Statement before the

Senate Foreign Relations Committee

"Shared Threats: Indo-Pacific Alliances and Burden-Sharing in Today's Geopolitical Environment"

A Testimony by:

Dr. Victor D. Cha

President, Geopolitics and Foreign Policy Department,
Center for Strategic and International Studies;
Distinguished University Professor of Government, Georgetown University;
Senior Fellow (non-resident), George W. Bush Institute

Wednesday, March 26, 2025
419 Dirksen Senate Office Building

Chairman Risch, Ranking Member Shaheen and distinguished members of the committee, it is an honor to appear before this committee on the topic of U.S. alliances in the Indo-Pacific region. The views represented in this testimony are my own and not those of any employer or institution with which I am affiliated.

The Indo-Pacific is of terrible importance to U.S. economic and security interests, and our alliances help to preserve those interests and achieve our goals there. But these alliances are in need of reform and modernization given the challenges posed by the new geostrategic environment.

I will speak briefly about the historical importance of these security institutions and ways to modernize them going forward. I request that my full written statement be submitted for the record.

Origins of the Alliance System

When the United States created a network of bilateral alliances in Asia in the immediate postwar period, architects like John Foster Dulles acknowledged that this system was different from the multilateral structure built in Western Europe, but policymakers at the time probably had no inkling of how successful this alliance system would become and how well it would serve U.S. interests.

Each of the bilateral alliances at that time with Japan, South Korea, Taiwan, Philippines, Thailand, Australia, and New Zealand (ANZUS) afforded the United States an immense amount of power and influence, unlike anywhere else in the world. The alliance system created incredibly loyal allies like Japan, Australia, and South Korea, the latter two of which have fought with the United States in every war since World War I and the Korean War, respectively.

Through this alliance system, the United States won the Cold War in Asia: It created prosperity and economic development in the region beyond anyone's imagination; it fostered growth and democracy. The importance of democratic values in the alliance system cannot be undervalued considering that at the outset of the alliance system's creation in 1951, it looked very much like communism would win the day. The CCP victory in China in 1949, the communist North Korea attack in 1950, and communist insurgencies in Southeast Asia lent credence to the domino theory -- that soon, all these distant, post-colonial states would be falling behind the iron curtain. But that did not happen. The U.S. alliance system in Asia prevailed.

Today's Geopolitical Environment

Today, the pacing threat from China crosses many dimensions, including security, economic, information, and technology. But it is complicated and enhanced by a growing group of illiberal actors operating in concert with one another to undermine the U.S. position. These actors are well known to you: Russia, Iran, and North Korea and their conduit states, Cuba, Iraq, Syria, and Venezuela. Table 1, for example, shows the range of support provided by these actors to Russia's war in Ukraine. China supplied almost 100% of the microelectronics for Russia's missiles, tanks, and aircraft. Iran contributed significantly to Russia's supply of attack drones, close-range ballistic missiles, and glide bombs among other weapons used in the war. North Korea has provided 11,000 to 12,000 troops, hundreds of ballistic missiles, and may account for as much as 50% of Russia's

ammunition today. Outside of these actors, the supply of like-minded and capable partners dwindles in comparison with a growing number of "hedge" states like Brazil, India, Indonesia, Saudi Arabia, South Africa, and UAE who cannot be relied upon to side with the United States depending on the issue.

Table 1: Support for Russia

China	Iran	North Korea
Backfilled by exporting dual-use components and industrial products	Drone production technology, drone training and co-production of drones inside Russia	Accounted for 50% of Russia's ammunition
Increased trade to a record of $240 billion in 2023, up 64% from 2021 and became Russia's key supplier of cars, clothing, raw materials and much more	Provided at least 300,000 artillery shells and a million rounds of ammunition	Sent between 11,000 to 12,000 North Korean troops
Provided 90% of goods under the BIS Common High Priority List, which includes 50 items critical to Russian weapons systems and military development	Drone support including Mohajer-6 and Shahed-136/131 drones. An estimated total of 15,000 Shahed/Geran-2 attack drones have been launched against Ukraine	Provided between 7 to 9 million rounds of ammunitions (152mm and 122mm)
Supplied 70% of machine tools needed to build ballistic missiles	400 surface-to-surface ballistic missiles (Fateh-110)	20 to 120 240-mm multiple rocket launch systems (MLRS)
Supplied 90% of microelectronics needed to build missiles, tanks and aircraft	Anti-tank rockets, mortar bombs and glide bombs	120 170-mm self-propelled howitzers
Provided nitrocellulose, which is critical to production of artillery rounds	Close-range ballistic missiles (Fath-360)	150 ballistic missiles (KN23 and KN-24), with 150 more expected in 2025
Shared space based capabilities and satellite imagery	Joint cooperation on new types of unmanned aerial vehicles (UAVs)	200 long-range artillery
Joint cooperation on new types of unmanned aerial vehicles (UAVs)		

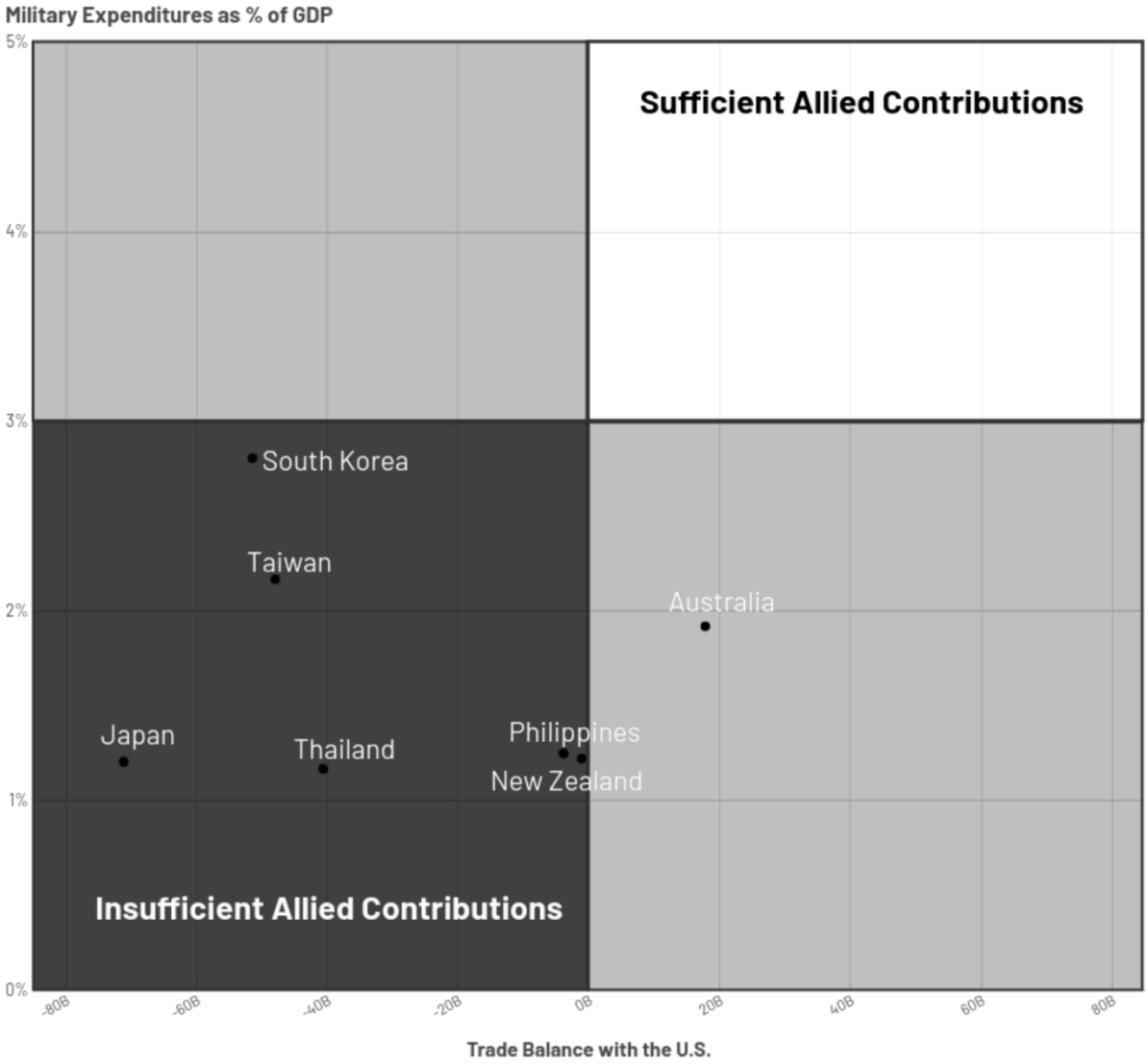
Source: Victor Cha and CSIS • Created with Datawrapper

Reforming the Indo-Pacific Alliances

The United States must meet these challenges and win, not by going it alone but with the support of our allies. There is no real alternative. The alliance system has proven to be a winning formula in the past, and it will do so again, but not without reform and modernization.

For some in the current administration, the imperative to update and modernize these alliances stems from the judgment that they are costly economically to the United States. If we use trade and defense-spending as two metrics of allied burden-sharing, there are no Indo-Pacific allies that are judged to be carrying their fair share.

Figure 1: Indo-Pacific Allies' Trade Balance and Defense Spending



Source: Victor Cha and CSIS

Four principles should drive the mindset of alliance modernization: 1) Indo-Pacific allies are capable and can contribute much more to networked capabilities than in the past; 2) Change is difficult, but Indo-Pacific allies must manage the domestic-political resistance to doing things differently; 3) Allies need to accept increased burden-sharing as a given in the modernization effort; and 4) Allied contributions to successful deterrence with the United States are a critical pre-requisite to their realizing commercial opportunity with China – that is, without security, there is no commercial opportunity, there is only commercial coercion by China.

In the Indo-Pacific region, the United States has 24 persistent bases and access to 20 other military sites. By contrast, China has only one overseas base in the world in Djibouti. These positions host 88,500 active-duty servicemembers, including about 60,000 in Japan and about 28,500 in Korea.

This presence affords the United States rapid response capabilities to military contingencies; contributes to successful deterrence against adversarial threats to the homeland and to allies/partners; and provides the physical assurance of the U.S. security umbrella that is critical not just to peace, but also to profitable commerce and investment that drives the region's growth.

Congress' role in maintaining this alliance network is critical in its appropriation of funds for basing activities; its legislation of policies and requirements related to basing; and its oversight of the executive branch's policies related to basing and alliance relations.

Burden-Sharing

Four principles should undergird the reform of burden-sharing arrangements with allies. One, allied governments must recognize that traditional monetary burden-sharing algorithms are legacies of a time one-half century ago when U.S. capabilities dwarfed those of smaller partners. Host-nation support arrangements where the U.S. annual contribution is larger than that of the partner no longer makes sense given the partner's wealth.

Two, host-nation support agreements probably can and should take account of allied contributions to defense and security outside of, but on behalf of, the bilateral security partnership.

Three, aside from the monetary aspects, burden-sharing should be defined as the reorientation of costs and capabilities to the broader regional deterrence and defense mission in the Indo-Pacific. While this is already the case for some alliances, it is not the case for all and needs to be so.

Four, a critical element of reform is to avoid surprises. It is imperative to create a suitable runway and plan that gives host nations the political space to make potentially paradigm-shifting adjustments to the alliance.

Current SMA arrangements for Japan and South Korea adhere to a legacy algorithm of incremental annual increases of around 2% and 5-8% respectively. The newly concluded South Korea agreement ($1.05 billion in 2025 and $1.14 billion in 2026) expires in 2030; the Japan agreement (about $1.5 billion in 2025) expires in 2026 with each agreement covering about 40-50% (Korea) and 75% (Japan) of the non-personnel costs of stationing USFK and USFJ (covering labor, utilities, training, construction, purchase of local supplies).

Negotiation of new agreements, following a "cost-plus-50" model for example, will be difficult for host nations to swallow given the need for legislative ratification (unlike in the United States). In devising a more equitable formula for cost-sharing that acknowledges the economic capacity of allied governments' substantial wealth, the United States and allied governments could agree to include other non-SMA contributions as part of the ledger of allied contributions in future agreements. Table 2 gives examples of past non-SMA costs borne by Japan and Korea.

Table 2: Non-SMA costs borne by Japan and South Korea

Japan	
$12.1 billion	Construction for the Futenma Replacement Facility in Okinawa.
$4.5 billion	Construction at the Marine Corps Air Station Iwakuni.
$2.8 billion	Support for infrastructure projects on Marine Corps Base Camp Blaz as part of the relocation to Guam and the Defense Policy Review Initiative (total is $8.6 billion).
South Korea	
$9.7 billion	Yongsan Relocation Plan, which moved forces from Yongsan to USAG Humphreys. ROK provided 90% of the total cost (total was $10.7 billion).
$2.4 billion	Land Partnership Plan, which consolidated USFK forces north of Seoul to Camp Humphreys and Daegu (total was $3.3 billion).
$61 million	Land-swap deal for Lotte golf course used for THAAD deployment in Seongju in 2017.

Source: Victor Cha and CSIS • Created with Datawrapper

Greater burden-sharing by allies could also acknowledge the out-of-theater contributions by allies to security. But this would also require that current burden-sharing agreements be revised to reinstitute allied support for U.S. military assets outside of the host nation (e.g., South Korea). For example, Table 3 enumerates Australia, Japan and South Korea's contributions to Ukraine.

Table 3: Support for Ukraine

Commitments made between January 24, 2022, to December 31, 2024.

Country	Financial ($ billion)	Humanitarian ($ billion)	Military ($ billion)	Total ($ billion)
Australia	0.00	0.17	0.92	1.09
Japan	15.51	2.47	0.07	18.05
South Korea	2.79	0.47	0.02	3.28

Table: Victor Cha and CSIS • Source: "The Ukraine Support Tracker: Which countries help Ukraine and how?" Kiel Working Paper, No. 2218, 1-75. • Created with Datawrapper

This more comprehensive definition of burden-sharing by allies should be documented by the administration through legislation like the Allied Burden Sharing Report Act and the NATO Burden Sharing Report Act.

Access, Basing and Overflight (ABO)

The United States will increasingly operate in a contested basing environment. Some of the challenges are internal in terms of our own resource constraints. Some of them relate to the strategy of the adversary (i.e., A2/AD). And some of the challenges are political and internal to those particular host countries. Yet securing these privileges are critical to giving the U.S. military resilience in terms of staying power, resupply/repair, and storage, not to mention the critical physical presence that undergirds credible deterrence.

Here I cannot offer recommendations that you have not already heard. In general, we need to push for U.S. use of allied bases in contingencies where the ally is not directly threatened. Given growing reach and capabilities of the adversary, the United States must do more to harden forward presence infrastructure as well as increase air and missile defense systems. There could be more burden-sharing of the latter with allies, including additional THAAD systems in the region.

In the case of Japan, major advances in defense spending and the creation of the joint operational command (JJOC) are commendable, and have been supported by the public. There is an expectation that the United States would pre-consult with Japan on pre-positioning of additional capabilities, and that Tokyo would gain support of local communities. The Japanese government could build on this momentum to improve access arrangements for the alliance to make deterrence more credible and defenses more capable in a Taiwan contingency. This requires an initiative from the top to engage in a whole-of-government dialogue internally and with the United States (in the 2+2 ministerial talks) on revisions to SOFA which govern limited use access to JSDF and civilian facilities other than permanent U.S. bases in Japan. The purpose would be to streamline the national and local approval process for U.S. access to dispersed positions in the Southwest (Nansei) island chain (Miyako, Ishigaki, Yonaguni) in advance of an armed-attack situation. Tokyo must also work with local governments to enhance their understanding of the role they play in national defense (something better understood in Tokyo). Such reforms should not be seen as a favor or concession to the United States, but as necessary to enhance Japan's national defense and security in the Nansei island chain closest to Taiwan.

In the case of South Korea, U.S. access to bases, the addition of new non-kinetic capabilities, and the addition of kinetic capabilities would be generally uncontroversial. The key is that they are framed as directed toward the North Korean threat. The framing of capabilities as directed to a Taiwan contingency, however, becomes more problematic given the traditional South Korean reluctance to become entrapped in a U.S.-China conflict. Domestic political factors matter here to a degree in that conservative governments in Seoul tend to be a shade more open to discussions about Taiwan contingencies. It is also noteworthy that both progressive and conservative governments have broken new ground with summit-level statements equating freedom of navigation and stability of the Taiwan straits with Korea's security. Still, the resistance is real. The United States could engage the next Korean government in a broad reorientation of U.S. forces in Korea moving from a peninsular mission to a regional one. The range of options here could span removing troops from the peninsula to elsewhere, or increasing the presence in Korea with a portion each committed to peninsular defense and regional defense.

However, I would like to draw your attention to one important strategy to optimize U.S. ABO options. If the strategy for maintaining access rests on complementing and/or reforming large, main legacy operating base infrastructures, which are put at risk by the adversary's anti-access capabilities, with a network of smaller, dispersed, and concealed arrangements in the Indo-Pacific, then a major threat to this plan is not just China's ability to locate and militarily target such arrangements, but the political and commercial pressure that it can put on the hosts to withhold cooperation with the United States. Indeed, commercial pressure is probably the ideal tool for China to use given the nature of these small and dispersed ABO arrangements – that is, a host nation is more likely to succumb to intense Chinese economic pressure to withhold cooperation

with the United States over a discrete access arrangement than over a large military base. China's use of economic coercion against U.S. allies is well-established. Since 2008, it has used economic coercion against 18 governments and over 500 companies (including U.S. primes). The purpose of the coercion is expressly political, not trade-related. The most well-known case related to access capabilities is probably the 2016-2017 commercial assault on Korean companies for the emplacement of a THAAD battery in Seongju, South Korea, which did at least $7.5 billion dollars of damage.

An important component of an ABO strategy must be to complement the military access arrangements with a counter-coercion strategy designed to deter Chinese economic coercion. This strategy, otherwise known as "collective resilience" would take the form of a multilateral economic deterrence mechanism that leverages the combined trade capabilities of like-minded partners to signal to China that they cannot economically coerce any one member of the group. Like-minded partners trade with China in 575 finished and intermediary goods valued at $59.61 billion upon which China is highly dependent, and for which China does not have alternative sources.[1] A collective economic deterrence strategy has proven to work in Europe where the anti-coercion instrument (ACI) introduced in 2023 seems to have slowed China's coercive practices against other individual states as it had done to Lithuania. The United States should encourage Indo-Pacific allies to do the same expressly with the understanding that there is an important security rationale related to ABO.

Opportunistic Aggression

The war in Ukraine has made Indo-Pacific allies realize that war is a real possibility in Asia and that the unthinkable is possible. There is more proactive thinking in the region about dual contingencies and opportunistic aggression than I have ever experienced before. For example, we have had inquiries in the last three years from both Taiwan and South Korea about gaming out dual contingencies at the Track II level. An updated alliance structure should capitalize on this new thinking to proactively consider new ways of deterring opportunistic aggression. These could include, but not be limited to:

- Reorienting of the U.S. military presence on the Korean peninsula to a regional deterrence and defense mission (either by drawdown or supplementing);
- Training of USFK both on and off the peninsula;
- Collective defense declaration among the U.S., Japan, and South Korea and a bilateral security declaration between Japan and South Korea (2025 marks the 60th anniversary of normalized relations);
- Increased South Korean defense spending and independent military capabilities to deter North Korean opportunistic aggression during a Taiwan contingency;
- Consideration of rear area support roles played by South Korea in a Taiwan contingency
- Use of the UNC contributing nations' framework on the Korean peninsula to enhance peacetime deterrence

[1] Victor Cha, "Collective Resilience: Deterring China's Weaponization of Economic Interdependence," *International Security* 48, no. 1 (2023): 91–124. doi: https://doi.org/10.1162/isec_a_00465.

These are all politically sensitive issues in South Korea and would be topics to be taken up with the government once the political impeachment crisis in that country is resolved. Any reorientation of the U.S. presence on the peninsula, however, would require hard thinking about the retention of some ground troop presence to provide the traditional "tripwire" deterrent against North Korean adventurism; and would necessitate a planned, phased process that would minimize the negative political and economic externalities that would result from an abrupt change. Complete withdrawal of the troop presence would beg the question of cost (losing the South Korean subsidy), as well as alternative locations that would still be close enough to the fight to be effective. Increasing the troop presence (with a portion each trained for peninsular and regional defense) could mute potential South Korean self-help responses (e.g., proactive discussions of nuclearization), but would require a difficult Korean political choice to acknowledge its role in a Taiwan fight.

New Areas of Allied Cooperation

Updating of the alliances should include other new areas of cooperation outside of the military realm. A strong precedent has already been set by the previous two administrations for allied cooperation on economic security, export controls, and supply chains. Under the current administration, new opportunities have been unearthed in areas including shipbuilding and strategic energy cooperation with Japan and South Korea, in particular.

In Secretary Rubio's confirmation hearing before this body, he observed that eight decades after the end of the second World War, America is being called upon again to create a free world out of chaos, but he also noted the voters elected President Trump because they want a strong America with a "prudent" foreign policy. In this regard, the State Department should encourage our allies in the Indo-Pacific and Europe to play more active political roles in sustaining global governance as traditional institutions like the UN Security Council have underperformed and groupings like BRICS aim to disrupt the current rules-based order. I have two specific recommendations here. First, the United States should encourage more direct security dialogue and military planning among European and Asian allies that builds on the Trump and Biden administrations' previous efforts to build multilateral coalitions on functional issues like export controls, sanctions, and pandemic preparedness. The war in Ukraine, China's assertiveness, and North Korea's supply of Russia have brought the two theaters together in unprecedented ways and I have been personally impressed by the level of interest and sophistication in the European discussions on security of the Indo-Pacific.

Finally, the State Department would do well to promote and formalize the "Indo-Pacific-4" framework's (Japan, South Korea, Australia, New Zealand) participation in global governance institutions. Regular participation in the NATO leader's summits have led to greater cooperation across Europe and Asia in countering Chinese coercion. Moreover, the Group of Seven (G7) has become the de facto organization in which leading like-minded states coordinate policies, set sanctions, and define new rules and norms in the absence of functioning UN mandates. Indo-Pacific and European actors like Australia, South Korea and Spain are proven high performers in many of the pressing tasks identified in recent G7 leaders' summits like economic resilience and

security, digital competitiveness, food security, climate change, labor security, and development, and therefore could contribute much to burden-sharing and global governance.[2]

[2] John J. Hamre, Victor Cha, Emily Benson, Max Bergmann, Erin L. Murphy, and Caitlin Welsh, "'Bending' the Architecture: Reimagining the G7," *CSIS*, June 12, 2024, https://www.csis.org/analysis/bending-architecture-reimagining-g7.