if necessary. We know that having a highly capable and combat-credible military is critical for preventing conflict in the Taiwan Strait and beyond. A

force that is designed and equipped to gain warfighting advantages and exploit adversary vulnerabilities at the same time is the ultimate source of deterrence. As a result, the Department is urgently modernizing U.S. military power with advanced capabilities and applying the right operational concepts to address the challenges posed by the PLA.

To that end, the President's Fiscal Year (FY) 2024 budget requests \$61.1 billion in air power, including fifth generation aircraft; \$48.1 billion in sea power, including undersea capabilities; \$33.3 billion in critical space capabilities; \$1.4 billion for joint all domain command and control; and \$13.5 billion for cybersecurity and cyber space operations, among others. This budget also includes the largest-ever request for Pacific Deterrence Initiative (PDI) funding – a 40 percent increase for a critical tool for investing in the advanced capabilities and more resilient posture that we need across the Indo-Pacific region.

President Biden's FY 2024 budget request also includes \$30.6 billion in proposed funding for munitions, including a mix of highly lethal precision long-range munitions that are vital to our warfighting requirements in the Indo-Pacific region. The President's budget seeks to maximize procurement of relevant munitions through multi-year procurement and seeks enhancements to the industrial base to grow future production capacity. The budget also includes significant investments in anti-ship munitions, including the Standard Missile, the Long-Range Anti-Ship Missile, and the Maritime Strike Tomahawks, as well as land-attack munitions such as the Precision Strike Missile, Joint Air-to-Surface Standoff Missile, and upgrades to the Tomahawk Land Attack Missile, all of which are vital for disrupting an adversary's anti-access/area denial capabilities.

The President's FY 2024 budget represents the Department's largest-ever down payment on future deterrence. We are developing and deploying breakthrough technologies required to prevent conflict in the decades ahead, and our budget seeks an unprecedented level of funding for research and development and for procurement – \$145 billion and \$170 billion, respectively. We know that simply investing in capabilities both today and tomorrow is not enough to maintain deterrence. We must also bring these capabilities together in new operational concepts and creative approaches like the Joint Warfighting Concept.

Today, the U.S. military is the most capable and credible fighting force in the world. For decades, that capability and credibility has formed the heart of deterrence in the Indo-Pacific region. The major investments in new capabilities and concepts that I have just described are designed to keep it that way.

Delivering a More Forward Regional Force Posture

Second, the Department is delivering major achievements with our allies and partners to make U.S. force posture across the Indo-Pacific region more mobile, distributed, resilient, and lethal. That is because we know that deterring conflict in the region requires the United States to be forward and more visible, active, and agile in more places of strategic importance. Our goal is to ensure that no potential adversary in the Indo-Pacific region ever considers using rapid, low-cost options for aggression – which is what makes the Department's remarkable momentum in the past twelve months toward fortifying our force posture in the Western Pacific so important.

Each of the many recent announcements we have made with countries like Japan, Australia, and the Philippines represents a major achievement for these alliances and partnerships. Together, they form a historic modernization of U.S. force posture in the Indo-Pacific region. Most importantly, these changes help deter conflict by underscoring that the U.S. military stands ready—and forward—in the region alongside our allies and partners, upholding stability and prosperity and defending ourselves and our interests.

Supporting Regional Capability Development

Third, the Department is taking action in support of a rising region as our Indo-Pacific allies and partners invest in themselves and their own capabilities, their relationships with each other, and their relationships with the United States. Faced with increasingly coercive activities by the PRC and the Democratic People's Republic of Korea, countries across the Indo-Pacific are stepping up in support of a shared regional vision—and we are proud to be standing with them.

Secretary Austin spoke at the Shangri-La Dialogue in Singapore in June of this year about how our regional allies and partners are meeting this moment. "Our work together," he told representatives from dozens of Indo-Pacific militaries, "has made this region stronger and safer."

For this reason, the Department is supporting Japan's efforts to acquire counterstrike capabilities, launching an inaugural technology initiative with India focused on co-development and co-production of major defense platforms, working with Southeast Asian countries to acquire asymmetric capabilities suited to combatting PRC coercion and harassment, and so much more. It's also why the Australia-United Kingdom-United States Partnership represents a game-changing move that further deepens the United States' ties with two of our closest allies who have significant interests in maintaining a free and open Indo-Pacific region.

We are also supporting a growing constellation of coalitions dedicated to preserving regional peace and stability. We are strengthening trilateral security efforts with Japan and the Philippines, Japan and the Republic of Korea, and others. We have also deepened security engagements with multilateral partners in the Association of Southeast Asian Nations and the Quad. These efforts are not trivial; they are yielding tangible results for the region. As an example, the Indo-Pacific Partnership for Maritime Domain Awareness will drive greater transparency by providing space-based maritime domain awareness to countries in Southeast Asia, the Indian Ocean, and the Pacific Islands, greatly enhancing the ability of regional states to monitor and police their own waters, addressing illegal fishing and other malign PRC behavior. These relationships and activities represent a growing set of common interests, a willingness to defend them, and — perhaps most importantly — are among the United States' greatest strategic advantages in the Indo-Pacific region and globally.

In a testament to how our regional allies and partners continue to seek deeper relationships with the United States, we are also seeing our bilateral and multilateral exercises growing in scale, scope, and complexity as they enhance interoperability, strengthen deterrence, and highlight our shared regional resolve against coercive behavior.

Fourth and finally, the Department is drawing upon all available tools to meet our commitments consistent with the TRA to provide for Taiwan's self-defense capabilities. We are hard at work with the help of our partners at the State Department and other departments and agencies, as well as the generous support of Congress, to ensure that Taiwan has the relevant defense articles and services that it needs to maintain deterrence. That includes mobile, distributed anti-air and anti-ship capabilities; resilient and redundant command and control systems; and corresponding training and assistance.

To deliver these defense articles and services, we are working with the State Department to accelerate existing foreign military sales cases by cutting red tape and supporting increased defense industrial base production capacity. We are focused on partnering closely with industry and getting the right capabilities to Taiwan as quickly as possible. We have used the Presidential Drawdown Authority provided by Congress in the National Defense Authorization Act for FY 2023. We know that funding to support these existing authorities serves as an important signal of a bipartisan, whole-of-government commitment to strengthening Taiwan's self-defense and our continued interest in cross-Strait peace, stability, and deterrence. As Secretary Austin has said in multiple settings, including before Congress, the Department believes that existing authorities from Congress for security assistance to Taiwan should be met by full appropriations.

Aside from materiel, the Department is working closely with Taiwan's Ministry of National Defense and All-Out Defense Mobilization Agency on several institutional efforts, under the auspices of the American Institute in Taiwan and the Taipei Economic and Cultural Representative Office in the United States. We are supporting the integration of Taiwan's military and civilian agencies on a range of issues from stockpiling of food, medical supplies, and energy, to hardening key infrastructure nodes and employing command and control capabilities that can function in a contested environment. Furthermore, the Department is committed to increasing Taiwan's defense-in-depth capacity through institutional reforms to its reserve forces, conscription, and mobilization systems such as those implemented by President Tsai earlier this year. Each of these are key components of this Administration's whole-of-government effort to bolster whole of society resilience.

Ultimately, the Administration is focused on holistic security cooperation efforts that include both material support and related training and assistance to ensure Taiwan is ready and able to respond to a range of contingencies and deter them. The Administration is encouraged by Taiwan's commitment and welcomes Taiwan's continued investment in defense and resilience. If enacted, President Tsai's 2024 budget proposal includes a record-high \$19.6 billion for defense—an investment of nearly 2.5 percent of Taiwan's Gross Domestic Product. Simultaneously, the United States is also undertaking historic investments to strengthen our own capabilities, modernize our regional force posture, and maintain peace and deterrence across the Indo-Pacific region by supporting the growing strength of our closest allies and partners.

Conclusion

Mr. Chairman, whenever I have testified before Congress in my role as Assistant Secretary, I have reiterated the importance of bipartisanship in the face of our country's greatest national security challenges. That bipartisan support for meeting our commitments consistent with the TRA has helped maintain peace and deterrence across the Taiwan Strait for more than four decades. And it is more important than ever for that bipartisanship to continue meeting this moment.

Let me conclude by underscoring that we see the challenge clearly. We are confident that our approach is yielding results. Nevertheless, the continued maintenance of peace and stability across the Taiwan Strait will require heightened urgency, attention, and resources in the critical years ahead. And the Department will need the partnership of this Committee and the entire 118th Congress to keep delivering. The American people, the people on Taiwan, and people across the rest of the Indo-Pacific region and around the world deserve nothing less than the peace, stability, and deterrence we seek to strengthen.

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