STATEMENT BY DR. MARA E. KARLIN BEFORE THE 118th CONGRESS SENATE FOREIGN RELATIONS COMMITTEE SEPTEMBER 06, 2023

Chairman Menendez, Ranking Member Risch, and distinguished Members of the Committee – thank you for the opportunity to speak with you today on the AUKUS partnership, which is an unprecedented and generational opportunity to deepen our security partnerships with two of our closest allies. I want to thank this Committee for its broad bipartisan support for AUKUS - it is vital to ensure AUKUS delivers on the promise of this opportunity.

I am honored to testify today, as we approach AUKUS' two-year anniversary. In September 2021, the leaders of Australia, the United Kingdom, and the United States announced this enhanced trilateral security partnership. In the two years since that announcement, we identified the Optimal Pathway to support Australia acquiring conventionally-armed, nuclear-powered submarines (SSNs). Beyond this, we are pursuing cooperation under AUKUS on a range of advanced defense capabilities such as artificial intelligence and autonomy, quantum technologies, hypersonic and counter-hypersonic capabilities, and undersea warfare technologies, among others.

Today, I hope to reinforce three main topics as they relate to AUKUS, building on what I conveyed to the House Foreign Affairs Committee in May: (1) how AUKUS fits into the 2022 National Defense Strategy; (2) how we are seizing the generational opportunity AUKUS presents; and (3) why we need to expand defense cooperation with our closest allies and partners.

The 2022 National Defense Strategy describes the People's Republic of China (PRC) as our most consequential strategic competitor for the coming decades and underscores the importance of new and fast-evolving technologies to meet the shifting global security environment.

The National Defense Strategy also describes integrated deterrence as a holistic response to the strategies that our competitors are pursuing and calls for the use of campaigning to gain military advantage. It calls on the Department of Defense to build enduring advantages across the Defense ecosystem to shore up our

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foundations for integrated deterrence and campaigning – and describes allies and partners as a center of gravity for the strategy. I reinforce to you today that we cannot do this alone and AUKUS partners stand with the United States – as they have for decades.

What is needed now more than ever before is an approach that enhances our AUKUS partners' conventional military capabilities, enables a more integrated, capable, and resilient defense industrial base; increases information-sharing, and implements cooperative policies that reflect and realize the concepts laid out in both the National Security Strategy and National Defense Strategy.

Through Pillar I of AUKUS, the United States, United Kingdom, and Australia have committed to conduct naval nuclear propulsion cooperation in a manner that is fully consistent with our respective legal obligations and that sets the highest non-proliferation standard. The Optimal Pathway to deliver on this commitment was announced in March 2023 and is the result of an eighteen-month consultation period. AUKUS partners are building a resilient framework that will benefit future generations and our teams have been clear-eyed from the beginning that this monumental vision requires an accompanying monumental effort. The Optimal Pathway is a blueprint for how we reach those goals, and we are moving out swiftly. Since the announcement of the Optimal Pathway in March of this year, three Australian officers have graduated from U.S. Nuclear Power School and the USS North Carolina conducted the first port visit under our commitment to increase rotations of nuclear-powered attack submarines (SSNs) to Australia. These milestones mark our commitment to this effort, but we know there is still much to be done and we look forward to collaborating with Congress to ensure we have the statutory authorities in place to execute this important work.

Through the AUKUS Advanced Capabilities line of effort, also referred to as Pillar II, we are enhancing cooperation in other critical military capabilities. We are also reviewing and revising our policies and processes to enable our defense innovation enterprises and industry to work more closely to deliver cutting-edge military capabilities to each country under a more inter-connected innovation ecosystem.

In April, under the auspices of the Artificial Intelligence Working Group, we trilaterally demonstrated the joint deployment of AI-enabled assets in a collaborative swarm to detect and track military targets in a real-time. Other Working Groups such as those focused on Cyber, Electronic Warfare, Quantum Science, and Undersea Warfare have been making steady progress with an eye

toward capabilities that will aid current and future warfighters. We have also begun a dialogue with partners in defense industry, both nationally and trilaterally, to identify opportunities to bring together public and private sector expertise to enhance our efforts.

Through collaborative investment in high-end capabilities, we are ensuring our ability to maintain a free and open Indo-Pacific – one where states can choose their own paths free from coercion. Pillar II provides a unique opportunity to strengthen the U.S. defense industrial base while also improving the advanced military capabilities of two countries who have stood shoulder-to-shoulder with the United States for more than 70 years. Let me underscore that over time, the work we do will advance our own capabilities and those of our allies, and will enable us to better address the challenges that we will collectively face.

As I stated before the Senate Foreign Relations Committee last March, the U.S. network of alliances and partnerships is a strategic advantage that competitors cannot match. Preparation for future conflicts – or deterring them from occurring in the first place – will rely on our ability to expand and enhance military partnerships. Maintaining this vital network requires an active, whole of government approach.

AUKUS has provided a lens into not only what military capabilities our closest allies need, but also what barriers exist that hamper pursuit of our national security strategy, and how we need to adapt our approach to meet our national security objectives. U.S. business is one of the strongest and most resilient assets in the national security toolkit, but we need to widen the aperture, foster collaborative defense innovation, advance military interoperability with our closest allies and partners, and leverage our collective strengths as a force multiplier.

Implementing AUKUS requires robust, novel information-sharing and technology cooperation. We are committed to cooperation that will leverage the advancements and expertise within the private sector and create opportunities for greater collaboration and integration while strengthening our security regimes. We have been fortunate to have great partners in the Departments of State and Commerce who are working with us to ensure we create an enabling environment that securely streamlines and promotes deeper cooperation.

We appreciate the continued support of Congress to enable to us accomplish these critical objectives. As you're aware, there are four areas in which the Administration requires Congressional action to facilitate implementation of this

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generational opportunity. First, the Optimal Pathway requires ship transfer legislation to authorize the U.S. to sell Virginia-class submarines to Australia as an interim capability before SSN-AUKUS comes online. Second, we need legislation to allow us to accept Australia's historic investment into the U.S. Submarine Industrial Base through financial contributions. Third, to move out on training Australia's submarine workforce, we require legislation to allow the U.S. Government to coordinate submarine workforce training with Australian private sector entities. Finally, we request legislation to enable export licensing exemptions, supporting defense trade that would facilitate the goals of AUKUS, and raise our collective standards to protect the critical technologies that provide U.S. forces with warfighting advantages. We appreciate the efforts of Congress to advance these efforts.

We have reached a point in the global security environment and technology landscape where there is not only a benefit, but an imperative, to expand our defense technology-sharing practices. AUKUS will lead to a more integrated defense ecosystem among the AUKUS nations that counterbalances the threats of strategic competition by harnessing the strengths of our collective capabilities. We cannot accomplish this without your critical support of these legislative actions.

Mr. Chairman, and distinguished Members of the Committee – thank you for the opportunity to meet with you today and I look forward to answering any questions you may have.