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ADVANCING U.S. ENGAGEMENT AND COUNTERING CHINA IN THE INDO–PACIFIC AND BEYOND

HEARING

BEFORE THE

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ONE HUNDRED SIXTEENTH CONGRESS

SECOND SESSION

SEPTEMBER 17, 2020

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ADVANCING U.S. ENGAGEMENT AND COUNTERING CHINA IN THE INDO–PACIFIC AND BEYOND

THURSDAY, SEPTEMBER 17, 2020

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 10:03 a.m., in room SD–106 and videoconference, Dirksen Senate Office Building, Hon. James E. Risch, chairman of the committee, presiding.

Present: Senators Risch [presiding], Gardner, Romney, Portman, Young, Cruz, Perdue, Menendez, Cardin, Shaheen, Coons, Murphy, and Merkley.

OPENING STATEMENT OF HON. JAMES E. RISCH, U.S. SENATOR FROM IDAHO

The CHAIRMAN. Senate Foreign Relations Committee will come to order. And welcome, everyone, and good morning.

We are going to have Senators participating both live and virtually. As a result of that, since it is difficult to determine when they showed up virtually, what we are going to do is go on seniority. So, if that is agreeable with everyone, that is what we will do.

And today, we welcome three witnesses to talk with us: David Stilwell, who is Assistant Secretary of State for East Asian and Pacific Affairs; Philip Reeker, Senior Bureau Official for the Office of European and Eurasian Affairs; and Julie Chung, Principal Deputy Assistant Secretary for Western Hemisphere Affairs. Appreciate all of you being here this morning.

Today, of course, we are going to be talking about China. And obviously, China presents us with many challenges—with opportunities also, but, right now, challenges. And there has been a lot of legislation that has been introduced, as far as China is concerned. What we are—there was a bill that we introduced earlier this year that tries to bring together as many as possible. I am told that, just recently as maybe today or yesterday, that the Minority introduced a bill, of which Senator Schumer is the lead sponsor of the bill. But, in any event, this is not a partisan issue. This is an American issue. And when I put the bill together originally, I did so to bring together the thought process from all sides. And we consulted with a number of people, both on this side of the aisle and on the other side of the aisle, and there is a lot of input from a lot of bipartisan effort in the bill. In addition to that, we went out to the think tanks, both Republican, Democrat, conservative, liberal, and got

those in the bill. I am glad to hear that there has been this bill introduced by the Minority. I am hoping we can bring them all together into one bill that we can all get behind, because, as I said, this is an American issue, it is not a partisan issue.

In July, Deputy Secretary Biegun testified before the committee on the Administration's strategy for advancing effective competition with China. Today, we will take a deeper look at U.S. strategy in three important regions: the Indo-Pacific, Europe, and the Western Hemisphere.

This hearing has three objectives. First, I look forward to Department's assessment of China's impact in these regions, what China's interests are, and what it is doing to secure those interests. A lot of those activities, of course, are common knowledge, and they are in the popular press, but there are other things going on that I think it is important that we drill down to.

Secondly, and even more important, we are here today to better understand in concrete and specific terms how the United States is advancing our interests, expanding our alliances and partnerships, and countering China's attempts to undermine prosperity, security, and good governance in these regions. Again, that is an important thing to shed light on for the American people. Certainly, those of us who deal in these kinds of things are well aware of China's activities everywhere. We all know that virtually everywhere you go in the world, China is there, attempting to better its position. And I think it is important that we shine a light on this.

In the Strategic Act of the bill I talked about, that I introduced earlier, I make clear that we must address China as a global challenge. It is my view that our highest priority in American foreign policy must be the Indo-Pacific region. The future of the region is decisive for the United States, both economically and in terms of security. Prioritizing the Indo-Pacific means several things. It means expanding our economic engagement in the region's growing markets, especially in Southeast Asia. It means consistently demonstrating the political will to deepen existing treaty alliances and grow other security partnerships. And it means ensuring the region is resourced properly as a proportion of the State Department's budget and personnel. China's primary foreign policy objective is to achieve regional supremacy in the Indo-Pacific, and then to use that dominant position to propel itself into becoming a leading world power. Getting our policy right in this region impacts our policy in the other regions we are examining today.

On Europe, one of my major priorities is to help advance a constructive agenda with our transatlantic partners on the shared challenges China presents. We are already moving in that direction, and I have met with numerous leaders from European countries, and exchanged ideas, and I can tell you that that idea is hitting a welcoming audience.

On both sides of the Atlantic, we have strengthened investment screening to protect critical infrastructure and technologies. We are cooperating to uphold the integrity of international institutions, and the United Kingdom, France, Germany, and others are deepening their engagement in the Indo-Pacific. This is a good foundation. We can, and must, build on it together and thwart the Chinese government's efforts to divide us from one another. I am very

encouraged that the United States has agreed to join the new dialogue on China that was proposed by the European Union, and I look forward to hearing about that and other efforts today.

In the Western Hemisphere, the negative effects of Chinese influence are clear. This includes China's predatory finance mechanisms for infrastructure projects all around the world, projects that are often of questionable value and create high debt burdens, severe environmental damage, and social unrest. Aggressive and illegal Chinese fishing practices violate territorial integrity of coastal Latin American countries, raising significant long-term security concerns. And China's blatant efforts to trade on the lives of Canadians citizens of Michael Spavor and Michael Kovrig are appalling. I am encouraged by President Trump's efforts to reaffirm U.S. leadership in the region and his willingness to collaborate with our neighbors to promote a more prosperous future through transparent and accountable frameworks.

Finally, this hearing is an opportunity to conduct oversight of the Department's coordination of U.S. strategy and initiatives across these different regions. This coordination is important to ensuring that our strategy is articulated coherently and executed effectively.

Again, thank you, to the witnesses, for being here.

And I am going to turn it over now to Senator Menendez, who I know shares many, many of my concerns in this regard. And hopefully, we will be able to work together to create an American answer to these.

So, Senator Menendez.

[The prepared statement of Chairman Risch follows:]

PREPARED STATEMENT OF CHAIRMAN JAMES E. RISCH

Welcome everyone and good morning.

We are going to have senators participating both live and virtually. As a result of that, since it's difficult to determine when they showed up virtually, what we're going to do is go on seniority. So if that's agreeable with everyone, that's what we will do.

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Today we're going to be talking about China, and obviously China presents us with many challenges. With opportunities also, but right now challenges.

There's been a lot of legislation that has been introduced as far as China is concerned. There was a bill that we introduced earlier this year that tries to bring together as many as possible. I'm told that just recently, maybe today or yesterday, the minority introduced a bill of which Senator Schumer is the lead sponsor of the bill, I'm told.

But in any event, this is not a partisan issue. This is an American issue. When I put the bill together originally, I did so to bring together a thought process from all sides. We consulted with a number of people, both on this side of the aisle and on the other side of the aisle, and there's a lot of input from a bipartisan effort in the bill.

In addition to that, we went out to the think tanks, Republican, Democrat, conservative, liberal, and got those in the bill. I'm glad to hear there has been this bill introduced by the minority. I'm hoping we can bring them all together into one bill that we can all get behind. Because as I said, this is an American issue. It is not a partisan issue.

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First, I look forward to the Department's assessment of China's impact in these regions—what China's interests are and what it is doing to secure those interests. A lot of those activities, of course, are common knowledge and they're in the popular press. But there are other things going on that I think it's important we drill down to.

Second, and even more importantly, we are here today to better understand—in concrete and specific terms—how the United States is advancing our interests, expanding our alliances and partnerships, and countering China's attempts to undermine prosperity, security, and good governance in these regions.

Again, that's an important thing to shed light on for the American people. Certainly, those of us who deal in these kinds of things are well aware of China's activities everywhere. We all know that virtually anywhere you go in the world, China is there attempting to better its position. I think it's important that we shine a light on this.

In the STRATEGIC Act, the bill I talked about that I introduced earlier, I make clear that we must address China as a global challenge. It is my view that our highest priority in American foreign policy must be the Indo-Pacific region. The future of the region is decisive for the United States—both economically and in terms of security.

Prioritizing the Indo-Pacific means several things. It means expanding our economic engagement in the region's growing markets, especially in Southeast Asia. It means consistently demonstrating the political will to deepen existing treaty alliances and grow other security partnerships. And it means ensuring the region is resourced properly as a proportion of the State Department's budget and personnel.

China's primary foreign policy objective is to achieve regional supremacy in the Indo-Pacific, and then to use that dominant position to propel itself into becoming a "leading world power." Getting our policy right in this region impacts our policies in the other regions we're examining today.

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This is a good foundation. We can and must build on it together, and thwart the Chinese government's efforts to divide us from one another. I am very encouraged that the United States has agreed to join the new dialogue on China that was proposed by the European Union, and I look forward to hearing about that and other efforts today.

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Again, thank you to the witnesses for being here. I'm going to turn it over now to Senator Menendez, who I know shares many of my concerns in this regard, and hopefully we'll be able to work together to create an American answer.

STATEMENT OF HON. ROBERT MENENDEZ,
U.S. SENATOR FROM NEW JERSEY

Senator MENENDEZ. Thank you, Mr. Chairman. And my thanks for convening today's hearing.

As you and I have discussed, we share a common view that we have entered a new and more competitive era with China, China now displaying global ambitions, which is why I think many on this committee have concerns that the Administration's strategies and policies to deal with this new China still fall well short of answering the enormity of the challenge.

China today, led by the Communist Party and propelled by Xi Jinping's hyper-nationalism, is unlike any challenge we have faced as a Nation before. And, as we will have an opportunity to discuss today, China is more active and more assertive around the globe than ever before.

Unfortunately, during the last 4 years, the Trump agenda has served to only empower Chinese aggression, weaken U.S. influence, and fail American workers. This moment demands a strong, strategic response that can begin to rebuild American leadership and invest in our ability to out-compete China in the generation ahead.

That is why today I have joined with a number of my Democratic colleagues to introduce the America LEADS Act. This bill seeks to do three things: invest in American competitiveness, invest in American alliances and partners, invest in our values, and invest, I would add, in our economic statecraft and ensure China pays a price for its predatory actions.

America LEADS provides a comprehensive and coherent strategy and strategic approach for addressing the new competitive U.S.-China relationship, and defines policies and allocate critical resources that combine and mobilize all aspects of U.S. national power, starting with the recognition that American competitiveness starts with investments here at home—in our workers, in education, in science and technology, and in innovation—and driven by the need, after almost 4 years of destruction under President Trump, to retool the U.S. economy and workforce to compete in the 21st century. The broader diplomatic and security architecture of our strategic approach in America LEADS is grounded in getting China right by first getting the Indo-Pacific strategy right, centered in our alliances and partnerships, animated by the values that make America exceptional, and furthered by a forward-leaning approach to our economic statecraft and a tough, pragmatic, and realistic appraisal of how to best combat China's predatory economic and trade policies.

Critically, and relevant to today's hearing, the legislation also includes provisions for the development and implementation of robust regional strategies to meet the challenge that China poses in Europe, the Western Hemisphere, Africa, the Middle East, the Arctic, and, of course, the Indo-Pacific itself. I know the Chairman has China-centered legislation, as well, that addresses many similar issues. And, as we discussed at the hearing with Mr. Biegun the other month, I look forward to working with him on areas of convergence between our bills to forge a strong, unified, and bipartisan approach on this issue.

Turning more specifically to the hearing today, I am very interested in hearing from Ambassador Reeker and Ms. Chung to get a sense of their perspective on where we stand in their respective regions of responsibility, Europe and Western Hemisphere. There is a lively debate across EU countries, and between Europe and the United States, on the right approach to China. So, as we are here in the U.S.—so, as we here in the U.S. fully come to grips with developing the right policy, our friends in Europe should be among our closest partners.

I do not know that anyone would argue that the President's destructive approach to the transatlantic relationship has made our efforts to advance a joint agenda on China any easier. Imposing tariffs on our allies is not a good recipe for success. Personally and publicly insulting leaders across Europe is not a recipe for success. An essential building block of our China response must have at its core a strong transatlantic alliance, which today, of course, does not exist as it has in the past.

And, for too long, the U.S. has sought to pressure Europe without providing real alternatives to China. 5G is perhaps the best example where the United States did not adequately emphasize European alternatives to Huawei while simply pressuring our allies. That sort of approach is not sustainable for forging a joint strategy on China.

But, even within the strained confines of President Trump's idea of transatlantic relations, we have to endeavor to make progress. I welcome the call by EU's Josep Borrell for a U.S.–EU Working Group on China. That is an important first step. The details will matter to ensure that it is not just another talk shop, and I look forward to hearing more about this initiative from Ambassador Reeker.

The power of the American economy and European economy, working together, provides formidable negotiating leverage, vis-a-vis China. In fact, it may be the sole factor that truly moves the needle with Beijing. We should be laser focused in enhancing that leverage to the fullest extent possible.

Here in our own hemisphere, U.S. diplomatic and economic engagement and China's presence need not be viewed through the solitary lens of a zero-sum game. However, when we fail to show up, as, under President Trump, we have, we should not be surprised that China's influence expands at our expense. And the President's misguided belief that every challenge needs to be solved with a sledge hammer, whether it was placing punitive tariffs on our North American neighbors or cutting foreign assistance off to our Central American partners, has only inflicted damage on the very relationships we need to counter the more corrosive elements of China's engagement in our hemisphere. And, frankly, the Trump administration's results speak for themselves.

Since 2017, at a rate of one per year, Panama, the Dominican Republic, El Salvador have broken diplomatic relations with Taiwan at the behest of Beijing. In Venezuela, utilizing the ZTE surveillance technology in the form of the "carnet de la patria," the Maduro regime has expanded its social control over the Venezuelan people, and remains firmly in control of its criminal cabal. When our allies in Canada rightfully arrested Huawei CFO Meng

Wanzhou for extradition to the United States, the Trump administration responded with little more than press statements as Beijing placed tariffs on Canadian trade and kidnapped Canadian citizens under fabricated criminal charges.

And, most recently, as Latin America and the Caribbean has become the epicenter of the global COVID–19 pandemic, the Trump administration has overpromised and under-delivered on coronavirus assistance, while China's government committed a billion dollars in new lending to governments in the region for vaccine access and delivery.

And the Development Finance Corporation, which Congress stood up precisely to provide a new and reinvigorated approach to international finance and development assistance, in part so that we could better compete with China, has yet to make significant investments in our own hemisphere.

When it comes to addressing China's presence in our hemisphere, the Trump administration's rhetoric has outpaced its actions, and its attempts at swagger have surpassed the need for substance. We must course-correct. That is why, last month, I was proud to introduce the Advancing Competitiveness, Transparency, and Security in the Americas, with Senators Rubio, Cardin, Cruz, and Kaine. This groundbreaking bipartisan bill will strengthen U.S. diplomatic, economic, and security assistance in the Americas and help our closest partners acquire the tools they need to defend their national interests from China's predatory practices.

Given the shortcomings of President Trump's "all bluster and tactics, no strategy" approach to China in Europe, in the Western Hemisphere, and elsewhere, it is more and more clear by the day that we need a real strategy to cope with the competitive challenge of China.

So, I look forward to a genuine conversation with our witnesses about how we can work together to develop a comprehensive approach to China, to reset our strategy and diplomacy, to reinvest and replenish the resources of our national strength and competitiveness at home, to place our partnerships and allies first, that reflects our fundamental values as Americans.

Thank you, Mr. Chairman.

[The prepared statement of Senator Menendez follows:]

PREPARED STATEMENT OF SENATOR ROBERT MENENDEZ

Mr. Chairman, my thanks for convening today's hearing. As you and I have discussed, we share a common view that we have entered a new and more competitive era with China . . . a China now displaying global ambitions . . . and where I think many on this Committee have concerns that the Administration's strategies and policies to deal with this new China still fall well short of answering the enormity of the challenge.

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Thank you, Mr. Chairman.

The CHAIRMAN. We will now turn to our first witness.

David Stilwell is the Assistant Secretary of State for the Bureau of East Asian and Pacific Affairs. Prior to his appointment as Assistant Secretary, he served in the Air Force for 35 years. He retired in 2015, with the rank of brigadier general, as the Asia Advisor to the Chairman of the Joint Chiefs. He served multiple tours of duty in Japan and Korea, and with the Defense Attaché at the U.S. Embassy in Beijing. Most recently, he served as the Director of the China Strategic Focus Group at U.S. Indo-Pacific Command in Hawaii.

Assistant Secretary Stilwell, we welcome you. The floor is yours.

STATEMENT OF HON. DAVID R. STILWELL, ASSISTANT SECRETARY FOR EAST ASIAN AND PACIFIC AFFAIRS, U.S. DEPARTMENT OF STATE, WASHINGTON, DC

Mr. STILWELL. Thank you, Chairman Risch, Ranking Member Menendez, and members of the Foreign Relations Committee.

We appreciate the opportunity to testify before this committee to discuss the threat posed by the Chinese Communist Party, that threat to the United States and the global order, and what we are doing about it.

I am here to tell you—today with several Department colleagues. The fact that the three of us are testifying on CCP malign influence across three different geographic regions is a testament to the global challenge we face and how the Department is adjusting to meet this challenge.

For years, we and the international community credited Beijing's commitments that facilitating China's entry into the rules-based international order would lead to increasing domestic reform and opening. Beijing's persistent flouting of these commitments has

shattered those illusions. It is now clear to us, and to more and more countries around the world, that PRC foreign and security policy seeks to reshape the international environment around the narrow interests and authoritarian values of a single beneficiary; that is, the Chinese Communist Party.

Beijing's malign conduct is increasingly being noticed: bullying behavior of foreign companies and governments, manipulation of international organizations, silencing critics abroad, buying, stealing, or forcing tech transfers, spreading disinformation, egregious human rights abuses, stabilizing—or destabilizing territorial revisionism. Beijing's cover-up of the outbreak of COVID–19 especially highlighted the global dangers of the CCP's lack of transparency and use of disinformation.

Today, we are engaging with the Chinese Communist Party as it is, and not as we wish it would be or as it seeks to present itself rhetorically. Our competition with the People's Republic of China need not lead to conflict. In fact, by competing, we are restoring balance and stability in areas where the United States and the world previously allowed Beijing to foment imbalance and instability.

At the State Department, our China policy efforts are guided by the 2017 National Security Strategy and grouped around four pillars laid out in that Strategy: protect American people, homeland, and way of life; promote American prosperity; preserve peace through strength; and advance American influence. We have organized to ensure that all our officers have sufficient policy clarity, training, resources, data, and messaging direction to successfully tackle the China challenge. This has meant breaking down bureaucratic barriers, shifting resources, and developing new coordination mechanisms. We have developed new data-driven diplomacy tools to give our officers the information and analysis they require. We have asked all of our posts to designate officers to focus specifically on China policy portfolio. In response, they have drastically increased their diplomatic reporting on CCP activities and influence. We are also tripling our cadre of forward-deployed, regionally-focused China experts who support our posts and identify regional trends in Chinese Communist Party behavior.

In the information space, the battle against CCP malign activities requires messaging that is well-informed, well-crafted, and well-executed around the world. Our public diplomacy teams work with the Bureau of Global Public Affairs and the Global Engagement Center to promote a positive vision of U.S. leadership, expose PRC malign conduct, and counter propaganda and disinformation.

In the economic sphere, PRC state-led lending and investment distorts markets, encourages corruption, and creates an uneven playing field for American companies and local competitors. We are on the forefront of raising global awareness about this. With bipartisan congressional support, we and other agencies are deploying new and innovative mechanisms in key areas, including strategic infrastructure, energy, commercial competition, and investment screening.

In the technology arena, we have taken important measures to deny the PRC the ability to acquire sensitive technologies to further its mil-civ strategy. These measures include ensuring PLA-af-

filiated STEM students and researchers are not able to enter the United States for graduate-level study in fields related to military modernization and informing universities of the risks of partnering with PRC institutions.

For over 2 years, we have called on countries to secure their 5G networks from untrusted vendors, and more and more countries and companies are doing—and companies are doing just that. Last month, Secretary Pompeo announced the Clean Networks Initiative, focused on safeguarding citizens' privacy and companies' most sensitive information from manipulation or disruption by foreign adversaries, including via apps in app stores, cloud service providers, and undersea cables. We are also bringing transparency and reciprocity to Beijing's vectors of malign influence, including propaganda outlets, Confucius Institutes, United Front organizations, state-owned enterprises, and more. Since February, we have designated as foreign missions the U.S.-based operations of nine propaganda outlets and the Confucius Institutes U.S. Center. In March, we capped the number of PRC nationals allowed to work at these designated state media outlets. In July, we closed the PRC consulate in Houston due to serious concerns about the inappropriate activities of its diplomats. We now require senior PRC diplomats to seek permission before many meetings, large events, and visits to academic institutions, as Beijing has long done to our diplomats in China.

In support of these efforts, we sincerely appreciate congressional leadership in establishing the new Counter China Influence Fund in Fiscal Year 2020 appropriations bill. This very important provision provides the Department with a flexible mechanism that will bolster our efforts to strengthen our partners' resiliency to Chinese malign influence worldwide. The initial round of CCIF funding solicitation resulted in over 400 project submissions from around the globe, with demand far outstripping the appropriated funding.

If I can just continue, there is a lot to go over, here.

Turning to the broader region, the resilience and strength of our global alliances and partnerships is paramount to addressing strategic competition with China, and in no region is this more true than the Indo-Pacific. Our Indo-Pacific vision is about supporting the sovereignty, autonomy, and pluralism of Indo-Pacific states facing Beijing's attempts to dominate the region. We support a region that is open to trade and investment, free from coercion, and secure. The United States and a diverse cohort of allies and partners now speak clearly in terms of the Indo-Pacific.

Similar concepts have been put forward by Japan, India, Australia, Taiwan, and South Korea, as well as by ASEAN in the ASEAN Outlook for the Indo-Pacific, showing remarkable alignment across our partners. We advanced our economic initiatives in lockstep with our allies and partners in areas like high-standard infrastructure, energy security, investment screening, and many more. We are strengthening commercial diplomacy to boost alternatives to PRC predatory economics that leaves countries saddled with unsustainable debt and vulnerable to political and economic pressure.

To promote good governance, we launched the Indo-Pacific Transparency Initiative, 2 years ago, which has programs focused on par-

ticular vectors of PRC influence, including corruption, disinformation, and information control, and coercive financing.

We are reinforcing our security commitments. Security assistance helps partners protect their sovereignty and maritime resources. We have doubled development assistance to Pacific island partners through the Pacific Pledge. We are developing new arrangements to coordinate with like-minded partners. In September 2019, the first quad ministerial-level meeting of the United States, Australia, India, and Japan marked a new milestone in Indo-Pacific diplomatic engagement.

Respecting Taiwan, our U.S. commitment to implementing the Taiwan Relations Act and the Six Assurances is firm, as is our commitment to the one-China policy, including our insistence that cross-Strait issues be resolved peacefully, without coercion or intimidation. Recent visit by Secretary Azar demonstrates that the United States will work with Taiwan on vital issues, such as global health. Upcoming dialogues will further advance our robust economic ties. We will also continue to vigorously support Taiwan's meaningful participation in international organizations.

On the South China Sea, Secretary Pompeo, this summer, announced a change in U.S. policy on maritime claims, making clear that Beijing's claims to offshore resources across most of the South China Sea are unlawful, as is its campaign of bullying to control them. Last month, the Secretary also announced visa restrictions for employees of PRC state-owned enterprises involved in South China Sea militarization, including the China Communications Construction Company. This was coordinated with Department of Commerce additions to the Entity List.

In all of our efforts, outreach to other countries is critical, and we are seeing results. Dozens of countries have now taken action to restrict untrusted Beijing-linked vendors from their 5G networks. We have also seen stricter investment screening mechanisms in the EU and more than a dozen other countries. Some 54 countries came together to deny the PRC candidate to the top leadership position in the World Intellectual Property Organization. Twenty-three countries joined us in cosigning a joint event on Xinjiang at the U.N. Third Committee. More and more countries are taking action against Confucius Institutes, United Front organizations, and propaganda outlets. We have released several joint statements on Hong Kong with allies and partners, many of whom have suspended extradition treaties with Hong Kong and imposed export controls. We are encouraging all countries to push for transparency and reciprocity in the relations with the PRC, and to expose and counter CCP vectors of influence and interference, including by PRC state media personnel, diplomats, PLA researchers, and state enterprise and employees, and others.

In conclusion, the United States continues to have an important relationship with the PRC, as do most countries in the world. We are not asking countries to choose between the United States and China, but to hold Beijing accountable for its malign behavior and, in the process, to protect their own national sovereignty, security, and long-term economic well-being. We are asking the international community to join us in standing up for universal rights and the rules-based international system, and have provided for

the world's collective peace, security, and prosperity for generations. We are making great strides toward this goal, and we deeply appreciate this committee's support to our continued efforts.

Thank you.

[The prepared statement of Mr. Stilwell follows:]

PREPARED STATEMENT OF DAVID R. STILWELL

Chairman Risch, Ranking Member Menendez, and Members of the Committee: Thank you for the opportunity to testify before the Committee to discuss the threat posed by the Chinese Communist Party (CCP) to the United States and the global order, and what we are doing about it. I am joined by my Department colleagues, PDAS Julie Chung from our Bureau of Western Hemisphere Affairs, and A/S Philip Reeker from our Bureau of European and Eurasian Affairs. The fact that the three of us are testifying on CCP malign influence, representing three different geographic regions, is a testament to the global challenge we face and how the Department is adjusting to meet this challenge.

As Secretary Pompeo has repeatedly said, China is the first foreign policy challenge he thinks about each morning. Every one of us at the Department of State is focused on succeeding in this critical effort. I will center my testimony on an overview of our China policy, the CCP's actions globally and how State is responding, and then focus specifically on what we are doing in the East Asia and Pacific region.

HOW WE GOT HERE

For years, we and the international community operated under the assumption that facilitating China's entry into the rules-based international order would lead to increasing domestic reform and opening. We agreed that China, under the CCP, would abide by its international commitments at the WTO and elsewhere. The persistent flouting of these commitments, increasing under President Xi Jinping, demonstrated that it has failed to meet those expectations. It is now clear to us, and to more and more countries around the world, that the CCP under General Secretary Xi Jinping is not seeking to join the free and open international order we and our allies and partners have fought and died to defend for generations. Instead, PRC foreign and security policy seeks to disrupt and reshape the international environment around the narrow self-centered interests and authoritarian values of a single beneficiary, the Chinese Communist Party.

Today we are engaging with the Chinese Communist Party as it is, not as we wish it to be, or as it seeks to present itself rhetorically. Secretary Pompeo summed up this strategic shift in his October 30, 2019 speech: "It is no longer realistic to ignore the fundamental differences between our two systems and the impact that . . . the differences in those systems have on American national security . . . Today, we are finally realizing the degree to which the Communist Party is truly hostile to the United States and our values." This requires a clear-eyed view of the CCP's motives and actions around the world, not only by the U.S. government, but by our companies, our institutions, and by our citizens. And to be truly successful in this effort, it requires that we work together with our allies and partners around the world to recognize and meet the CCP challenge.

We must also be clear what is at stake: The United States has maintained a position of global leadership for generations because our actions have benefited countless nations around the world and strengthened the international system. The CCP is now using any and all means to undermine the international rules-based order and project power across the world, especially in the Indo-Pacific region. All nations should worry how this outcome would negatively affect the global community and the values we share.

INCREASING CCP AGGRESSION

A few months ago, as the world was coming to grips with the reality of the global pandemic, one of China's leading virologists warned that the coronavirus was "just the tip of the iceberg." She was speaking as an epidemiologist and urging a global response to prevent future outbreaks, but that analogy is a useful way to think about CCP aggression and malign activities globally.

For each visible example of CCP malign activity worldwide, there are many more lurking beneath the surface. Part of our job in the Department, and especially in the EAP Bureau, is to help bring more of that iceberg into the open for other nations to see the CCP for what it truly is—an aggressive, autocratic, ambitious, para-

noid, hostile threat to free and open societies and the free and open international order.

Beijing's aggressive behavior takes many forms, including assaults on foreign companies and governments; manipulation of international organizations; silencing of critics abroad; buying, stealing, or forcing the transfer of technology to further its military and economic ambitions; and spreading disinformation. Beijing's cover-up of the outbreak of COVID–19 has made urgently clear to the international community the dangers of the CCP's lack of transparency and use of disinformation to global health and security. This is not an aberration; this is a reflection of how the CCP operates.

The past several months alone have seen particularly egregious examples of Beijing's conduct: violence on the border with India; aggressive moves in the South China Sea and around Taiwan and the Senkakus; a push to wipe out Mongolian and Tibetan culture and language in China; and a continued campaign of repression and forced labor in Xinjiang. Australian journalists have fled China due to harassment by security services. Beijing unilaterally imposed a draconian National Security Law in Hong Kong, including clauses that allow the PRC to issue extraterritorial arrest warrants for those criticizing the government while in other countries. These are not the actions of a responsible global actor but a lawless bully.

HOW OUR POLICY HAS CHANGED

At the Department of State, we are working hard every day to counter the CCP's malign activities around the world. In implementing the President's 2017 National Security Strategy, we are pushing back on revisionist powers, such as the PRC, who use technology, propaganda, and coercion to shape a world antithetical to our interests and values. We are holding the CCP to its commitments, both to us and to global rules, norms, and organizations. We will call them out publicly when they fall short. And we will vigorously defend our interests and those of our friends and allies when they are threatened. Not since the Cold War have we focused our efforts so intently on a single foreign policy challenge, and I can assure you we are firing on all cylinders across the full spectrum of the China challenge.

Let me be clear: The American and Chinese people have close ties going back generations, and we continue to welcome Chinese students, visitors, investors, and immigrants. We have an important relationship with China, as do most countries in the world. We are not asking countries to choose sides, but rather to stand up to protect their own national sovereignty, security, values, and economic well-being. We are also asking the international community to join us in standing up for the international rules, norms, and organizations that have provided for our collective peace, security, and prosperity for generations.

This clear-eyed approach to China means we are insisting on reciprocity across the entirety of our relationship, from trade and investment to visas and diplomatic access. We will continue to uphold the rights and freedoms the United States has always stood for, whether exposing human rights abuses in Xinjiang and Tibet, fighting for press freedom, or supporting individual freedoms and democratic processes in Hong Kong.

Our competition with the People's Republic of China need not lead to conflict. In fact, by competing, we are restoring balance and stability in areas where the United States and the world previously allowed Beijing to foment imbalance and instability, to the detriment of us all. We will also seek to cooperate with China in those areas where our interests align, and remain committed to achieving progress on a broad range of topics, including resolving trade inequities, achieving DPRK denuclearization, and stemming the deadly, unacceptable flow into the United States of fentanyl, whether manufactured in China or made elsewhere with Chinese precursors.

INTERNAL POLICY FRAMEWORK AND REORGANIZATION

Our China policy efforts at the Department of State are guided by the 2017 National Security Strategy (NSS) and grouped around the four pillars laid out in that strategy: 1) protect the American people, homeland, and way of life; 2) promote American prosperity; 3) preserve peace through strength; and 4) advance American influence. On May 20, the White House published a report on the United States Strategic Approach to the People's Republic of China detailing efforts across the government.

Within the State Department, we have organized to ensure that all of our bureaus, offices, and posts around the world have sufficient policy clarity, training, resources, data, and messaging direction to successfully tackle the China challenge in

their areas of operation. This has meant breaking down bureaucratic barriers, shifting resources, and developing new coordination mechanisms.

I co-chair a new coordination body with all of our regional and functional bureaus to coordinate our lines of effort on China policy across the Department. Other agencies also coordinate on these lines of effort. The mechanism has a special focus on bringing together the policy and messaging sides of the house to ensure the two are working hand in glove. We've also asked all of our posts around the world to designate reporting and public diplomacy officers to focus specifically on the China policy portfolio in their host country, and to ensure posts' interagency leadership teams are sufficiently focused and coordinated on our number one foreign policy challenge.

On the analytical side, we've developed new data-driven diplomacy tools to give our officers the information and analysis they require. Our posts have also drastically increased their diplomatic reporting on CCP activities and influence in every country, providing a trove of additional information to inform our understanding of the China challenge. We're also tripling our cadre of forward-deployed, regionally focused China experts, who play a critical role in supporting our posts and identifying regional trends in CCP behavior.

GENERAL STATE DEPARTMENT CHINA POLICY AREAS

Public Diplomacy and Counter Propaganda and Disinformation

The battle against CCP malign activities requires messaging that is well-informed, well-crafted, and well-executed all around the world. Accordingly, our public diplomacy teams are working in partnership with the Bureau of Global Public Affairs and the Global Engagement Center (GEC) to promote a positive vision of U.S. leadership, expose malign conduct, and counter propaganda and disinformation.

From the Secretary on down, all of our leaders and public diplomacy practitioners are empowered to convey these messages. Our Ambassadors in the field across all geographic regions have been particularly effective in taking this challenge on. The Bureau of Global Public Affairs (GPA) supports our team in the field by regularly disseminating topline messages and senior leader statements. GPA also publishes original content that describes American values and contrasts CCP behavior with global norms.

The GEC has significantly expanded its work on the China challenge over the last year. GEC works in partnership across the Department, our posts overseas, the NSC, and relevant departments and agencies to coordinate strategies and tactics. GEC's efforts to counter CCP propaganda include increasing awareness of the problematic aspects of the One Belt One Road initiative, human rights abuses in Xinjiang, Tibet, and elsewhere in China, and Beijing's abuse of open research and academic environments to achieve its military objectives. GEC programs build global resilience to PRC disinformation through media training and other support to investigative journalists and to map PRC influence in the information environment to guide current and future approaches.

The GEC also supports efforts to provide accurate information about U.S. policies and contributions of U.S. businesses to local communities to restrict the space where CCP propaganda can take root. Across the Department, we leverage GEC's analytical tools and networks of credible partners and local voices overseas.

Economic Actions

Globally, one of the CCP's most insidious and powerful influence vectors is its economic clout, which it uses as leverage in other strategic areas. PRC state-led lending and investment often distort markets, encourage corruption, avoid transparency, and create an uneven playing field for American companies and local competitors. PRC initiatives like "One Belt One Road" seek to fuse Beijing's economic and strategic goals to the detriment of host country sovereignty, security, and sustainable economic growth. The United States has been on the forefront of raising global awareness about the dangers of this type of PRC lending and investment.

The United States levels the playing field for American companies by promoting free enterprise and transparent, private sector investment through improved market access and competitiveness and increased business-to-business ties. With bipartisan congressional support, the United States Government is deploying new and innovative mechanisms in key areas:

- *Strategic Infrastructure*: The Department works across the U.S. Government to maximize resources to attract more private sector investment into emerging markets, such as through the Development Finance Corporation (DFC) and USAID. The Infrastructure Transaction and Assistance Network (ITAN) is another great example of this. This group of 11 agencies has identified and advanced more than $125 billion in infrastructure deals in the Indo-Pacific. We

have launched complementary efforts like the Strategic Ports Initiative to focus on infrastructure that is critical to U.S. interests.

- *Energy Sector*: Programs like Asia EDGE, Power Africa, and America Crece advance the energy security of partners and create new markets for U.S. liquefied natural gas (LNG).
- *Blue Dot Network*: The Blue Dot Network, or BDN, launched at the Indo-Pacific Business Forum in November 2019 with partners Japan and Australia, is a multi-stakeholder initiative to certify quality infrastructure investment projects.
- *Deal Teams*: Through the Deal Team initiative launched by the Departments of State and Commerce in February, we are improving interagency collaboration at posts and between our overseas missions and Washington, to help U.S. firms win projects abroad against firms that use unfair practices to capture contracts.

We also seek to equip states to resist coercive economic practices, unsustainable debt burdens, and other dangers:

- *Investment Screening Outreach*: The Department works closely with the Treasury Department to encourage foreign governments to implement investment-screening mechanisms that are rigorous, transparent, and national-security focused.
- *Debt Service Suspension Initiative*: The United States is faithfully implementing the G20-Paris Club Debt Service Suspension Initiative (DSSI) by suspending official bilateral debt payments from the poorest countries to year-end 2020. This provides countries fiscal space to fund social, health, and other measures to respond to the pandemic. With partners, the World Bank, and the IMF, we are leveraging the DSSI to increase debt transparency and tackle opaque and unsustainable PRC lending.

Military-Civil Fusion and Sensitive Tech

Through its Military-Civil Fusion development strategy the PRC is working to "fuse" its economic and social development strategies with its security strategies to build an integrated national strategic system and capabilities in support of Beijing's goals. In doing so the PRC exercises subterfuge in its international economic and academic collaboration, as well as in its investments in key advanced, sensitive, and emerging technologies. The PRC's intent is to divert technology acquired through civilian trade and/or exchanges—including through both licit and illicit means—to military end uses. The PRC seeks to render ineffective traditional U.S. tools to protect our economy, such as export controls, visa screening, and investment screening for proliferation risk.

The Department has taken important measures to safeguard our critical infrastructure and technology and deny the PRC the ability to target and acquire sensitive technologies in the United States to further its military and commercial capabilities. These included the suspension of entry of certain PRC students and researchers seeking J and F visas for work in fields relevant to military modernization.

For over 2 years, the United States has called on countries around the world to secure their 5G networks from untrusted vendors, such as the PRC's Huawei and ZTE. On April 29, Secretary Pompeo announced the 5G Clean Path initiative to protect the voice and data traversing 5G standalone digital cellular telecommunications systems and networks that service U.S. diplomatic communications at home and abroad. More and more countries and companies around the world are putting in place strong measures to secure their 5G networks.

But 5G infrastructure is only one part of a broader telecommunications and emerging technology landscape and these same risks of untrusted vendors subject to the unchecked powers of compulsion of authoritarian states like the PRC apply across this ecosystem. To address this broader threat, on August 5 Secretary Pompeo announced the Clean Network initiative, a comprehensive approach to safeguarding citizens' privacy and companies' most sensitive information from manipulation or disruption by foreign adversaries. This Department and interagency effort addresses important and previously overlooked technology areas including apps and app stores, cloud services providers, and undersea cables.

Combatting Malign Influence

Malign CCP influence manifests itself through a diversity of organizations, from PRC diplomatic missions to propaganda outlets, Confucius Institutes, United Front organizations, state-owned enterprises and more.

On the media front, since February we have designated the U.S.-based operations of nine PRC propaganda outlets—including Xinhua, People's Daily, and China Glob-

al Television Network—as foreign missions. In March, we capped the number of PRC nationals allowed to work at these designated state media outlets to more closely match the number of independent American journalists Beijing allows to operate in the PRC.

We have likewise designated the Confucius Institutes U.S. Center (CIUS) as a foreign mission. While claiming no other aim than to teach Americans about Chinese language and culture, the Confucius Institutes also promote the Chinese Communist Party's agenda and subvert academic freedom.

We must recognize these entities for what they are—organizations under Beijing's control and vectors for CCP propaganda and influence. Americans should know that they are not independent media or simple educational institutions. We are also encouraging social media companies to label PRC official media accounts clearly so that everyone recognizes them as propaganda tools of the CCP. In July, we closed the PRC Consulate in Houston due to serious concerns about the inappropriate activities of its diplomats. We now require senior PRC diplomats to seek permission for many meetings, large events, and visits to academic institutions. Of course, the longstanding barriers that Beijing imposes on U.S. diplomats in China remain far more severe.

We appreciate Congressional leadership in establishing the new Counter Chinese Influence Fund (CCIF) in the FY 2020 appropriations bill. This very important provision provides the U.S. interagency with a flexible mechanism that will bolster our efforts to strengthen our partners' resiliency to China's malign influence worldwide.

The Director of Foreign Assistance at the State Department is currently leading the effort to review proposals from Washington and posts around the world. The Department and USAID are prioritizing proposals in four areas: Commercial Engagement, Good Governance, Promoting Security and Resilience, and Winning the Technology Competition. There is strong demand from the field. The initial round of CCIF funding solicitation resulted in over 400 project submissions from around the globe, with demand far outstripping the appropriated funding. Initial allocation decisions are planned by early October.

Hong Kong

We have led the global response to the PRC's crackdown in Hong Kong, including by spearheading joint statements with like-minded countries, imposing financial sanctions and visa restrictions on PRC officials in both Beijing and Hong Kong, including Chief Executive Carrie Lam, cancelling our extradition treaty and exchange programs, and instituting export restrictions. Our efforts paved the way for many other countries to speak out against PRC actions, and to take similar measures of their own.

Xinjiang

More than any other government, the United States has taken concrete action to respond to the human rights crisis in Xinjiang. In October 2019, the Department announced visa restrictions on officials responsible for, or complicit in, human rights abuses. This complements the Department of Commerce's addition to its Entity List of 48 entities in the PRC, including elements of the Public Security Bureau and commercial companies, implicated in human rights abuses.

U.S. Customs and Border Protection has issued Withhold Release Orders (WROs) prohibiting imports of specified merchandise produced by several companies who operate in Xinjiang based on information that reasonably indicated the use of forced labor in their operations. We issued a business advisory to caution businesses about the risks of supply chain links to human rights abuses, including forced labor, in Xinjiang and elsewhere in China. The Treasury Department sanctioned two PRC government entities and six current or former government officials in connection with serious rights abuse against ethnic minorities in Xinjiang, including Politburo member Chen Quanguo.

Indo-Pacific

The resilience and strength of our global alliances and partnerships is paramount to addressing strategic competition with China, and in no region is this more true than the Indo-Pacific—a region that accounts for more than half the world's population and GDP. As we take account of China's efforts globally, we must continue to remember that the Indo-Pacific is the frontline in our strategic competition with China.

In recognition of the geopolitical importance of the Indo-Pacific, President Trump announced the U.S. Strategic Framework for the Indo-Pacific 3 years ago in Da Nang, Vietnam, to advance a vision for the Indo-Pacific region in which all countries prosper side by side as sovereign, independent states. The Indo-Pacific Strategy is fundamentally about supporting the autonomy of Indo-Pacific states facing PRC at-

tempts to dominate the region. It rests on cooperation with allies and partners, as well as the centrality of ASEAN, APEC, and other institutions in the regional architecture.

The Indo-Pacific Strategy has defined a shared vision for a region that is open to trade and investment, free from coercion, and secure. The United States and a diverse cohort of allies and partners now speak clearly in terms of the "Indo-Pacific." This is significant in semantic and strategic terms. Similar concepts have been put forward by Japan, India, Australia, South Korea, and Taiwan, as well as the "ASEAN Outlook on the Indo-Pacific," showing remarkable alignment across our partners. These efforts set forth consistent principles to guide the region's future that push back on the PRC's authoritarian, state-led development model.

We have advanced our economic initiatives in lockstep with our allies and partners. I have already mentioned the Blue Dot Network—launched with Australia and Japan—as one example. In the Indo-Pacific region, we are working together on the ground, for example through a five-country partnership with Japan, Australia, and New Zealand, to bring electricity to the people of Papua New Guinea.

To promote good governance, which is integral to U.S. foreign policy and national security interests and in line with U.S. values, we launched the Indo-Pacific Transparency Initiative 2 years ago. With it, we are optimizing longstanding programs and launching new ones focused on particular vectors of PRC influence, including corruption, disinformation and information control, and coercive financing. These programs promote civil society, rule of law, respect for human rights and fundamental freedoms, and transparent and accountable governments across the region.

We are also reinforcing our security commitments. Our security assistance to South China Sea claimant states helps partners protect their autonomy and maritime resources.

State and USAID have doubled development assistance to our Pacific Island partners through the Pacific Pledge. Never before have we had so many people on the ground, in so many Pacific Island countries.

We are developing new arrangements to coordinate with like-minded partners. In September 2019, the first ministerial-level meeting of the United States, Australia, India, and Japan at the Quadrilateral Consultations marked a new milestone in Indo-Pacific diplomatic engagement.

Mekong

Building on the successes of the Lower Mekong Initiative, the five Mekong partner countries and the United States launched the Mekong-U.S. Partnership on September 11 as a strategic forum for cooperation.

The Partnership will continue existing work and expand our areas of cooperation, including economic connectivity, energy security, human capital development, and transboundary water and natural resources management. This includes supporting these countries in holding the CCP accountable for sharing water data from China's massive upstream dams in Tibet and elsewhere.

We will also cooperate on emerging threats such as health security capacity building and pandemic response, countering transnational crime, cyber security, and countering trafficking in persons, illicit drugs, and wildlife.

South China Sea

On July 13, Secretary Pompeo announced a change in U.S. policy on maritime claims in the South China Sea, making clear that Beijing's claims to offshore resources across most of the South China Sea are unlawful, as is its campaign of coercion to control them. We are standing with Southeast Asian states to uphold their sovereign rights under international law. We welcomed your joint statement on the South China Sea, Chairman Risch and Ranking Member Menendez, reflecting our resolve in clarifying the United States' position that the PRC's maritime claims in the South China Sea are unlawful. We have seen Southeast Asian countries speak out more vocally as a result of our policy change.

On August 26, the Secretary announced visa restrictions for certain employees of PRC SOEs involved in South China Sea militarization and land reclamation activity, including the China Communications Construction Co. (CCCC), which was coordinated with Department of Commerce additions to its Entity List. And we've seen results. In the Philippines, in Malaysia, and as far afield as Panama and Costa Rica, media, think tanks, and even government officials have raised questions about CCCC activity and its impact on their economies. We can expect them to subject future dealings with CCCC to greater scrutiny, and to think a bit more deeply about the potential downsides of PRC infrastructure assistance in the future.

Taiwan

Notwithstanding China's aggressive behavior in the region, our relationship with Taiwan stands on its own and our relationship with Taiwan is not a subset of U.S.-China relations. We have made clear that the United States will continue to advance our engagement with Taiwan. The recent visit by Secretary Azar to Taiwan demonstrates that the United States will work with Taiwan on international issues, such as global health, and upcoming economic engagements will further deepen our robust ties.

We also will continue to vigorously support Taiwan's meaningful participation in international organizations, especially where public health, safety, and security are concerned. Taiwan's commendable COVID–19 response demonstrates it has much to offer to the global community, as does its commitment to democracy, human rights, and free markets.

On July 9, the Administration formally notified Congress of a defense arms sale to Taiwan, just one recent example of how, consistent with the Taiwan Relations Act (TRA), we will continue to provide Taiwan defense articles and services to enable Taiwan to maintain a sufficient self-defense capability. The U.S. commitment to implementing the Taiwan Relations Act and the Six Assurances is firm, as is our commitment to the U.S. one-China policy, including our insistence that cross-Strait issues be resolved peacefully and without coercion or intimidation.

Indo-Pacific Business Forum

We also engage closely with the private sector in advancing our policies and values. The Indo-Pacific Business Forum has emerged as a premier annual event bringing together leaders from the private and public sectors from economies across the Indo-Pacific region, including the United States, to share knowledge, build relationships, and explore opportunities. This year we are co-sponsoring the IPBF together with the government of Vietnam and with leading business organizations as a virtual conference in late October.

The IPBF supports and extends our Indo-Pacific strategy, as one important tool to make our economic case to the region for the transparent, private sector-driven model we promote, and its proven track record for delivering sustainable growth, reducing poverty, and fostering technological innovation. This model provides a clear and compelling alternative to the PRC's state-led approach to development that all too often leaves countries in the Indo-Pacific region saddled with unsustainable debt and vulnerable to political and economic pressure. American businesses also find significant value in new markets in this dynamic region.

GLOBAL OUTREACH SUCCESSES

In all of our policy efforts, outreach to other countries is critical. We have been vigorously engaging our allies and partners on the full scope of CCP malign activities, including 5G, military-civil fusion, human rights abuses, environmental degradation, propaganda and disinformation, and international organizations, among many other issues.

In the technology realm, dozens of countries have now taken action to restrict untrusted Beijing-linked vendors from their 5G networks. We've also seen stricter investment screening mechanisms instituted in the EU and more than a dozen other countries to help protect critical technology or infrastructure, including from CCP control. On international organizations, some 54 countries came together to deny the PRC candidate the top leadership position of the World Intellectual Property Organization. Twenty-three countries joined us in co-signing a joint statement on Xinjiang at the U.N. Third Committee. Allies and partners have also joined together to oppose Beijing's efforts to insert language promoting CCP ideology and unilateral policy initiatives in United Nations documents.

Regarding CCP influence and interference, more and more countries are taking action against Confucius Institutes, United Front organizations, and other vectors of CCP malign influence and disinformation, including CCP influence efforts on university campuses. On Hong Kong, we have released several joint statements with allies and partners, many of which have also suspended extradition treaties with Hong Kong and imposed export controls. In line with what we have done in these areas, we encourage all countries to push for transparency and reciprocity in their relations with the PRC, and to expose and counter CCP vectors of influence and interference, including by PRC state media and PRC diplomats.

CONCLUSION

The United States has an important relationship with the PRC, as do most countries in the world. We are not asking countries to choose sides but simply to hold

Beijing accountable for its malign behavior, and in the process to protect their own national sovereignty, security, and long-term economic well-being. We are also asking the international community to join us in standing up for universal rights and the rules-based international system that have provided for the world's collective peace, security, and prosperity for generations. We are making great strides toward this goal, and we deeply appreciate the Committee's support of our continued efforts.

The CHAIRMAN. Thank you, Secretary Stilwell. That was certainly a good tour around the issues that we deal with here, and I think there is a lot to unpack here, as your statement indicates.

We will now turn to Ambassador Philip Reeker, who has led the Bureau of European and Eurasian Affairs since March 2019. Immediately prior, Ambassador Reeker was posted in Germany, advising the Commander of U.S. European Command. He has served in numerous posts throughout Europe, including U.S. Ambassador to North Macedonia and Counsel General in Milan.

Ambassador Reeker.

STATEMENT OF HON. PHILIP T. REEKER, SENIOR BUREAU OFFICIAL, BUREAU OF EUROPEAN AND EURASIAN AFFAIRS, U.S. DEPARTMENT OF STATE, WASHINGTON, DC

Ambassador REEKER. Good morning, Chairman Risch, Ranking Member Menendez, members of the committee.

To my knowledge, this is the first time that the head of the European Bureau has testified at a hearing on Chinese influence. And I think this speaks, itself, in the terms of underscoring the scope and scale of the challenge we face from the Chinese Communist Party.

Assistant Secretary Stilwell has done an excellent job laying out how the Department is implementing the Administration's strategy on China, and I will focus my remarks on how we see the challenge in Europe, what we are doing about it, in coordination with our allies, and really why Europe matters so much in an era of renewed strategic competition between major powers.

Europe is home to most of America's closest and oldest allies. As you know, it is the largest export market for U.S. goods and services, and the United States and Europe are each other's primary source and destination for foreign direct investment. Together, the United States and the 27 members of the European Union account for over 40 percent of the world's GDP. The U.S. FDI in the EU and the UK of $3.6 trillion in 2019 is more than four times the U.S. investment in the Asia-Pacific region.

Like Russia, the Chinese Communist Party has realized that the transatlantic relationship is really the beating heart of the West, and perhaps the biggest obstacle to the PRC's designs for the future world order. China's global ambitions are simply not possible if the transatlantic alliance remains strong and united in opposing Chinese authoritarian overtures. China does not necessarily seek new allies in Europe—they prefer vassals, not partners—but it does want to drive a wedge between the United States and our allies.

The starting point of our engagement with the Europeans must be our shared values and basic conceptions about how governments ought to behave toward their citizens and the world. The U.S. and Europe may sometimes disagree on specific policies or approaches,

but we generally agree on the fundamental concepts, like the importance of the rule of law, transparent and accountable government, and basic human rights. The Chinese Communist Party does not.

We must think of Europe not just in terms of what we can do together elsewhere in the world, but as a theater of strategic competition in its own right. Allies face malign influence and pressure in their own countries that we must work with them to counter. Using platforms like the One Belt, One Road Initiative, the Chinese Communist Party endeavors to create dependencies and cultivate client-state relationships. Through the 17 + 1 Initiative, which involves 12 countries that are both NATO and EU members, primarily in Central and Eastern Europe, China aims to achieve access and ownership over valuable transportation hubs, critical infrastructure, ports, and industries.

Over the last 3 years, we have seen an increased awareness in many European countries, what Secretary Pompeo has referred to as a "Transatlantic Awakening" to the China challenge. U.S. diplomats, from the Secretary on down, have been pounding the pavement, or—virtually or otherwise, throughout Europe, and the tide has turned. Our substantial and successful diplomatic engagement contrasts sharply with the growing backlash we are seeing caused by China's heavy handed "mask diplomacy" during the pandemic throughout Europe. European audiences are getting to see firsthand just how the CCP handles criticism and questions, and they do not like what they see.

Our engagement is bearing fruit. Just to touch on a few highlights:

Using authorities granted by legislation members of this committee introduced, as mentioned, the bipartisan BUILD Act and the European Energy Security and Diversification Act, we have been able to begin leveraging the new Development Finance Corporation to try to catalyze key investments in strategic projects. Most notable, I would point to Secretary Pompeo's pledge at the Munich Security Conference, earlier this year, of $1 billion, a commitment to the Three Seas Initiative. In the Czech Republic, where Secretary Pompeo visited just last month, they have transformed from a target of Chinese influence to a leader in the European Awakening. Seven countries have signed bilateral memoranda of understanding with the United States on 5G security. The Secretary signed the most recent one, just yesterday, with Lithuania Foreign Minister Linkevicius's visiting here in Washington.

Fifteen European nations have adapted best practices from our own CFIUS and FIRMMA legislation as models to draft their own laws to protect their industries from malign foreign investment. And, as Foreign Secretary Raab and Secretary Pompeo discussed in their meeting here yesterday, the United Kingdom plans to secure its networks from Huawei. France and Germany both recently unveiled formal Indo-Pacific strategies that reflect the changing consensus on the threat posed by China. And I am told that France, Germany, and the UK, just this morning, filed a Joint Note Verbale at the United Nations, rejecting China's sweeping claims over the South China Sea.

NATO has formally agreed to address the opportunities and challenges stemming from the Chinese Communist Party's growing influence. The EU has referred to the PRC as a "systemic rival." And Sweden recently closed the last of the Confucius Institutes present in that country.

More and more European nations are coming to the same conclusion we have about the nature of the threat to our values, our security, and our prosperity. They are doing so because they want to, not because we tell them to. Our role has been to share information, exchange experiences, and provide the support and encouragement necessary to empower them to make the right decisions.

As we confront the growing China challenge in Europe, we must not forget that Europe is also the central focus of ongoing Russian aggression and malign influence. Although China's GDP is about eight times the size of Russia's, Russia remains the primary military threat to Europe and the strategic priority for most of our allies and partners, particularly those in Central and Eastern Europe.

Russia and China are more closely aligned strategically than at any point since the 1950s, and we see growing cooperation across a range of diplomatic, military, economic, and information activities. Russia and China are not a monolithic bloc, and there are certainly tensions and friction points in that relationship. But, their growing strategic convergence is more than a simple marriage of convenience. It is based on a shared assessment of the threat the United States and our allies pose to their ambitions through our strength, our prosperity, and our values. This dynamic is not going away anytime soon, and we must understand and account for it in our diplomacy and policies in this era of great-power competition in Europe.

And regardless of whether we are talking about competition against the Chinese Communist Party or the Kremlin or any other rival, perhaps our greatest advantage remains, as has been mentioned, our system of alliances, particularly in Europe. As the President and the Secretary have stated on many occasions, our allies need to shoulder their share of the burden, and they are making progress in doing so.

The fact remains that the United States has friends. The Kremlin and the CCP do not. This is a fundamental and enduring difference between us and them, between the democratic West and the authoritarian powers trying to divide us. The Administration's efforts to support, empower, and consult our European allies in countering the PRC are working. Progress is not always immediate. And engaging with our allies on these key issues sometimes leads to hard conversations and choices. But, having these hard conversations now ensures that we have an alliance that—and partnerships that are able to defend the shared democratic values and traditions that define the West and underpin the free world.

Mr. Chairman, Ranking Member, thank you for the opportunity to testify, and I will look forward to your questions.

[The prepared statement of Ambassador Reeker follows:]

PREPARED STATEMENT OF AMBASSADOR PHILIP T. REEKER

Good morning Chairman Risch, Ranking Member Menendez, and Members of the Committee. It is a pleasure to be here today with Assistant Secretary Stilwell and Principal Deputy Assistant Secretary Chung to discuss the Chinese Communist Party's malign activities around the world. As far as I am aware, this is the first time the head of the European bureau has testified at a hearing on Chinese Communist Party influence, and I think this fact speaks for itself in terms of underscoring the scope and scale of the challenge we face from the Chinese Communist Party.

Assistant Secretary Stilwell has done an excellent job laying out the Administration's broader strategy on China and the ways in which the Department is implementing it. I will focus my remarks on how we see the Chinese Communist Party challenge in Europe, what we are doing about it in coordination with our Allies, and why Europe matters so much in an era of renewed strategic competition between major powers.

With its advanced economies, international influence, and high-tech industries, Europe has emerged as arguably the central front in the Chinese Communist Party's efforts to supplant U.S. global leadership, and re-order the international system to its benefit. It is therefore critical that we frame our efforts to counter the Chinese Communist Party in Europe around policies and language Europeans understand and support, such as shared values and adherence to international norms. Europe is home to most of America's closest allies. It is the largest export market for U.S. goods and services, and the United States and Europe are each other's primary source and destination for foreign direct investment (FDI). Together the United States and the EU27 account for over 40% of GDP. The U.S. FDI in the EU and UK of $3.6 trillion in 2019 is more than four times the U.S. investment in the Asia-Pacific region.

Like Russia, the Chinese Communist Party understands that the transatlantic relationship is the beating heart of Europe and perhaps the biggest obstacle to Chinese Communist Party designs for the future world order. The Chinese Communist Party's global ambitions are simply not possible if the transatlantic alliance remains strong and united in opposing their authoritarian overtures. China does not necessarily seek new allies in Europe—the Chinese Communist Party prefers vassals not partners—but it does want to drive a wedge between the United States and our allies and limit Europe's ability to unite against it.

For this reason, we must think of Europe not just as a force multiplier for our policies in other parts of the world, but as a theater of strategic competition in its own right. Through intensive diplomatic engagements, using platforms such as the One Belt One Road initiative, the Chinese Communist Party endeavors to create dependencies and cultivate client-state relationships. Through its 17 + 1 initiative, involving 12 countries that are both NATO and EU members, the Chinese Communist Party aims to achieve access and ownership over valuable transportation hubs, critical infrastructure, ports, and industries in Central and Eastern Europe. The Chinese Communist Party is demonstrating its strategic interest in creating divisions between EU member states and in multilateral institutions over issues such as both traditional and non-conventional warfare, hybrid activities, the South China Sea, internet security, and human rights.

Chinese foreign direct investment in Europe has grown from about $1 billion in 2008 to a high of approximately $42 billion in 2016, before dropping again in recent years. The Chinese Communist Party's economic engagement in Europe is significant. It pursues its economic goals through predatory investments, intellectual property theft, and trade-dependent relationships that leave governments, companies, and economies open to coercion. Over the last 12 years, the Chinese Communist Party has gained increasing influence over European markets and supply chains. Since the 2008 financial crisis, Chinese Communist Party industrial policy, such as Made in China 2025, has targeted investments in strategic European industries, critical infrastructure, such as ports, and emerging technologies such as robotics, artificial intelligence, 5G, green energy, and nuclear energy.

The Chinese Communist Party relies on a network of overseas networks for influence, surveillance, and control, including United Front Work organizations and actors. Europe has more Confucius Institutes than any other region of the world, with more than 190 institutes in 44 countries. In addition, the Chinese Communist Party exploits corrupt institutions and individuals, where possible, to achieve policy objectives and thwart efforts to stop them. The Chinese Communist Party's use of strategic corruption, which is also a defining feature of the Kremlin's regional strategy as well, plays an essential but often understated role in facilitating the more high-profile symbols of Chinese influence and power.

Over the last 3 years we have seen an increased awareness in many European countries, what Secretary Pompeo has referred to as a "Transatlantic awakening to the China Challenge." U.S. diplomats from the Secretary on down have been pounding the pavement—virtual or otherwise—throughout Europe. Our substantial diplomatic engagement and the resulting positive results contrast sharply with the growing backlash caused by China's heavy-handed "mask diplomacy" and angry reaction to European criticism of its COVID response. European audiences got to see firsthand just how the Chinese Communist Party handles criticism and questions, and they didn't like what they saw.

This engagement is bearing fruit.

- Using authorities in legislation authored by Members of this Committee, the bipartisan Build Act and European Energy Security and Diversification Act, we have been able to begin leveraging the new Development Finance Corporation (DFC) to try to catalyze key investments in strategic projects, most notably the $1 billion commitment to the Three Seas Initiative Secretary Pompeo pledged at the Munich Security Conference.
- The Czech Republic, which the Secretary visited last month, has transformed from a target of Chinese influence to a leader of the European Awakening. The recent visit of the Czech Senate President to Taiwan is merely the latest in a series of strong actions by the Czech Republic to stand up to Chinese bullying and cement its status as a regional leader in combatting Chinese Communist Party influence.
- More than 30 nations contributed to the Prague Proposals to build secure 5G network infrastructure by not using vendors from authoritarian states like the Chinese Communist Party. Further, 5G MOU's are being planned with Ukraine, Georgia, and Serbia, to gain commitment from these partner countries to avoid using prohibited technologies. The 27 nations of the EU agreed to an investment screening framework in 2019, and a number of European nations have adapted best practices from our CFIUS and FIRMMA legislation as models to draft their own laws to protect their industries from malign foreign investment.
- France and Germany both recently unveiled formal Indo-Pacific Strategies that reflect the changing consensus on the threat posed by China.
- The United Kingdom is planning to secure its networks from Huawei.
- At NATO's December 2019 London Leaders' Meeting, NATO Heads of State and Government formally declared for the first time the need for NATO to address "the opportunities and challenges" stemming from the Chinese Communist Party's growing influence. The EU has labeled China as a "systemic rival."
- Denmark has bravely stood up to the Chinese Communist Party's attempts to censor Danish newspapers. The Swedes have closed all of the Confucius Institutes that resided on their soil.
- The U.S. has supported and empowered European-led initiatives to take infrastructure development into their own hands, and platforms such as the new Inter-Parliamentary Alliance on China to check Chinese Communist Party malign influence in legislatures around the world. We've engaged the Department of Commerce and USAID to get more countries to ensure that nations and their citizens control their critical infrastructure.

This list is not exhaustive. The point is that more and more European nations are coming to the same conclusion we have about the nature of the threat to our values, our security, and our prosperity. They are doing so because they want to—not because we tell them to. Our role has been to share information and provide the support and encouragement necessary to empower them to make the right decision.

Despite these successes, there is still more work to do. The challenge the Chinese Communist Party poses to the United States is long-term, and the U.S. and our Allies need to be "in it for the long-haul." It will require sustained focus and willpower to maintain the momentum that we have gained over the past 3 years.

Nor can we focus our efforts on the relative simplicity of a one-on-one competition like we did in the Cold War. In addition to confronting the growing challenges from the Chinese Communist Party, we must not forget that Europe is also the central focus of ongoing Russian aggression and malign influence. Although China's GDP is about eight times the size of Russia's. Russia remains the primary military threat to Europe and a strategic priority for most of our Allies and partners, particularly those in Central and Eastern Europe. Russia and China are more closely aligned strategically than at any point since the 1950s, and we see growing cooperation across a range of diplomatic, military, economic, and information activities.

While Russia and China are not a monolithic bloc, or even a formal alliance, and there are certainly tensions and friction points in this relationship, their growing strategic convergence is more than a simple "marriage of convenience." It is based on a shared assessment of the threat the United States and our allies pose to their ambitions—through our strength, our prosperity, and our values. We have to understand this dynamic, particularly when it comes to great power competition in Europe.

While the growing Russia-PRC convergence presents challenges, it also presents opportunities to maximize the impact and cost-effectiveness of our policies and assistance programs in Europe. To give one example: the Chinese Communist Party and the Kremlin exploit similar vulnerabilities—weak or corrupt institutions, elite capture, non-transparent or unaccountable governance structures, etc. Therefore, focusing our efforts on addressing problems like this—which we are doing through our assistance programs, including the Countering Russian Influence Fund and USAID's Countering Malign Kremlin Influence Development Framework—enables us to counter two threats for the price of one.

And regardless of whether we are talking about competition against the Chinese Communist Party, or the Kremlin, or any other rival, perhaps our greatest advantage remains our system of alliances, particularly in Europe but also throughout the world. As the President and Secretary have stated on many occasions, our allies need to shoulder their share of the burden, and they are making progress in doing so. But the fact remains that the United States has numerous friends; the Kremlin and the CCP do not. This is a fundamental and enduring difference between us and them, between the democratic West and the authoritarian powers trying to divide us.

The Administration's efforts to support, empower, and consult our European Allies in countering the Chinese Communist Party's influence are working. Progress is not always immediate, and engaging with our allies on these key issues sometimes leads to hard conversations and choices. But the result of these hard conversations and tough choices will be an alliance and partnerships that are better prepared for the challenges that lie ahead and more capable of defending the shared democratic values and traditions that define the West and underpin the free world.

Mr. Chairman, Ranking Member, thank you for the opportunity to testify here today. I look forward to your questions.

The CHAIRMAN. Thank you, Ambassador Reeker.

We will now hear from our third witness.

Julie Chung is Principal Deputy Assistant Secretary in the Bureau of Western Hemisphere Affairs, and brings a wealth of experience from both the Indo-Pacific and Latin America. She was previously the Director for Japan in the Bureau of East Asian and Pacific Affairs. She previously held positions as the Deputy Chief of Mission in Cambodia, the Economic Counselor on Thailand, and the Deputy Political Counselor in Colombia.

Principal Deputy Secretary Chung, the floor is yours.

STATEMENT OF JULIE J. CHUNG, PRINCIPAL DEPUTY ASSISTANT SECRETARY FOR WESTERN HEMISPHERE AFFAIRS, U.S. DEPARTMENT OF STATE, WASHINGTON, DC

Ms. CHUNG. Chairman Risch, Ranking Member Menendez, and members of the committee, thank you for the opportunity to testify about China in the Western Hemisphere today.

This issue is one of our most pressing priorities, and one that requires close coordination with our neighbors, allies, and our global partners. It also requires strong cooperation between the Administration and Congress, so I welcome your engagement and the chance to be with you today.

In the Western Hemisphere, we are implementing both the Administration's National Security Strategy and its vision for free and open Indo-Pacific. We have two strategic objectives: one, to reinforce our position as the region's partner of choice; and two, to

counter China's malign activities, because they threaten the region's prosperity, security, sovereignty, and democracy. Today, Secretary Pompeo is on his way to countries in our hemisphere—Guyana, Suriname, Brazil, and Colombia—to reaffirm these values and partnerships.

The United States and the Western Hemisphere enjoy a 1.9 trillion trade in goods and services, and a stock—foreign direct investment of $350 billion. In comparison, China has a 330 billion trade and a 120 billion FDI.

And over the past decade, we have seen a dramatic increase in China's engagement in the region. China has sought regional commodities, critical minerals, and export markets to fuel its domestic growth. Chinese state-owned enterprises are investing heavily in strategic sectors and pushing Latin American and Caribbean countries to join its One Belt, One Road Initiative. We have also seen an increase in questionable Chinese loans for infrastructure projects.

All of this is concerning because of the way China does business. China's corrosive capital and predatory lending undermine the rule of law and erode good governance. A region hungry for investment funds finds Chinese loans attractive, but the sticker price on these deals does not reflect their hidden costs. Further, China's corrupt practices threaten the region's hard-won gains in the rule of law, labor rights, and the environment, issues important to the citizens of the region.

Faced with this challenge, an important part of our approach is to share with our partners information about the risks of doing business with China. We also aim to demonstrate that the United States and our allies and American businesses provide better alternatives when quality, transparency, and respect for national sovereignty are taken into account. We are catalyzing private-sector financing and capacity-building for the region's energy and infrastructure needs through the Development Finance Corporation and the America Crece Initiative, working with U.S. companies and the interagency to enhance the region's competitiveness and revitalize its economies.

Chinese engagement is particularly egregious in information and communications technology. You know, companies like Huawei and ZTE have significant market share in the region already, and we are working with our partners so that they understand the national security and human rights concerns about Chinese vendors, many of which are state-owned and controlled by the Chinese Communist Party. These concerns speak to the sovereignty and human rights of the citizens in the region.

5G in the region is still in its infancy, so we do have an opportunity to ensure our partners understand the risk of opening their data to Chinese vendors, and they also know the availability of trusted alternatives.

We continue to draw attention to China's fishing practices that do not adhere to international norms in our region and around the world. The massive Chinese fishing fleet of over 300 ships near the Galapagos this summer alarmed governments, the fishing community, and environmentalists, alike. We are working with our part-

ners to increase cooperation and expand the capacity to detect and deter illegal and under-regulated fishing.

Support for democracy and human rights is a critical pillar of our engagement. We continue to support civil society, fight corruption, boost investigative journalism, and strengthen oversight of procurement processes. Open and transparent governance makes it harder for China to exploit our partners through bribery or unfair deals.

Working with democratic partners from Asia, including Taiwan, Japan, and the Republic of Korea, is an important tool to raise awareness about China. The hemisphere is home to nine of Taiwan's 15 diplomatic partners. We maintain vigilance as China pressures these countries to flip recognition to Beijing. Maintaining the status quo of Taiwan's diplomatic relations and highlighting our shared democratic values and showcasing Taiwan's regional engagement and partnerships are top priorities.

Finally, our public diplomacy, especially our people-to-people diplomacy, advances the fourth pillar of our strategy, a hemisphere that embraces democracy and views the U.S. as a valued partner in the region. We are forging relationships that will reduce the space for China to spread its malign influence and reinforce why our shared values are so important. Our exchange programs, public-private partnerships, and grants help showcase the innovation of the United States, the vitality of our entrepreneurship, and the power of the individual to make a difference in their community, strengthening our relationships with civil society, businesses, and especially the youth. This is the time to strengthen academic and professional exchanges, more than ever, so we remain well-positioned for generations to come.

Thank you for the opportunity to testify, and for your support for our efforts, and I look forward to your questions.

[The prepared statement of Ms. Chung follows:]

PREPARED STATEMENT OF JULIE CHUNG

Chairman Risch, Ranking Member Menendez, and Members of the Committee: Thank you for the opportunity to testify on China's engagement in the Western Hemisphere. This issue is one of our most pressing priorities and one that requires close coordination with our interagency colleagues, hemispheric neighbors, and global partners. Just as important, it requires strong cooperation between the Administration and Congress, so I welcome your engagement on these issues and the chance to be with you today. I joined the Bureau of Western Hemisphere Affairs (WHA) in November 2018 to serve as Principal Deputy Assistant Secretary (PDAS). I brought to WHA a specific focus on China in the Western Hemisphere that drew on my years of service in both our East Asia and Pacific and Western Hemisphere Affairs Bureaus. China had been viewed for years as a regional issue for Asia, but we are acutely aware that its actions have global implications that require global coordination and action. There are extensive linkages between the Indo-Pacific and the Western Hemisphere, through trade, diaspora communities, and multilateral groupings like the Asia Pacific Economic Cooperation (APEC). In WHA we have been leading an interagency effort to implement in the Western Hemisphere the principles of the Administration's National Security Strategy and Vision for a Free and Open Indo-Pacific. At the highest level, we have two strategic objectives: reinforce the position of the United States as the region's partner of choice and counter China's malign activities because they threaten hemispheric prosperity, security, and democracy.

Our approach to China is guided by our broader regional strategy, which seeks a Hemisphere that is prosperous, secure, democratic, and receptive to U.S. leadership and values. We must, of course, work with likeminded partners in this effort. I would like to highlight some of the challenges we face and successes we have had in each of these areas.

ECONOMIC

Over the past decade, we have seen a dramatic increase in China's interest in the region as it has sought access to natural resources, raw materials, and commodities, and markets for its exports to fuel domestic growth. The United States remains the top trading partner for over half of the 34 countries in the region, but China is now the top trading partner for Brazil, Chile, and Peru. The United States has free trade agreements with 12 countries in the Western Hemisphere. China has three—Chile, Costa Rica, and Peru—and is negotiating with other governments.

The United States is far and away the largest cumulative source of foreign direct investment in the region. However, Chinese state companies are investing heavily in the region and aggressively pursuing Latin American and Caribbean participation in its One Belt One Road initiative (OBOR), which is focused on infrastructure development around the world. Nineteen Latin American and Caribbean countries currently participate in the OBOR. We have also seen an increase in Chinese concessional loans for infrastructure investment, funding dozens of large-scale projects including roads, ports, and dams.

All of this is concerning because of the Chinese government's predatory approach to lending and development, the way the Chinese government does business, and its motivations. The Inter-American Development Bank estimates the infrastructure investment gap in the region is about 2.5 percent of GDP or $150 billion per year. A region hungry for infrastructure investment finds Chinese concessional loans attractive, but the "sticker price" on these deals does not reflect their full and hidden cost. China's way of doing business threatens to undermine the region's hard-won gains in transparency, the rule of law, labor rights, and the environment. Chinese companies are frequently backed by the Chinese Communist Party and are therefore rife with corruption and human rights abuses. Their investments in the region frequently come with excessive debt and opaque terms, low-quality infrastructure, and environmental damage, and they crowd out local development with an influx of Chinese materials, equipment, and workers.

Faced with this challenge, an important part of our approach is to share with our Latin American and Caribbean partners information on how the PRC's behavior is out of line with internationally recognized best practices for governance and sustainability and not in their best interests. Our engagement has helped several countries, including Chile and El Salvador, make better decisions for U.S. and regional interests. We also aim to demonstrate that the United States, our allies, and our businesses provide better alternatives when factors such as good governance, quality, and transparency are taken into account. We are working with partners to press for China's economic engagement to meet high standards in terms of transparency, adherence to the rule of law and anti-corruption practices, debt sustainability, labor rights, environmental best practices, and the needs and concerns of local communities. We have established a program to facilitate timely, targeted bilateral engagements at the technical level to advance U.S. interests and values on sensitive economic issues. Our delegations have helped some of our partners in the region considering legislation on foreign investment screening. A delegation to Ecuador focused on data privacy, and a delegation to Peru illustrated best practices in infrastructure procurement.

The Administration launched in December 2019 an expanded initiative called Growth in the Americas ("America Crece" in Spanish). This whole-of-government effort aims to catalyze the private sector as the primary engine of growth to develop infrastructure in Latin America and the Caribbean. The focus is on improving the investment climate for all types of infrastructure, including energy, airports, seaports, roads, water, social, telecom, and digital networks. The effort incorporates the expertise and resources of nine agencies across the federal government. The U.S. International Development Finance Corporation (DFC) is a critical tool in these efforts. We expect DFC to deploy at least $12 billion in financing in the region. We need to align State and USAID efforts and resources to fully leverage DFC's new capabilities. We are also working to expand the Digital Cybersecurity and Connectivity Partnership (DCCP) to the region, modeled on the work the initiative has already accomplished in Asia. Under the DCCP, U.S. Government agencies promote open, reliable, and secure communications networks in Latin America and the Caribbean, one critical area where prosperity and security intersect. I joined Deputy Secretary Sullivan and Senior Advisor Ivanka Trump last year in South America and saw firsthand the lives of women entrepreneurs transformed through financing through the W–GDP 2X Initiative.

SECURITY

Chinese influence in the Americas is particularly strong in information and communications technology (ICT). Chinese companies like Huawei and ZTE have significant market share in their respective industries in many parts of the region, and they are aggressively expanding with mass advertising campaigns and promises of investment and job creation. The United States works with Latin American and Caribbean countries on ICT issues, and our well-established concerns with Chinese companies focus primarily on their security implications. Increasingly interconnected countries, economies, and communities are vulnerable to interference if the companies managing their networks do not follow the law or adhere to international norms. This threat is especially great in emerging 5G networks.

Most Latin American and Caribbean countries are still focused on expanding 4G networks based on significant previous investments. Some, however, are eager to make space for 5G deployment and will hold spectrum auctions within the next year. With 5G in Latin America and the Caribbean still in its infancy, we have an opportunity to ensure the region understands the risks of Chinese vendors and the availability of trusted alternatives. Chinese firms might offer attractive technology and pricing, but they create opportunities for the Chinese government to tap into—and exploit—data flows, including sensitive political, business, and military information. Companies such as Huawei deny their intention to misuse the information they manage on a daily basis, but Chinese law clearly states the obligation of all of its companies to subordinate themselves to the State. Numerous independent news reports have detailed the willingness of Huawei officials to assist repressive regimes in spying on political opponents.

We also are working with our regional partners on the security risks of Chinese surveillance technology, which even democratic countries like Uruguay and Argentina have installed. We remain concerned about the Chinese government's attempts to export advanced surveillance and monitoring systems as part of a broad effort to spread its authoritarian model and influence foreign countries. Chinese companies like Huawei and ZTE are selling, loaning, or transferring to foreign governments so-called "smart city" and "safe city" systems—a broad array of surveillance and monitoring technologies, including cameras with facial recognition and artificial intelligence systems. These systems can be used to monitor individuals and potentially violate human rights as the PRC is doing now, for example, in Xinjiang. Latin American governments that accept Chinese projects need to be vigilant about the potential for similar surveillance technology to be included without protections for civil liberties.

We continue to draw media attention, coordinate with our partners in the region, and conduct outreach with regard to the PRC's fishing practices off the Ecuadorian EEZ surrounding the Galapagos and elsewhere in our region to pressure the PRC to impose strong governance over their distant water fishing fleet. The massive Chinese fishing fleet that has been operating on the highs seas off the Ecuadorian EEZ surrounding the Galapagos this summer appears to be leaving the area for the year, but given its extractive capability, we are working with our partners to prepare for when the fleet returns in future seasons, as it has for many years. Some of these Chinese-flagged fishing vessels were reportedly disabling collision avoidance transponders and leaving marine debris. Fishing authorities continue to seek concrete evidence of any illegal fishing connected to the Chinese fleet. The United States is supporting and encouraging this effort through regional cooperation to combat illegal, unreported, and unregulated (IUU) fishing, such as improving monitoring, control, and surveillance related measures of the South Pacific Regional Fisheries Management Organization charged with managing the region's fishery. The U.S. Ambassador to Ecuador traveled to the Galapagos earlier this month and met with government officials, NGOs, researchers, and others in order to bring focus on IUU fishing and maritime issues. The U.S. Coast Guard cutter Bertholf was part of a military maneuver (passing exercise) with the Ecuadoran Navy that took place near where the Chinese fleet was located. NGOs are organizing and providing equipment, funds, and boats needed in Galapagos National Park to detect and intercept illegal fishing vessels in the Galapagos Marine Reserve. This is about the rule of law, transparency, and the harmful exploitation of the environment of our region.

DEMOCRATIC GOVERNANCE

Support for democracy and human rights is a pillar of U.S. engagement in our overwhelmingly democratic hemisphere. With engagement and programs, we continue to support civil society, counter corruption, boost investigative journalism, strengthen oversight of procurement processes and tenders, and support regional democracy. China has directly contributed to regional instability and corruption by

bankrolling the illegitimate dictator of Venezuela, Nicolás Maduro, with more than $62 billion in loans between 2007 and 2017. As Secretary Pompeo noted, China's treatment of Muslims, including the Uighurs, in western China is an enormous human rights violation, and we will continue to raise the issue, highlighting how the Chinese Communist Party's values clash with those of our Latin American partners.

WORKING WITH DEMOCRATIC PARTNERS: JAPAN, TAIWAN, ROK

Working with democratic partners from Asia—including Taiwan, Japan, and South Korea—is an important tool to raise awareness of China's malign activities and promote transparent private investment in the region. In August 2019, we launched the U.S.-Japan Dialogue on Latin America and the Caribbean. We agreed to operationalize an existing OPIC–JBIC MOU to co-finance an infrastructure project in the region. Latin America has the largest regional contingent of countries that recognize Taiwan: nine out of Taiwan's remaining 15 diplomatic partners are in Latin America and the Caribbean. We see China pressuring these countries with financial incentives to flip diplomatic recognition to Beijing. Maintaining the status quo in terms of Taiwan's diplomatic relations is a top priority, and we are finding innovative ways to support Taiwan's position in the region. Last year, we organized an October 16 "Friends of Taiwan" roundtable for Taiwan's nine Western Hemisphere diplomatic partners to discuss what is working, and what needs to change, for them to maintain ties with Taiwan rather than the PRC, the first time we ever held such a meeting. We partnered with Taiwan to bring its Global Cooperation and Training Framework (GCTF) to Latin America and the Caribbean in September 2020, to highlight the benefits of welcoming Taiwan's expertise into the region. Although COVID–19 required a shift to a virtual format, the first session, the U.S.-Taiwan Workshop on Digital Economy and COVID–19 Response, took place on September 8 with over 200 participants from 25 countries. This was the first time this flagship U.S.-Taiwan-Japan development assistance training program has been held in the Western Hemisphere. GCTF participants are drawn from countries that recognize Taiwan, countries where Taiwan maintains unofficial relations, and countries we believe are interested in expanding ties with Taiwan.

I have traveled so far to Argentina, Belize, Brazil, the Bahamas, Costa Rica, El Salvador, Haiti, Paraguay, and St. Lucia to promote our shared values and hold public meetings with ambassadors of Taiwan, Japan, and South Korea, government leaders, journalists, the private sector, and especially the youth. Together we raise awareness of the dangers of malign Chinese engagement—stressing good governance, the environment, worker rights, freedom of expression, privacy, debt sustainability, and sovereignty—and we encourage local voices to speak up. The need for this engagement with our partners remains crucial as we have seen the PRC attempt to increase its outreach and rewrite the narrative in the Hemisphere during the COVID–19 pandemic. Our partnership based upon shared values with countries in the region will be a key to returning the region to economic health and prosperity following the crisis.

PUBLIC DIPLOMACY

Our public diplomacy advances the fourth pillar of our regional strategy—a Hemisphere that continues to embrace U.S. values and leadership—by forging relationships that reduce the space for China to spread its malign activities. We have several successful programs that are building these bonds for future generations. The Young Leaders of the Americas Initiative (YLAI) expands ties between emerging entrepreneurs and U.S. counterparts to support job creation and economic growth. The Department's Academy for Women Entrepreneurs (AWE) provides women the knowledge, tools, and networks they need to turn their ideas into successful businesses. And the very successful 100,000 Strong in the Americas (100K) Innovation Fund, a public-private partnership, supports educational exchanges that strengthen the links between education, workforce development, and social inclusion to address opportunity gaps.

Our exchange programs, extensive network of American Spaces and American Space partnerships, and robust offering of post-identified and managed small grants all help foster and deepen U.S. relationships with influencers and target audiences. The Global Engagement Center (GEC) supports our efforts to address propaganda and disinformation in the Hemisphere by providing original research and working with U.S. public diplomacy officers in the field. The PRC has recognized its cultural capital deficit in the region and attempted to duplicate our playbook, making huge investments to expand its network of Confucius Centers. These networks allow the PRC to increase its cultural influence in the Hemisphere and to send thousands of

young people to China on academic and professional exchanges. But we will not cede to the PRC the next generation of leadership in our Hemisphere. From my meetings with young hackathoners in Haiti to women entrepreneurs in the Bahamas to student activists in Nicaragua, this is the generation who turns to the United States for our innovation, opportunity, and values. This is the time to strengthen our public diplomacy strategy so we remain well positioned for generations to come. We must remain engaged in the Western Hemisphere, and our diplomats in the field and those who support them in Washington both need and appreciate your continued support.

The CHAIRMAN. Thank you, Secretary Chung.

We are now going to do a—as advertised, a round of 5-minute questions, and it will be done on the seniority basis, due to the fact that members are attending virtually.

First question I have is—and anyone can take a shot at this—if you can tell me what—the new EU–U.S. dialogue on China that is coming down the pike, where are we in the planning stages, and what is estimated to be the—well, when the first dialogue will occur?

Ambassador REEKER. Thanks, Mr. Chairman. I saved this for your question, and kept it out of my spoken remarks.

As you know, the High Representative/Vice President of the European Union, Mr. Borrell, proposed this dialogue. It was shortly after the Secretary had joined the Foreign Affairs Committee of the EU during the summer, and we have spent the last couple of months working out the parameters of this through our Mission in Brussels, through the EU Mission here in Washington, and in direct contacts. We developed a set of pillars that we plan to focus on: recovery, of course, from the pandemic; focusing on reciprocity steps; and then resilience—how do we deal with supply chains and other things? Disinformation is a major topic that everyone has said we need to discuss. And, of course, human rights. The Europeans have also suggested we include a discussion on international organizations and Chinese efforts to dominate those, and then just share our experiences in dealing with China. So, the idea is to have a forum where we can really review all aspects of the Chinese presence in Europe, globally, and how we deal with that.

The Secretary and High Rep. Borrell plan to kick this off. We are looking for a date in the near future, trying to do scheduling. I think we are resigned to the fact that this may have to be virtual instead of in person, just given the pandemic requirements. And then we will go from there to other levels of engagement. The Deputy Secretary has also agreed to participate. He has had a number of conversations with his counterpart, Helga Schmidt, at the EU. The political directors of all of the EU member states will gather and have this on their agenda at the end of the month, under the German presidency. And that is an opportunity for, then, the member states to engage, as well. As you know, with the EU, we have to look at both member-state experiences as well as overall Brussels approach.

So, there are a number of fora there. Like I said, I hope we can kick this off, if not at the end of this month, early next month, and see this as a long-term project that engages in a formal structure several times a year, and at working-group levels, as well, so that we can really exchange ideas, experiences, and strategies, going forward.

The CHAIRMAN. Thank you. I do not think anyone would disagree that this is going to be a long-haul project, versus instant gratification.

Senator Menendez.

Senator MENENDEZ. Thank you, Mr. Chairman.

Deputy Assistant Secretary Chung, as you know, I and members of this committee introduced bipartisan legislation last month to strengthen U.S. competitiveness in Latin America and the Caribbean, and to address China's economic, security, and intelligence engagement. I believe that our efforts on this bipartisan basis are complementary. ACTSA requires the Departments of State and Treasury to provide technical assistance to regional partners to help them safeguard their infrastructure from predatory foreign investments, similar to the Committee for Foreign Investment in the United States, CFIUS. Can you tell me what initial steps have been carried out on this front?

Ms. CHUNG. Thank you for your question, Senator.

On CFIUS and investment screening, this is something that is a very important issue throughout the region, and throughout the world, of course, and we thank you for the ACTSA bill. We will consider that—the details of that, and discuss with our staff on some feedback regarding that bill.

But, in terms of CFIUS and investment screening, we have extensive engagements in the region. We have been sending technical delegations to countries in the region to explain how public procurement processes and transparent processes work. We have helped governments build that capacity through the America Crece Initiative. We have ten MOUs now signed with countries throughout the region, and that is part of the tool to use in addressing the corruption issues that China is bringing to the region. How do we ensure the countries have the right tools in place, the practices in place, the procurement practices and regulatory framework so that private-sector companies will want to come and invest in those countries and ensure they have a level playing field?

Senator MENENDEZ. Thank you.

Ms. CHUNG. So, we are working through the America Crece Initiative.

Senator MENENDEZ. Thank you.

ACTSA also strengthens the DFC's engagement in Latin America, and authorizes additional eligibility for Caribbean countries. Can you briefly outline how the Administration prioritizes DFC engagement in the region?

Ms. CHUNG. Thank you, Senator, for the question.

DFC has been a wonderful tool and resource that we have been able to now utilize more than ever and, from the former OPIC's utilities, now expanding that broad—a broader base in Latin America and the Caribbean. So, DFC, in our vision, has already invested, and has pledged to invest $12 billion in just the Western Hemisphere, alone; and, in Central America, $3 billion. So, it is already invested in Central America—in El Salvador, for instance, on an LNG project, and other projects that are forthcoming. But, we are working strategically with DFC to ensure that these are strategic, that they have purpose, and that they bring the right competitiveness and transparency to the region.

Senator MENENDEZ. ACTSA also requires a designation of a China Engagement Officer at the Western Hemisphere Embassies to report on China's presence in the region. Can you briefly outline for us the reporting officers you have in the region?

Ms. CHUNG. Thank you, Senator.

We do have one China officer, China—officer based in the Western Hemisphere, in Lima. We just got approval to get three additional positions in the region. So, we are very excited to be placing those three positions in Panama, Uruguay, and Barbados.

In addition to that, every Embassy in the Western Hemisphere has a China Working Group who does regular reporting through our cable channels, and we coordinate all the messages throughout the Western Hemisphere in our monthly message.

Senator MENENDEZ. And finally, ACTSA requires the executive branch to provide our regional partners with assistance on cybersecurity and cyber defense. Can you briefly outline any initial efforts in that regard?

Ms. CHUNG. On cyber issues, we have two very new initiatives that we took from the Indo-Pacific that we are now launching in the Western Hemisphere. One is the DCCP, the Digital Cybersecurity Partnership. Now, that was only planned for the eastern—for the EAP region. But, realizing the importance of cybersecurity and 5G issues in the Western Hemisphere, we launched this for the first time now in our region, with an initial investment of $10 million. But, this will provide for cybersecurity training and shared—best shared practices, and working with our partners to make sure they are aware of the cyber issues and have the right tools to address them.

Senator MENENDEZ. Well, I appreciate your responses. And it is good to see that our bill and the Administration's initiatives are mutually reinforcing. I will look forward to working with the Chairman, hopefully, to schedule a markup on ACTSA so we can have congressional support for some of these initiatives.

Secretary Stilwell, as you know, authoritarian nations, such as China and Russia, are utilizing emerging technologies in new ways to surveil and repress both domestic and foreign populations, as well as manipulate democratic elections. Furthermore, these countries are now spreading their models for digital authoritarianism to other countries who may be attracted to these new modes of social control. What is the Administration's strategy to counter the spread of digital authoritarianism in the malign use of digital products and services in the Indo-Pacific?

Mr. STILWELL. Senator, thank you for that question.

As my colleague from the Western Hemisphere noted, that this strategy is not limited to EAP, but it has been throughout—globally. We have been executing this effort to take down things like Hikvision, DJI—these names are all well known to us because we have been shining a light on these activities that would otherwise seem benign but are, in fact, nefarious.

The most recent, I think you will find you have seen is identifying apps, seemingly innocuous—TikTok and others—as—for what they are: massive collection platforms for information used by the Chinese Community Party. I will point to—yesterday, New Zealand discovered that their Prime Minister had been targeted by this.

So, the strategy involves not just focusing on China, itself, but helping the world defend from these things. I think you may remember, Keith Krach and I, confirmed together 18 months ago, and he has been leading the way on many initiatives—the Clean initiatives—you have heard that series already—that also bring all these ideas into one place. And he is uniquely qualified to talk about digital security.

Thank you.

Senator MENENDEZ. Well, I am happy to hear from him in the future.

I will just simply say, I was more focused on digital authoritarianism, the use of technology to try to control people, and nations that seem to be following China's lead and accepting China's technology. So, I would love to hear from that, for the record, as soon as you can.

Senator MENENDEZ. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Menendez.

And I think you hit on a really important issue on the cyber matters regarding control of massive groups of people. This is a technology that is right in the wheelhouse of those authoritarian countries that want to do that. So, I think that is really important that we focus on that. So, thanks for that line of questioning.

I am told Senator Johnson is with us virtually. Is that true?

[Pause.]

The CHAIRMAN. Apparently not.

[Laughter.]

The CHAIRMAN. Let us—but, the next one on my list is Senator Gardner.

Senator GARDNER. Hey, Chairman Risch. Thank you very much for this.

And thank you, to the witnesses, for testifying today.

As Chairman of the Senate Foreign Relations Committee, Subcommittee on East Asia, the Pacific, and International Cybersecurity, we have obviously been working with our colleagues on efforts to shape new policy toward the Indo-Pacific. China is now an emerging global power that is broadly challenging the United States in nearly every domain—military, economic, technological, and ideological. China now intimidates countries across the globe, leverages its economic largesse to coerce large and small countries, alike. It has embarked on an initiative to seek submission and domination.

China's "Made in 2025" policy has leveraged cyber industrial espionage and coercive technology transfer practices, with the aim of dominating the global market share of critical future technologies. Their Belt and Road Initiative cultivates economic and political dependence, and threatens participant sovereignty. Beijing's military modernization programs comprise the most rapid military buildup in history, threatening the stability and security of the most prosperous region of the world. It is more important than ever to ensure the United States maintains leadership in the Indo-Pacific region and beyond, reaffirms alliances, bolsters economic links between the world's advanced democracies, and promotes human rights and the rule of law.

Now, the Administration and Congress must be united on implementing a long-term strategy that will benefit the American national security interests, promote American businesses, and create jobs through trade opportunities, and project American values of respect for the human rights and freedom for—respect for human rights and freedom across the globe. This includes countering China's malign influence, from the Indo-Pacific to Europe to the Western Hemisphere. In addition to maintaining a strong military that deters Chinese coercion and expansionism, the U.S. must pursue a strategy that secures U.S. technological primacy and economic security in the coming decades.

Legislation like my Asia Reassurance Initiative Act ensures that the United States Government will speak with one voice to reassure our allies that we will continue to lead militarily, economically, and technologically in the Indo-Pacific region. As we recognize the increasingly global nature of this competition with China, it is more important than ever that we continue to lead the free and democratic countries of the world, and shape the global economic and security landscape.

The first question I would ask—Secretary Stilwell, if you would like to do this—ARIA incorporates and elaborates on the Administration's Indo-Pacific Strategy, the defining element of which is the enduring United States commitment to uphold international law, to maintain an Indo-Pacific that is free of coercion, military, economic, or in violation of basic human rights and freedom. Could you talk about how this Administration has implemented ARIA to work with the allies to promote that networked vision of security cooperation and counter Chinese coercion? Talk a little bit about how the free and open Indo-Pacific and—strategy can better be—better be adopted by our allies throughout the region or other countries throughout the region that may be hesitant to be caught up in a great-power competition, and how we can make sure that we are upholding a free and open region.

Mr. STILWELL. Senator, thank you for that. And it is good to see you virtually.

Senator GARDNER. Good to see you, man.

Mr. STILWELL. The great part about all of this is that the—ARIA and on—much of the legislation comports quite well, aligns and meshes well with the Indo-Pacific Strategy. You know, that tells the Chinese that Congress and the Administration, on both sides of the aisle, are absolutely aligned on the large majority of these efforts.

Executing this is much easier if we do it in networks, if we do it, as you say, in groups. And I can point out any number of examples in the region, but outside of the region as well. You have seen India has come on very strong in this regard. The concept of the Indo-Pacific has incorporated India into the larger solution. Getting the word out matters. I have been very encouraged by our colleagues in Europe that have understood the threat, have come to, not just understand it, but act on it if you have seen very positive activity that—you heard Minister Borrell may say some very helpful things. A number of other folks in Europe have come on strong in this regard. And it is only going to continue. And that is because we are doing this as a group effort, and not as a one—as the U.S.

by itself, and we are not doing it as just the Administration. It is the entire government doing it.

So, we welcome legislation like ARIA and all the cooperation between the Administration and the Congress.

Thank you.

Senator GARDNER. Thank you, Secretary.

Beijing's hostility toward Taipei has been counterproductive, obviously, and dangerous. The international community in Beijing are progressively realizing that Taiwan and China are on different trajectories and espouse wholly incompatible systems of governance and values. And so, building on the longstanding bipartisan support in the U.S. Congress for Taiwan and the Taiwanese people, my Taipei Act, which recently passed into law, expands Taiwan's links with the international community and its presence in the global organizations.

You talked about that in your opening statement. But, how important do you think something like a bilateral trade agreement with Taiwan is? And what do you think the economic benefits are? And can we see progress on that from the Administration in the coming weeks and months ahead?

Mr. STILWELL. Senator, that is a very important point. As you see the—Keith Krach, again, who I just mentioned, is in Taiwan right now to celebrate the life and legacy of former President Lee Teng-hui. And the relationship with Taiwan—one, our goal is to comply with the law. That Taiwan—that law is the Taiwan Relations Act and the Taiwan Travel Act and the Taipei Act—all these things, to make sure that we allow Taiwan the space—international space to deal with its larger neighbor to the west in a way that resolves their differences through dialogue and not through coercion—we mentioned taking—picking off partners in the past—not through coercion or definitely not through use of force. And so, cooperation between the Administration and the Hill on things like arms sales and the rest are, one, completely in line with all of our agreements; and, two, ensure that this—that the situation, the issue between the mainland and Taiwan is resolved peacefully.

Thanks.

Senator GARDNER. Yeah.

And, Mr. Chairman, how am I doing on time? Am I still—do I still have time left, or have I run—I am sorry.

The CHAIRMAN. Not so good.

[Laughter.]

Senator GARDNER. Thanks, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Gardner. We appreciate that.

Senator Cardin is somewhere out there in cyberspace, apparently. Am I right?

Senator CARDIN. I am right here, Mr. Chairman.

The CHAIRMAN. All right.

Senator CARDIN. Thank you very much.

And I thank all of our witnesses. This is a critically important hearing.

China presents so many challenges to the United States. We have human rights issues, where they violate the rights of their own citizens, the Uyghurs being a prime example. There are many

other examples that are of great concern to us. They violated their agreement in regards to Hong Kong, the one country, two systems. I have joined with Senator Rubio and others in a bipartisan effort to make it clear there will be consequences to that violation of international agreements. They represent direct security threats on what they are doing in the China Sea. They always raise an issue as to the security of Taiwan. And the list goes on and on and on.

But, I want to use my time to follow up on our own hemisphere, as the Ranking Democrat on the Western Hemisphere, to talk about China's influence in our own hemisphere. And I will follow up on the points that Senator Menendez made during his opening statement, during his questioning.

The United States should have a strategic advantage over China in our hemisphere. We have historic ties. We have cultural and geographical ties; we have a history. We are the preferred partner. However, we have seen some really disturbing trends in recent years. The Belt and Road Initiative: 19—19 Latin American and Caribbean nations have entered into economic agreements with China. We look at, on the health front, Brazil, with COVID–19 vaccines. We look at the community of Latin American and Caribbean nations, the CELAC, they have entered into a 5-year cooperative agreement with China. And we know that China wants to use its economic power to undermine our economic system so that they determine the rules of international engagement, rather than in market economies, such as the United States. So, we have joined, in a bipartisan effort, as Senator Menendez said, the United States, in the Advancing Competitiveness and Transparency and Security in the Americas Act. Senator Menendez, Senator Rubio, Senator Cruz, and Senator Kaine—we have all joined together.

So, my question to Secretary Chung is, what can we do? What are we doing now, recognizing that China has made unprecedented inroads in our own hemisphere, to shore up the economic ties? And how can you work with Congress to make it clear that this is an all-U.S. effort, that there is no division here in our commitment to have closer ties with the countries within our own hemisphere?

Ms. CHUNG. Thank you for your question, Senator.

First of all, in terms of the—during the COVID era, we have seen China, again, deliver masks, PPEs. Some of it faulty. Some of them had to be returned. So, going back to the question of, Can you trust what China delivers? While the United States, we provided over $20 billion globally for the COVID effort, and $140 million just in WHA, the Western Hemisphere. That includes PPEs, lab equipment, detection, and also 3,000 ventilators.

Now, beyond the immediate donations, which address the immediate needs, we are looking farther down the road. How do we help in the economic recovery efforts? And that is where, Senator, when you talked about the whole-of-government effort, our America Crece Initiative, the Growth of the Americas Initiative, comes in. We want to help these countries, because we expect, in 2020, a GDP decline of 9 percent due to the COVID and ongoing issues. How do we help them recover in a way that is transparent and long-lasting and sustainable? So, through the America Crece Initiative, we bring in whole-of-government, all the interagency together, and we are forging new relationships through DFC, through invest-

ment agreements, through further discussions on, How do we develop the trade frameworks within these countries so that we can have long-lasting relationships and economic growth beyond the immediate needs of the COVID pandemic?

Senator CARDIN. Let me make two other suggestions that might help in this area.

One is the U.S. participation in the OAS. We passed, in our committee, legislation that would strengthen the parliamentary role within the OAS to make it clear that this is an organization that we can better utilize to improve America's influence in our own hemisphere. We are members of the OSCE, as I am sure you are aware. Our participation there has made a much stronger relationship between Europe and the United States on the basic principles of our Nation. And I think we can do the same within OAS. And I do not think it has been used as effectively as we need to.

And the second point—I get your response to both, if I might—is the Caribbean nations. There are many Caribbean nations. They are relatively small. And it does not take a lot of attention to make sure that we have their support on the global community within the United Nations and in our own hemisphere. We found, within OAS, we did not get the type of support we wanted from the Caribbean states. So, it does not take a lot of attention. And China is giving them that attention, and the United States is not. So, I would just urge us to recognize that we can do a lot more with a relatively small amount of funds in some of these small island states.

Your response?

Ms. CHUNG. Thank you, Senator.

On the OAS, we have seen it as a multilateral institution that actually works now. Under the leadership of Ambassador Carlos Trujillo, we have engaged, revived the ability of the members to speak up against the democratic—anti-democratic forces in Venezuela, Cuba, and Nicaragua.

And another way that we are trying to utilize the OAS is to provide space for Taiwan, our partner in the region. Last year, we had a humanitarian assistance conference for Venezuela that was held at the OAS. And we were able to get Taiwan's head of the TECRO to come deliver remarks at the Hall of the OAS and announce a $500,000 donation to the Venezuelan humanitarian effort. That is unprecedented, to have Taiwan be there, and that probably made our friends in Beijing very unhappy. But, again, we are trying to provide that space for Taiwan as well as other democratic actors in the region.

Another area where we have provided that space is through the Inter-American Development Bank, IDB. This is where China provides .004 percent of the contributions, and yet last year China tried to demand that, when it hosted that meeting in Chengdu, that (a), that Guaido's representative—President Guaido's representative, would not be welcome; and (b), Taiwan's representative would not be welcome. And Taiwan is an observer to the IDB. So, the region, and in concert with the United States, pushed back on China's attempts to try to create its own rules and regulations in an international body, and it was rejected, and the meeting was not held in Chengdu. It was held in Ecuador instead.

So, these are some examples where we can use a multilateral organization space to work together with our allies to speak up.

In terms of the Caribbean, as I said earlier, Secretary Pompeo is in the Caribbean today. He is on the flight right now to Guyana and Suriname, onwards to Brazil and Colombia, but two countries that recently held successful democratic elections, and to reinforce our partnerships and our long-lasting relationships with the Caribbean. Last year, I joined Deputy Secretary Sullivan at SOUTHCOM with Admiral Faller and inviting all the Caribbean members to a resilience conference to talk about how the countries can work together with the United States to combat disaster resiliency in the face of hurricanes. And we continue to engage the Caribbean to the Caribbean Security Initiative and the 2020 U.S.-Caribbean Partnership in many ways across the region. And, in addition to that, the Caribbean also is home to four countries that have diplomatic relations with Taiwan. So, we continue to reinforce those relationships, and Taiwan is closely monitoring and enhancing their relationships with those countries, as well, in recognition that Beijing is constantly trying to flip those countries.

The CHAIRMAN. Thank you——

Senator CARDIN. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Cardin.

We will now move to Senator Romney, who is supposed to be with us virtually also.

Senator Romney.

Senator ROMNEY. I am with you virtually. Thank you.

And I want to begin by expressing my appreciation to the members of this panel for the work that you are doing in our behalf. I think it is perhaps the most important work that is going on in our government, because I think the issue of our decade, and perhaps beyond that, is going to be how to deal with the emergence of China as a great power. And they would hope to become the greatest and only great power. So, I salute your work.

I just want to underscore a few things I think we know. We know that China's GDP will surpass our own by a lot, just given the size of their population, ultimately. We know that, at this stage, their procurement is pretty close to equal ours. Military procurement, that is. And so, in the future, with a greater economy, they will be able to substantially out-invest us, in terms of procurement. We know that, geopolitically, they are rising, and we are not. They are lining up people to support them. People who, in the past, have not supported them are now coming to their side. That is, in part, because they see where the power goes. Friends often go where they believe their interest is going to be best protected. And, as China becomes stronger, we may find that they are able to collect something which they have never had before, which is friends.

I think President Trump, by the way, was right to confront China and to push back against their trade practices. I think he made a mistake by not doing so in collaboration with our allies, and being able to have much more clout pushing against them. I think Secretary Pompeo was right to have spoken so forcefully to awaken our allies to the threat posed by China and to encourage a collaboration with them.

I would also note that many of us have very great concerns about the human rights abuses going on in China, the outrageous treatment of minorities, the Uyghurs, people of religious faith, the people of Hong Kong. It is simply extraordinary. We also see their activities in the South China Sea with great alarm.

But—it is my own view, but it is very unlikely that they will change these practices in a very significant way until they feel pain. And the only pain that we are going to be able to exert, other than words and people decrying them, would be economic pain. And so, the question that I would ask with regards to our panel, and Secretary Stilwell in particular, is, are our allies and other nations that are—that follow the rule of law, whether, you know, India, Japan, South Korea, the EU—are they poised to combine, at some point, and to develop a collaborative trade policy which will exert such pressure on China that they will be diverted from the course they are on and move towards a—comporting with the international order? Are we there? And, if we are not there, what do we need to do to get there?

Mr. STILWELL. Senator, thank you for that great question.

It is—it pretty much encapsulates my entire time in this job and a lot of success that we have seen in this regard, in getting others to find their voice. I mentioned, the Europeans, of late, after Wang Yi's not-so-successful tour, have also begin to acknowledge the problem.

As we all know, China uses its economic clout as a cudgel to force countries to do things that are not in its own interest. And the way many portray this in this new great-power competition is the simple act of talking about it, transparency. Because we know the information environment inside the PRC is clogged, it is one way—you know, those who speak out, like Dr. Li Wenliang, who pointed out the problems with corona, are oftentimes squelched. And that is because the government fears transparency. They do not want to be seen, what is happening in Xinjiang.

And so, we identify that this is a values issue, where they are using slave labor to produce things that we appreciate here in the West. And I think those of us in the free world are smart enough to take action—economic action to address this sort of behavior. And so, you have linkages between economic interest and values and who we are. And the United States—Secretary Pompeo, the President—have all been very vocal about this, as you said, is to connect those two.

What you have—the result of that, then, is, you have got companies leaving China. You know, when you arrest Australian reporters—or you threaten to arrest them because of something that is happening in Australia, you now have zero Australian reporters in the PRC. You can imagine, businesses are going to feel the same thing with this new national security law. Article 38 says that if you have said anything derogatory about the PRC or about the government, that you are subject to arrest. All these things work against that juggernaut that you described, Senator, of this inevitability of Chinese domination of the global economy. And, at the same time, we are seeing great work and cooperation on the economic side. Again, Japan, $2 billion to re-shore out of Taiwan—

TSMC, the world's greatest chip manufacturer, looking to re-shore here into Arizona, creating American jobs.

So, I do not think it is as inevitable as they would make it sound. I do think the U.S. has been able to generate cooperation with allies, partners, definitely in the East Asia Pacific region, and elsewhere, as everyone recognizes the threat.

Thank you.

Senator ROMNEY. Thank you, Mr. Secretary.

The CHAIRMAN. Thank you.

Senator ROMNEY. My—I know my time is up. I just want to underscore, I believe the importance of combining with these other nations on a collaborative basis to confront China.

Thank you.

The CHAIRMAN. Thank you. I appreciate it.

For those of us that are attending via the Internet, I would appreciate if you would put a clock in front of you for the 5 minutes. There is—we have heavy attendance today, and everybody wants a shot at this, so to—for respect of fellow members, I would appreciate it if those of you who are not here with the clock in front of you, like those of us that are here have, if you would have your staff or someone keeping track of that, we would—all of us would greatly appreciate that.

Senator Shaheen, who is not with us digitally, welcome.

Senator SHAHEEN. Always in person, Mr. Chairman.

The CHAIRMAN. Thank you.

Senator SHAHEEN. Thank you, to each of our panelists, for being here. We really appreciate your insights.

And, as you all and my colleagues have said so eloquently, China certainly represents a threat to the United States, both economically and militarily.

Ambassador Reeker, economic and governance circumstances in the Western Balkans really make that region particularly appealing for China. Can you talk about what we are doing? What is our strategy to address China in the Western Balkans?

Ambassador REEKER. Thank you, Senator Shaheen. As you know, it is always a pleasure for me to discuss the Western Balkans.

Senator SHAHEEN. I knew that.

[Laughter.]

Ambassador REEKER. And we have really seen, I think, some great developments there. As I mentioned in my remarks, as we have discussed across the panel today, China poses a threat in that region, as well, where they seek to divide these small countries from their Western orientation. But, we have, as we do with all of Europe, been engaging to make them aware of the threat and the challenge, the problems with the Chinese debt diplomacy. And we focus on reciprocity and resilience. And, for us, in the Western Balkans, as you are keenly aware, we focus on helping all of those countries expand their Western orientation. We have seen great success there; Northern Macedonia becoming, in spite of the virus this year, the 30th member of NATO. Prosperity begins with security. We think expanding the NATO alliance to include those countries, like Montenegro, as well, just a couple years before, has been a very positive step.

The Three Seas Initiative was developed by countries, a dozen countries in the Central and Eastern European region, to provide alternatives, particularly in a north-south direction, for trade and infrastructure. And we have stepped in to support the Three Seas, not as a member, but as an interested partner. And Secretary Pompeo outlined, as I mentioned, that the Development Finance Corporation is offering up to a billion dollars in matching investment funds for opportunities throughout that region.

So, we continue to engage with them. And you have seen, recently, the great strides that were made between Serbia and Kosovo in their long-term problem, which has hindered the whole region, by focusing on the economic side, through the great efforts of the White House and Special Presidential Envoy Grenell bringing the leaders together, not to tackle the most difficult neuralgic issues of recognition, but focusing on things they could do to normalize economic relations between Serbia and Kosovo. And that has given us some new opportunities, as well.

Senator SHAHEEN. Can I—I am sorry to interrupt, but—and perhaps Assistant Secretary Stilwell would like to weigh on this—but, Serbia has actually become a key partner for China in—and actually has opened an innovation center with Huawei for digital transformation. So, do we have a strategy for addressing Serbia and the other countries' interest in partnering with China on Huawei and those investments that China might be making in that area?

Ambassador REEKER. Go ahead.

Mr. STILWELL. Senator, yes, we do. It—I mean, look at the work with the UK and helping them understand the downside of—and national security risks with that. Look at——

Go ahead.

Senator SHAHEEN. [Inaudible.]

Mr. STILWELL. Okay. So, the strategy is transparency. These decisions are made in a nontransparent way by, you know, incentives and—call it "bribes" with these leaderships of these countries to make decisions that are not necessarily in the interest of their own people.

And so, we have focused heavily on making these sorts of transactions more transparent.

Senator SHAHEEN. And so, what, specifically, has been our success in Serbia? Have we been able to get the Serbs to help us with the transparency piece?

Ambassador REEKER. I think it is a work in progress, Senator. I think the more we can build our relationship with Serbia and help them understand that we are open to their interest in being more and more a part of the West, they will come to see the same things other European countries are realizing: who are the partners they can rely on, what are, you know, trusted vendors, in terms of developing high-tech infrastructure, the 5G Prague proposals, for instance, which set out parameters for dealing with high tech. The European Union has developed its own security toolbox. Serbia keeps an eye on these things, and it is something we need to let them come to that realization that there are options.

Senator SHAHEEN. Well, as we talk about trust and reliance, what kind of challenge does it present for our partners in Europe when we do things like remove troops from Germany without con-

sulting with our partners before making that decision? Does that undermine our reliability with our partners? And what does that say about our ability to get cooperation when we are combating China?

Ambassador REEKER. As you know, I spent some time at European Command prior to taking over this job. And we were then already focused on the challenges, as outlined in the National Security Strategy, of great-power competition, including China. I think the real message that we have sent to partners is evident, for instance, in the December 2019 NATO Leaders Statement out of London, where we declared, for the first time, that NATO should address opportunities and challenges of China stemming from the PRC's growing influence.

We do this all together. We have been addressing things like force posture over time. I will leave that to my Defense Department colleagues to get into the details of that. But, I think we have got this, and we are getting it right. The eastern partnerships enhance forward presence. The things that we did in response to Russian threats, direct existential threats, we need to look at the broader range of threats, like cyber and hybrid, China being very much a part of that, as well.

And that is what we are doing collaboratively. I think we have actually strengthened the alliance. Certainly, you have seen the progress on burden-sharing and resources. And I think some of the steps we are taking on the force posture are really positive developments that reflect these kinds of more contemporary concerns that they have.

Senator SHAHEEN. Well, I am out of time, so I will not ask you the follow-up, but I am not sure I got an answer to my question about Germany.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Shaheen.

Senator Barrasso, are you with us?

No, I am told.

Senator Portman.

[Pause.]

The CHAIRMAN. Apparently not.

Senator Paul.

[Pause.]

The CHAIRMAN. Senator Young.

[Pause.]

Senator YOUNG. Mr. Chairman?

The CHAIRMAN. And who is that?

Senator YOUNG. Yeah, this is Senator Young. Am I jumping the gun, here?

The CHAIRMAN. You—we can hear you loud and clear, Senator. The floor is yours for 5 minutes.

Senator YOUNG. All right. Well, thank you, Mr. Chairman.

And, Ms. Chung, building on my colleague Senator Cardin's questions earlier, the Administration has repeatedly warned Latin America and Caribbean countries that China's economic engagement with the region may foster corruption and lead to unsustainable debt traps, as we have seen in other areas around the world. How have government officials, private-sector leaders,

and civil-society groups in the region responded to those accusations?

Ms. CHUNG. Thank you for your question, Senator.

As you have seen, China not only uses debt diplomacy and poor-quality infrastructure and nontransparent practices, but we see their investment hurting the environment, violating local labor laws. We have brought these issues to light with the region, raised it with our government counterparts, but also getting the voices out from local partners, local NGOs, local journalists, youth groups. That is where we see the power, when we have the regions speaking out for themselves about some of the concerns that China brings to the region.

One example is in Ecuador, the Coco Coda Sinclair Dam. As we know that the Chinese funded that under President Correa's term. That dam has 7,000 cracks, and they are growing every day. It has killed workers. It has displaced people. It has put people—villages out of jobs. It has, because of its corrupt nature, put people in jail. People have seen, in the region and throughout the world, the dangers of what Chinese investments can bring. Again, appealing at first—low prices, great terms; but, the long-term, the hidden costs are what people are understanding.

So, I think countries and governments are more aware of these dangers, more than ever, and taking a more cautious approach. Again, doing more due diligence. In the end, it is the governments that will decide whether or not to take such deals. But, the more that we have civil society and others speak out and see the ramifications of what Chinese investment means, beyond economics—again, to the environment, to labor laws, to society overall—I think that that understanding and that knowledge is growing.

Senator YOUNG. Yeah, that seems to be the key, you know, whether it is our bilateral negotiations and diplomatic relations or work—when we work through the IMF and other multilateral institutions, to the extent we can bring transparency to a lot of these decisions made by governments, that oftentimes leads to positive results.

How is the Administration using DFC, the Development Finance Corporation, and other forms of foreign assistance and incentives to strengthen U.S. partnerships and counter Chinese influence in the region?

Ms. CHUNG. Thank you for the question, Senator.

DFC is, again, a powerful tool that we have and think more strategically about our engagement in the region and in working with our partners. Just 2 days ago, DFC announced they would work in partnership with Taiwan to provide SME funding, financing, as—from the COVID recovery. And this was just announced as of——

Senator YOUNG. I am sorry, Ms. Chung.

Ms. CHUNG. I am sorry.

Senator YOUNG. I regret—you know, as—I said "in the region." I was sort of vague. But, again, in Latin America, in the Caribbean countries——

Ms. CHUNG. Yes.

Senator YOUNG. —are these tools, these instruments of diplomatic and developmental power being brought to bear in that region? If so, how?

Ms. CHUNG. Yes. And that is the importance of what I am—my point is that Taiwan and the United States are working together in Latin America. So, they announced financing to provide SME loan support for Latin America—the Central American region through the CABEI, the Central American Bank of Economic Integration. So, that is one example of where we are providing that funding into the region.

There is also a $26 million loan that DFC has provided to provide telecom towers in Peru and Ecuador, 500 telecom towers. And this addresses both our strategic interests as well as a 5G telecommunications interest that—where China is trying to take over and really control that sector.

And then, working with others to make sure that—working with the countries in the region to make sure that they have the right tools to be able to assess and do the due diligence through programs like America Crece.

Senator YOUNG. So, this demonstrates, your last point there, how this region, the Caribbean and Latin America, that whole basin, is really instrumental in countering China. You have 9 of Taiwan's 15 diplomatic partners located in that Caribbean basin region. And I am grateful for your efforts and those of your entire team to ensure that Taiwan has the wherewithal to counter Chinese nefarious activity. So, thank you very much.

Mr. Chairman, I yield back.

The CHAIRMAN. Thank you, Senator Young.

And Senator Coons, who is with us live.

Senator COONS. Yeah, thank you, Chairman Risch, Ranking Member Menendez, for this important hearing.

And thank you, to our witnesses.

China is, as we all recognize, the greatest foreign policy challenge the United States faces today, and how we engage with China will shape this century, our place in the world, and our role. And there is bipartisan recognition, we are better equipped to compete with China if we work closely with our allies and partners from around the world, in particular, who share not just our interests, but our values. And so, I want to commend Senator Menendez, Senator Rubio, and others, for the crafting and introduction of the ACTSA bill.

Senator YOUNG. So, I have been trying——

Senator COONS. Todd?

Senator YOUNG. —every day——

Senator COONS. Senator Young.

The CHAIRMAN. Senator Young, you are still with us.

Senator COONS. I will keep going, if I may.

The CHAIRMAN. Please do.

Senator COONS. I just wanted to commend the introduction of a bipartisan bill that recognizes the significance, the centrality of Latin and South America, which are not only closest to us geographically, but integral to our country's culture, our economy, our role in the world. And China's efforts to undermine or replace our relationships in this region, as well as in the Indo-Pacific, are concerning, even alarming.

There are positives. We have all talked about the DFC. The good news, I think, is that, in every region, we want to see more of this

powerful tool that can help advance transparency in American engagement. One of my real concerns is ways in which the Trump administration has enabled China's growing influence by threatening and, in some cases, succeeding in abruptly withdrawing troops or withdrawing us from international organizations. So, let me ask a few questions designed to get some clarity around that, if I might.

Mr. Stilwell—or Assistant Secretary Stilwell, if I might, just to put a point on that. The Administration reportedly weighed withdrawing troops from South Korea, a move that garnered bipartisan concern on this committee and on the Hill. Can you assure us the Administration is no longer considering a withdrawal of troops from South Korea, and that, if any such changes were made, it would not happen without close consultation with our allies and partners, as well as with Congress?

Mr. STILWELL. Thank you, Senator.

Of course, these issues all require cooperation, so—agreed, we will consult and—but, there is no discussion of that in the State Department.

Senator COONS. Thank you. I respect and recognize that the Administration is being forward-leaning in engagement with Taiwan. We are in a moment of great, I think, regional challenge. And I was wondering whether, as some commentators have suggested, there is some consideration of ending strategic ambiguity and clarifying our commitment to Taiwan, and whether, if there were to be a public change in that position, the—there would be consultation before that decision was taken.

Mr. STILWELL. Senator, that is a very good question. It has been one that has been very publicly discussed. I gave a speech, at the Heritage Foundation, on clarifying the Six Assurances. The rationale behind that is to prevent and reverse PRC's squeezing of China's international—of Taiwan's international space, and get it back into a position that looks something like what we agreed to in 1979 with the Taiwan Relations Act. And that clarification is important. However, this was not an indication of a change in strategy or policy. It was simply reversing what we have seen in—as far as picking off Taiwan partners, as far as keeping Taiwan from attending the World Health Assembly, which the one place that figured out corona first, and understood it best, were the people that could have helped out, had they been allowed to participate, and any number of other multilateral activities that Taiwan is allowed to participate in meaningfully. And so, we are working hard to clarify that.

Thank you.

Senator COONS. Thank you.

Ms. Chung, if I might, in the time I have got left. You mentioned the DFC being on track to deploy 12 billion in financing to Central America and the Caribbean. Tell me how State and USAID are coordinating. OPIC was long a piece of a development strategy. DFC has a broader range of tools and resources and reach. And I think, if we are to use the DFC as a way to advance our values, in terms of transparency and higher labor standards and higher environmental standards, there also has to be, internally, coordination with the USAID. How do you see that proceeding? And do you see any role for the DFC and for our presence in the region to directly

combat digital authoritarianism and strengthen civil society, as is urged in the bipartisan legislation, ACTSA, that was referenced earlier by the Ranking Member?

Ms. CHUNG. Thank you for the question, Senator.

In terms of USAID and State, we are in lockstep on our China strategy through the America Crece, which is an interagency effort, but also through USAID's Clear Choice framework that looks at governance, that makes sure that a procurement and civil society are all involved in the transparency efforts, and to bring those issues to light when we hear about opaque deals from China or any other country. So, we are very—we are working very closely. We are looking at USAID's programs and State programs to make sure we are closely aligned. And the programs I would do on anticorruption and civil society strengthening all go to build that space so that China's malign influence do not come and take over that space. So, we are very much closely aligned with USAID.

One example is in the illegal fishing area, which recently we saw in the Galapagos. USAID has programs with the World Wildlife Fund to do—to work on natural resource strengthening programs. That also enables local groups to be able to fight back when we see Chinese fishing ships come back into the region.

And, in terms of DFC and working on digital authoritarianism, there is no better example in the region than in Maduro's regime, the authoritarian regime of Maduro, and working in close concert with China. And China's ZTE has long had a relationship with the Maduro regime in providing them carnet de patria, which spies on civil society and opposition leaders, and determines how—who gets what food allocations within that country. And so, right now, of course, we are not engaging in DFC in Venezuela, but, in a democratic future, when we have a democrat transition in that country, we would love to bring DFC into it and help rebuild.

Senator COONS. Thank you.

Thank you, to all the witnesses.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Coons.

Senator Cruz.

Senator CRUZ. Thank you, Mr. Chairman.

Welcome, to each of you.

Mr. Stilwell, a few months ago, Deputy Secretary Biegun testified before this committee, and we talked about reviewing the Obama administration's 2015 guidelines for diplomatic relations with Taiwan, which prohibit our Taiwanese partners from displaying their flags and insignia. As you know, I filed legislation to change those guidelines. But, as I have emphasized, the State Department does not need that legislation to pass to change the Obama guidelines. The Administration could make those changes right now.

Deputy Secretary Biegun said he was not familiar with the issue when he testified before this committee. And, as you know, in written follow-up, he stated that changing the guidelines would be in tension with the Taiwan Relations Act. That is a curious statutory interpretation and an odd position for the State Department to take. As far as I can see, there is nothing in the TRA that requires

these guidelines. Rather, it is a policy decision to be made by the Administration.

What, in your judgment, in the TRA justifies preventing our Taiwanese allies from displaying their sovereign symbols?

Mr. STILWELL. Senator, thank you for that question.

We have been discussing this concept of strategic ambiguity with respect to Taiwan, and the—you know, I mentioned earlier, the speech we gave at Heritage that helps to clarify those things that need clarification, as you suggest right now with this particular issue. But, one of the issues in the TRA that speaks to this is the decision to leave the question of sovereignty undecided, ambiguous. We will not take a position on sovereignty. This is part of the back-and-forth between the mainland and Taiwan. What we—what the Taiwan Relations Act and the Administration policy wants is for this to be resolved peacefully and through dialogue, not with coercion or use of force. And so, the question of sovereignty was decided to be left undecided and to be worked out between the two parties.

Senator CRUZ. Are you testifying to this committee that the Taiwan Relations Act mandates the 2015 guidelines?

Mr. STILWELL. The guidelines follow from the—Taiwan's—Taiwan Relations Act, I believe——

Senator CRUZ. No, they did not exist prior to 2015, and the reason they were enacted was because, in 2015, the Taiwanese raised their flag over their Twin Oaks estate in DC, and the Chinese government got mad, and the Obama State Department decided to kiss up to China and change the rules and appease them. But, prior to 2015, there were no guidelines. Prior to 2015, Taiwanese military officials were allowed to wear military insignia. That did not magically change—the statute did not magically change, did it?

Mr. STILWELL. Sir, the broad sweep of the Taiwan Relations Act did not change. It is the same.

Senator CRUZ. And was it in violation of that statute when Taiwanese military officials were wearing military insignia prior to the 2015 guidelines?

Mr. STILWELL. Senator, I will simply say that, on the question of sovereignty—and these are all related—that they—leaving that decision between those two—it is best in—the interpretation is to leave that decision undecided. But, let me just note that this Administration has gone very far in reversing all of the—those decisions that have been made in the past, to clarify, to support. You saw the Secretary of Health and Human Services attended. You have a Under Secretary in the State Department in Taiwan right now. So, I believe what we are doing is definitely in alignment with your interest, as well as to support Taiwan, and to make sure that this—that they have the ability to resist coercion by the Chinese.

Senator CRUZ. So, I do not disagree that policy has improved under this Administration. It is not surprising to me that these guidelines were issued under the Obama administration and under the leadership of Secretary of State John Kerry. Their policy position was far weaker and entailed far more appeasement to the Chinese Communists than the Trump administration has had. These policy guidelines are utterly inappropriate, in my view, for a Trump administration or for a Department of State led by Mike Pompeo. They are not consistent with the stated policy positions of

the principals. It is a matter of discretion. Your argument that the statute mandates it is not a good-faith argument.

And so, I would urge State to revisit this issue, because you have the ability to change these guidelines right now. It was the Obama administration that made them up, and it did so at the behest of the Chinese Communists. And if you can make them up to make the Chinese Communists happy, you can repeal them to make the Chinese Communists unhappy. And I get that the Chinese government would be unhappy at repealing them. I view that as a feature, not a bug.

Ms. Chung, as you know, there is broad concern over China's predatory investments throughout Latin America, alongside separate but related concerns about how China dominates important industries, including the critical mineral supply chain. I have introduced legislation, the ORE Act, which would onshore the supply chain for such minerals. But, of course, the concern over China's control is global.

In Latin America and beyond, China has specifically sought to dominate the global supply of lithium. They currently control half of the global production of lithium and 60 percent of the battery production capacity. Argentina, Chile, and Bolivia, known as the Lithium Triangle, has 70 percent of the world's lithium reserves. And China has been pouring resources into the region.

What steps are we taking to help these countries protect their natural resources and to ensure that they do not fall victim to Chinese predatory practices?

Ms. CHUNG. Thank you for the question, Senator.

As you say, the Lithium Triangle in South America, it is—is critical area where Chinese are very heavily interested in maintaining that—imports from that area. We are talking to these various governments about proper measures—again, due processes, screening measures, CFIUS-like investment screening measures—before signing deals with China or any other country. I think these are steps that, through technical delegations, we are having active discussions with. In addition to that, we have a—the Critical Minerals Working Group with Canada, and both of us are very keenly aware of the sensitivities of supply chains, and working more with the industries themselves. So, we are building upon these discussions with Canada and our neighbors in the Western Hemisphere, but this is of critical interest to us.

Senator CRUZ. Thank you.

The CHAIRMAN. Thank you, Senator Cruz.

Senator Murphy.

Senator MURPHY. Thank you very much, Mr. Chairman.

Thank you, to all three, for your service.

It is hard to overestimate the value of the gift that we have handed China through this Administration's mismanagement of America's COVID–19 outbreak. First, it bolsters China's argument that autocratic or semi-autocratic forms of government, complete with the set of population control tools that are being pioneered in Beijing, are more effective at meeting modern threats than democracy. When a democracy cannot get this epidemic under control after a half a year, when an autocracy can get it under control in

a matter of months, they believe that that strengthens their argument.

And second, our failure has given China this massive head start in the contest for global economic influence. China's GDP contracted by 6 percent in the first quarter; it expanded by 3 percent in the second quarter. Ours contracted by 3 percent in the first quarter; it contracted by 34 percent in the second quarter. And it is not just that autocratic governments were able to get this under control. South Korea did not have a 34 percent contraction in the second quarter; they had a 2 percent contraction. And so, it is not that democracies are unable to get COVID under control, but our failure to do so, as the worlds most notable and leading democracy, has strengthened China's argument that countries should follow their model, and has just handcuffed our economy. I mean, our business leaders cannot even travel around the world, because America is the "sick child" today. Well, China now steps into that vacuum.

We have compounded that error by withdrawing from the WHO. In Latin America, increasingly, reports suggest that those countries are relying on China, not the United States, in order to help them deal with COVID–19. China made a $2 billion commitment. News, just earlier this month, that State Department detailees will be removed from WHO regional and field offices all over the world. One of China's preeminent defense planners at a conference in 2018 hailed Trump's America First strategy, saying, and I quote, "As the U.S. retreats globally, China shows up."

And so, my question is this for the panel. And I would love your thoughts. You may contest the premise of my question. How has the United States failure to control COVID strengthened China's hand? And how has our withdrawal from the WHO allowed for China to gain prominence on issues of global health?

Mr. STILWELL. Senator, that is a fantastic question. And I appreciate the chance to lay out some of the thought process that went behind this.

I think, in large part, the—there are a couple of key failures here. One is the failure of China to control what started off as a simple public health problem. And when they did control it in the town of Wuhan, where we had a consulate—we have a consulate—they did it by very inhumane and heavy handed tactics. They welded people into their homes. They rounded them up if they were sick, and pretty much isolated them against their will. They separated parents from their special-needs children, and those children died from exposure because they were left. So, that is a model—that is certainly a model for dealing with this that I do not think any American would tolerate.

Secondly, we are the third-largest country in the world. We had 22,000 people coming from China for at least 3 weeks after the Chinese knew that this was a problem. And we were the first to close our borders to China, and then to others on the 31st of January, to deal with this.

Third, if you look at the numbers, originally the—we did not put our numbers out per capita. And being such a large country, when you compared our numbers to Belgium and Germany and others, they looked worse, but, in fact, per capita, were better.

Fourth, the—we are not an island. The countries that have done so well—Korea, as you mentioned, Taiwan, New Zealand—were able to cut themselves off from the rest of the world and prevent the disease from coming in. But, they also cut themselves off from commerce, travel, tourism, and all the rest. And those countries now, especially in the Pacific, are having a very hard time, economically, as the disease eventually will make its way into their countries.

And so, as you know, this whole problem began with the Chinese failure to deal with its World Health Organization requirements through the International Health Regulations to report these things.

Secondly, their intrusion into multilateral organizations like the U.N. and the WHO had the WHO leadership telling the world, "It is okay. I can give you documentation." As late as mid-February, they were saying, "Do not overreact to this. There is no human-to-human transmission," when the fact is, there was. And so, that—the U.S. contributes between 400- and 500-million dollars per year to WHO. The Chinese contribute around 40 million——

Senator MURPHY. I think—I appreciate your answer, and I appreciate the fact that you have got to sort of hold the line here of the Administration. But, the failure to acknowledge that we have done grave damage to America's reputation in the world by not being able to control this virus, in the way that plenty of other democracies were able to, I think, you know, speaks to a real blind spot. And, let us just remember, it was the President of the United States who was the greatest cheerleader for China's response to COVID in January, February, March, and April. There was no one who was standing up more vocally for China's transparent response, their effective response, than this President. That made it hard for a lot of other people to get tough on China, when the leader of the free world refused to do so.

So, I hope that we can, as a committee, have a little bit more nuanced discussion about the effects of our failure on COVID, and its impact on our reputation and ability to influence events around the world.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Murphy.

Senator Perdue, are you with us?

[Pause.]

The CHAIRMAN. If not, we will go to Senator Kaine. Is Senator Kaine with us?

[Pause.]

The CHAIRMAN. Senator Merkley, you are up.

Senator PORTMAN. Senator Portman is with you.

The CHAIRMAN. Oh. There you are, Senator Portman. Thank you very much. We will—Senator Portman, I guess you are here, on seniority on our side. So, I guess we will go to Senator Portman, and then we will go to—then to you, Senator Merkley.

Senator Portman, you are up.

[Pause.]

Senator PORTMAN. Thank you, Senator Risch. Can you hear me okay?

The CHAIRMAN. I can hear you now.

Senator PORTMAN. Okay. Well, first of all, I really appreciate you having the hearing. I have enjoyed listening to our witnesses, and hearing your and Senator Menendez's opening comments.

I have a question for each of the witnesses, just quickly, if we could, at the start.

We have so many challenges with China. And, as former U.S. Trade Representative, we have not even gotten into some of the detailed trade challenges that we have had, but competitiveness and—and we talked about the human rights challenges, we have talked about the challenge to our technology and our innovation, which I want to talk about in a moment. But, each of the witnesses, just very, very quickly, how would you describe our relationship with China? And specifically, would you consider China to be an adversary, a global competitor, an enemy? How would you describe China today in relation to its relationship to the United States?

The CHAIRMAN. Mr. Stilwell, why do you not—start with you, and——

Mr. STILWELL. Senator, thank you for that question. I can answer that fairly question.

Our official policy is, China is a strategic competitor. I will note that internal conversations in the PRC, they refer to the United States as "the enemy." They have been doing that since 1950. In 2012, in the headline of the People's Daily, when one of their Communist Party members ended up on the Chengdu Consulate, the headline was, "The Comrade Wang Lijun Has Defected to the Enemy," unashamedly noting that. And so, if you look at the difference in approaches and attitudes toward each other, I think you can see that the approach from the Trump administration was long overdue, yet we are not using the word "enemy." We are simply competing. And, in simply competing, we are having great effect in normalizing Chinese behavior in the United States, and its adverse behavior in the United States and elsewhere in the world.

And a number of folks who are coming in support verbally and strongly from these two regions and all others is growing considerably as people recognize that the economic threats—you do not have to bow to those, you can stand up for your sovereignty.

Thank you.

Senator PORTMAN. Anyone else have a different description other than "strategic competitor"?

Ambassador REEKER. Senator, it is Phil Reeker, from the European Bureau. I would echo that the term "strategic competitor," as we describe it, certainly, in the National Security Strategy, but to point out that, in Europe, we see this as the PRC trying to establish their own strategic foothold there and, indeed, promote an authoritarian model of governance and state-controlled economy, and challenge U.S. national security by weakening our political and economic and military ties. Indeed, over the last, say, 12 years, the PRC gained increasing influence over European markets and supply chains, something the Europeans, particularly since COVID, have been focusing on, in terms of resilience, and working with us on that. The 2008 financial crisis really exposed that, where the PRC, with lots of cash, came in and targeted investment strategies

in strategic industries and critical infrastructure, including ports and other things.

We have seen a real sea change, particularly in the last 3 years, this "awakening" that Secretary Pompeo has talked about, due to our own realization of China's long-term strategy, sharing that with our European partners and allies, including at NATO, where we have officially put into NATO's doctrine, going forward, to look at the challenges and opportunities of the PRC as a strategic competitor. And you have seen the Europeans, of course, adopt investment screening mechanisms at the national level. The EU, itself, adopting, for instance, a cyber-sanctions thing. They had their first designation of a Chinese entity under their cyber sanction regulation.

Senator PORTMAN. Thank you, Ambassador Reeker. Thanks for that. Let me get to another question.

And, first of all, I appreciate the hard work that you are doing in Europe. And I think people have begun to wake up to the challenge. And, having been in Europe pre-COVID to talk about some of these challenges, they do need to wake up, and they can—you mentioned the CFIUS-type screenings in Europe, kind of, catching up. You know, they are looking to us to provide some information there to understand better how they can screen investments.

You know, certainly, the challenges we face, we talked about this morning, the answer is, let us work with the—with others, and require China to do certain things, and impose on China, you know, some additional level-the-playing-field fairness, and so on. And I do not disagree with that. And I mentioned trade earlier. That is an example where sometimes they have done things that are just wrong, either by subsidizing or by selling below cost, and violate the international norms.

But it seems to me, a lot of our more productive approach to China would be getting our own house in order. The competitiveness would be the most obvious example of that.

But, there is another one that I have worked on a lot with some colleagues on the committee, including the bipartisan leadership of this committee, and that is, how do you safeguard American intellectual property, American innovation, and American taxpayer-paid research? And we have legislation called the Safeguarding American Innovation Act. It comes out of a year-long investigation into this issue and was able to expose that, really, for two decades, China has been systematically targeting American researchers, usually, again, U.S. taxpayer-paid research, and systematically taking that research back to China.

Since we came out with our report, and since we had a shocking hearing on this topic about what has happened, the FBI, Department of Justice, U.S. Attorneys have stepped up, and there have been several great public arrests of Chinese researchers, particularly with their Thousand Talents Program, who have, again, taken U.S.-paid research, and taken it to China to help fuel the Chinese economy, really, over the last two decades, and also the Chinese military, because some of this research is actually military research.

So, that legislation, we are trying to get passed on the floor now. We have 19 bipartisan cosponsors, including Chairman Risch. It is

not only the result of a year-long investigation and a hearing, it has also been reported out of the Homeland Security, Governmental Affairs Committee. And I will tell you, we are now told that the FBI is opening a new China-related investigation every 10 hours, with about 2500 open counterintelligence investigations across the country. That is public information. And so, we know more, in classified settings we cannot talk about today, but the point is, our American research, our innovation, has been going out the door to—particularly to China—other countries, as well, but China is, through its Thousand Talents Program, is the main perpetrator.

And my point is, we have five things in this legislation we have to do internally to tighten up. And this is not about telling China what they have to do. Frankly, it is about telling our universities and our research institutions and our Federal agencies, like NIH, National Science Foundation, the Department of Energy, and others, they have to tighten up. It is tightening up our visa requirements when we know people are coming here to steal technology. We need a way to help the State Department be able to screen those folks.

So, I wonder if any of you have any comments on safeguarding America's Innovation Act and the need for us to get our own house in order here to be able to protect taxpayer-paid research, and to be, therefore, more competitive in an increasingly difficult climate with China.

Mr. STILWELL. Senator, I will say, very briefly, you saw the closure of the Houston Consulate. This is just the tip of the iceberg of all the things that we have been doing that align very nicely with what you are discussing.

Thank you.

Senator PORTMAN. Yeah.

The CHAIRMAN. Thank you.

Senator Portman, I—we have—we are really short on time here. If you have some additional follow-ups——

Senator PORTMAN. I would just ask Senators—for the record, Mr. Chairman. And thank you for the time.

The CHAIRMAN. Yeah. That is—that would be the way to do it, is to send a question for the record. And I have no doubt that the witnesses will respond promptly and appropriately. So, thank you very much.

For the information of the committee, we have got a couple of people yet to ask questions. And time is up on the vote. We have two votes. I am going to try to stall the floor as long as I can, until they send somebody up to arrest us. But, in the meantime, Senator Merkley, why do you not——

Senator MERKLEY. Well, thank you, Mr. Chairman.

And I will ask our team up here to be as brief as you can so that I can—we can get to the other Senators who have not been able to ask questions.

Deputy Chung, there has been a lot of discussion of strategic ambiguity in regard to Taiwan. An article by the president of the Council of Foreign Relations, Richard Haas, said that it is time to have to have strategic—to put an end to strategic ambiguity, that it has run its course. This is in the context of whether we would

defend Taiwan if it was attacked. Others have said, "No, that would be a big mistake. You might actually encourage an attack, but we should have a much stronger, clearer, well-coordinated position with the rest of the developed world, in terms of the economic sanctions that would occur in—and perhaps including closing our countries to Chinese products, which would be devastating to China if they were to attack." And others have said, "No, let us just keep encouraging their participation in international organization. That is enough."

Where are you on this spectrum?

Ms. CHUNG. Thank you, Senator, for the question.

Our relationship with Taiwan and the Western Hemisphere has really been unprecedented in the past 2 years.

Senator MERKLEY. Do not give me the whole history, because we are on very short time.

Ms. CHUNG. Yep.

Senator MERKLEY. I am asking where you are on this spectrum of strategic ambiguity and the tools that we have.

Ms. CHUNG. We are very clear on partnering with Taiwan, and we have had nine of their countries that recognize it, but seven additional countries in the region that have trade offices. So, we want to enhance our relationship, and we want to build upon this partnership with Taiwan. We are doing more trilaterally, more joint financing, and certainly more partnerships, like the Global Cooperation Training Framework, to build out what we can do together with Taiwan. So, much more forthright and public about our partnerships in the Western Hemisphere.

Senator MERKLEY. Okay.

Do you share the concern that the growing military capacity of China, and the growing, kind of, adventurism of President Xi make this an important topic for us to keep thinking about?

Ms. CHUNG. I think—globally, that is true. In the Western Hemisphere, of course, we are looking at all action that China is doing to come into the region.

Senator MERKLEY. Thank you very much.

Mr. Reeker, China is financing a quarter of the coal projects around the world—either financing them or offering to finance them, including countries like Turkey and Bosnia and Herzegovina. And are we working to provide financing for cleaner energy strategies as we see the impacts of what is happening here in the United States with the hurricane intensity and the fire intensity?

Ambassador REEKER. Senator, I mentioned earlier the Three Seas Initiative, which includes some of the countries you have mentioned—Bosnia, Herzegovina, for example. A lot of what the Three Seas Initiative is designed to develop are new, modern infrastructure, including energy infrastructure. And the DFC, as Secretary Pompeo announced, has put forward up to a billion dollars in——

Senator MERKLEY. So, is this a yes? That we are trying to discourage the Chinese sale of coal plants around the world?

Ambassador REEKER. We certainly are trying to give these countries options for not taking Chinese debt diplomacy and other engagements so that they know——

Senator MERKLEY. Thank you.

Assistant Secretary Stilwell, it worries me the Administration has not renewed the J–1 visas for a number of the foreign journalists employed by the U.S. Agency for Global Media. They often help us shine a light on issues around the world that puts them in a dangerous place with their home countries. This is—includes the challenge of Chinese journalists who might be sent home to China. And we know what happens when people are in disfavor back home. Should we work together to renew those J–1 visas, these folks who are working in partnership with us who may be at risk if exported back home—deported?

Mr. STILWELL. Senator, this is obviously a complicated question. I will note that the PRC's using of its, "media," which is, in fact, a state organization, and claiming that they are journalists, endangers everybody. It endangers all Chinese folks who are trying to do good journalism. And so, you know, the Administration has taken steps to rectify that by addressing the issue on I-visas to make sure that——

Senator MERKLEY. But, wait, what—here is why I am confused. Why is it complicated? These folks are working for us, they are being employed by us, they are helping us shine a light on their home countries, often in unfavorable way, puts them at enormous risk if they are returned home. It has always been standard to continue to extend their visas as long as they are still working for us. Why would we—why is it complicated? I mean, why would we not protect them after they have worked in partnership with us?

Mr. STILWELL. Senator, I am going to have to get back to you on that one, but——

Senator MERKLEY. Okay. Look forward to that, because this is—I do not think this has gotten attention, and it places people at grave risk.

And finally, Mr. Reeker, there is a lot of pressure that China is putting on countries, using its economic clout, not to be critical of their enslavement of a million Uyghurs. That pressure includes pressure on the Organization of Islamic Cooperation. Those countries were quite vocal about the impact of the Rohingya in Burma, but they have been cowed, discouraged to comment on the treatment of the million Muslims enslaved in China. Are we working with the OIC to give them, kind of, the strength to speak up on human rights, including the abuses in China?

Ambassador REEKER. Senator, thanks for highlighting that. My Bureau does not work with the OIC directly, but we do work with our European partners. And just yesterday, when Foreign——

Senator MERKLEY. Yes.

Ambassador REEKER. —Secretary Raab was here from Britain, we highlighted very much, in the conversation with Secretary Pompeo, the horrors of the repression in Xinjiang.

Senator MERKLEY. Are the Europeans really joining us in this effort?

Ambassador REEKER. We are seeing a lot of outspoken statements, including from our British partners yesterday, not only Xinjiang, but also the human rights violations in Hong Kong, speaking up for them. And we do see that in a number of fora. It would be good if the Islamic world spoke up for exactly the——

Senator MERKLEY. Did Disney make a mistake by working in close cooperation with the regional government in China that is enslaving the Uyghurs?

Ambassador REEKER. I am not familiar with Disney in this capacity.

Senator MERKLEY. This is the filming of the film "Mulan."

Ambassador REEKER. I am not familiar with it.

Senator MERKLEY. Okay. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Merkley.

That—I am told there is no one else online.

And, Senator, did you want the floor for a second?

Senator MENENDEZ. Just very briefly, Mr. Chairman.

I have a series of other questions, which I am going to submit for the record—the Mekong River, on China's fishing off of Ecuador, and what that means in a World Heritage site, and a few others. I would appreciate substantive responses to them.

Thank you, Mr. Chair.

The CHAIRMAN. Thank you, Senator Menendez.

For the information of all members, the record will remain open until the close of business on Friday. We ask the witnesses to please respond as promptly as possible. Your responses will also be made a part of the record.

And thank you, to the three witnesses. You have been very patient with us. And we look forward to your responses. So, thank you with that.

And the committee is adjourned.

[Whereupon, at 12:09 p.m., the hearing was adjourned.]

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

RESPONSES OF ASSISTANT SECRETARY DAVID R. STILWELL TO QUESTIONS SUBMITTED BY SENATOR ROBERT MENENDEZ

SOUTH CHINA SEA

I welcomed the Administration's clarification of our legal position on China's unlawful claims in the South China Sea earlier this year. However, as you know, international law is not self-enforcing:

Question. What is the Administration doing to implement this new approach?

Answer. The United States is committed to upholding a rules-based, free, and open South China Sea. We continue to bolster our security and economic relationships with Southeast Asian claimants. We have made clear that we stand by our Southeast Asian allies and partners in defending their sovereign rights in the South China Sea, and we are willing to consider various options available to deter and defend against coercion.

In August, the Administration imposed visa restrictions on People's Republic of China (PRC) individuals responsible for, or complicit in, either the PRC's large-scale reclamation, construction, or militarization of disputed outposts in the South China Sea, or its use of coercion against Southeast Asian claimants to inhibit their access to offshore resources. These individuals will now be inadmissible into the United States, and their immediate family members may be subject to these visa restrictions as well. In addition, the Department of Commerce has added 24 PRC state-owned enterprises to the Entity List, including several subsidiaries of China Communications Construction Company (CCCC), for their role in Beijing's militarization of the South China Sea.

Question. What consultations have you had with partners and allies on their statements and actions?

Answer. The United States continues to engage regularly and at all levels with allies and partners on the importance of maintaining a rules-based and free and open South China Sea, including on both strategic and legal matters. In recent months, a number of countries have formally protested PRC maritime claims at the United Nations, including Australia, France, Germany, Indonesia, Malaysia, the Philippines, Vietnam, and the UK.

DIGITAL AUTHORITARIANISM

Authoritarian nations, such as China and Russia, are utilizing emerging technologies in new ways to surveil and repress both domestic and foreign populations, as well as manipulate democratic elections. Furthermore, these countries are currently spreading their models for digital authoritarianism to other countries who may be attracted to these new modes of social control.

Question. What is the Administration's strategy to counter the spread of digital authoritarianism and the malign use of digital products and services in the Indo-Pacific?

Answer. We work with allies and partners to promote an open, interoperable, reliable, and secure global Internet based on shared democratic values and respect for human rights, both online and offline, as embodied in the National Security and Cyber Strategies. Through diplomatic engagement and foreign assistance programs, we oppose digital authoritarianism by bolstering partners' political will and technical capacities, and empowering civil society. The Department's Digital Connectivity and Cybersecurity Partnership promotes increased connectivity and a competitive global marketplace for the digital economy by supporting and regulatory reforms, U.S. export assistance, and capacity building.

Question. How is the U.S. engaging our allies and partners to dissuade them from integrating technologies and techniques predicated on digital authoritarianism?

Answer. Guided by the 2018 National Cyber Strategy and the National Strategy to Secure 5G, the United States leads the international community in bilateral and multi-lateral fora to oppose digital authoritarianism. The Department's programs and policy efforts seek to universalize the framework for responsible state behavior in cyberspace we have promulgated in the U.N. and elsewhere; defend human rights online, including affirming people have the same rights online as they do offline; encourage allies and partners to restrict use of untrusted 5G and other critical ICT networks vendors; promote multi-stakeholder internet governance models; build cyber capacity; combat disinformation online; and counteract use of the Internet for terrorist purposes.

Question. Authoritarian nations, such as China and Russia, are utilizing emerging technologies in new ways to surveil and repress both domestic and foreign populations, as well as manipulate democratic elections. Furthermore, these countries are currently spreading their models for digital authoritarianism to other countries who may be attracted to these news modes of social control: Did the President of the United States give a green light to the President of China to build his concentration camps?

Answer. This Administration's actions to stop human rights abuses in Xinjiang speak volumes. The President has personally heard from Uyghurs affected by the PRC's campaign of repression, including Jewher Ilham, who is the daughter of prominent Uyghur scholar Ilham Tohti, who was given a life sentence in 2014. More than any other government, the United States has taken concrete action to combat the PRC's campaign of repression in Xinjiang, to include visa restrictions, financial sanctions, export restrictions, import restrictions, and the release of a business advisory. We have also joined with like-minded partners in publicly condemning these human rights abuses.

Question. What is the Administration's position on China's use of water that flows from Tibet, like the Mekong, and its impact on Southeast Asia and the Indo-Pacific region?

Answer. The PRC's unilateral decisions to alter upstream water flows on the Mekong without sharing sufficient data with downstream neighbors have exacerbated a historic drought. We stand with the region and the Mekong River Commission (MRC) in calling for more transparent data sharing and encourage countries of the Mekong region to hold the PRC accountable to its pledge to share its water data in partnership with the MRC. Mismanagement by the PRC of the many rivers in the Indo-Pacific poses an economic and security risk for the region. We urge coun-

tries in the region to work together to manage critical natural resources and river basins as a means of improving water security.

Question. Is there any plan to include water security into the National Security Strategy for the region and explore using platforms like the Lower Mekong Initiative or U.N. forums to create more international awareness about this?

Answer. The Mekong-U.S. Partnership, which succeeds the Lower Mekong Initiative, will continue to strengthen water security and the rules-based approach to transboundary governance through the MRC. We also work with U.S. interagency partners to address water issues regionally and globally under the U.S. Global Water Strategy. With regard to the Convention on the Law of the Non-navigational Uses of International Watercourses, the United States, like many other countries, is not a party. We believe that many of the concepts in the convention can be a useful resource to countries seeking to work together to improve water security, as can many of the resources available via the U.N. Water interagency coordinating mechanism.

Question. I remain deeply concerned with China's pattern of aggression in territorial disputes with India. From the 2017 Doklam standoff, to the recent violence along the borders in Sikkim and Ladakh, to China's new claims to Bhutanese territory, the Chinese government has sought to redraw the map of South Asia without respecting the region's people or governments. Such aggression resulted in the tragic violence along the Line of Actual Control earlier this year, and the international community must be clear that such behavior is unacceptable. The U.S.-India partnership can play a vital role in responding to Chinese aggression, and it is especially important that this partnership rest on the democratic values that the Chinese government lacks: How has the Department engaged with the Indian government to develop a diplomatic strategy against Chinese efforts to violate the sovereignty of countries in South Asia?

Answer. The Department has engaged closely with the Indian government to resist Beijing's efforts to violate the sovereignty of countries in South Asia. Our growing defense ties and regular high-level engagements with India, including the Quad, State-DoD 2+2 Ministerial Dialogues, calls with senior Indian officials to discuss the border situation, and engagements by our Ambassador in New Delhi, reinforce our shared commitment to a free and prosperous South Asia. In addition, Deputy Secretary of State Biegun's COVID–19 coordination calls with Indo-Pacific counterparts, including Indian Foreign Secretary Shringla, have fostered like-minded cooperation on supporting South Asian countries vulnerable to PRC debt and economic pressure. We will continue to use upcoming dialogues to discuss the challenges that China poses to India and the region, and to offer U.S. support to India and other South Asia nations that find their sovereignty and security at risk as a result of China's continued aggression.

Responses of Ambassador Philip T. Reeker to Questions Submitted by Senator Robert Menendez

Question. Who is the day-to-day lead within the Europe bureau on coordinating U.S. policy with the continent on China?

Answer. Deputy Assistant Secretary Alexander Alden oversees the Office of European Union and Regional Affairs and the Office of Policy and Global Issues. In this capacity, he is responsible for strengthening U.S.-EU relations and for coordinating efforts to counter Chinese regional influence with the relevant offices and bureaus within the Department.

HUMAN RIGHTS

Question. Europe has also been accused of pulling punches when it comes to criticizing China's human rights record.

Specifically, how can we better partner with Europe to counter these abuses, especially in Xinjiang and Tibet?

Answer. The United States actively consults with the European Union and our European partners on how to respond to the PRC's egregious human rights abuses in Xinjiang and elsewhere. This includes informing European capitals about the reputational, economic, and legal risks of doing business with supply chain links to forced labor and other human rights abuses in Xinjiang and throughout China. In July, the Department, along with Treasury, Commerce, and Homeland Security, issued a Xinjiang Supply Chain Business Advisory. Several European governments

have expressed interest in developing the kinds of advisory and punitive tools the United States uses to deter businesses, including banks, from dealing with supply chains tainted by forced labor and other human rights abuses. At the 74th United Nations General Assembly in 2019, we joined the United Kingdom's joint statement on Xinjiang, along with 17 European signatories, and we co-sponsored a side-event with the UK, Canada, Germany, and the Netherlands on the situation in Xinjiang. We will continue to engage regularly with our European partners and Allies to advocate for respect for human rights and fundamental freedoms in China while encouraging safe haven, treatment, travel assistance, and other assistance to Uyghur and other refugees and asylum seekers from there.

Question. Who is in charge of coordinating U.S.–EU human rights policy on China?

Answer. The Department of State's Bureaus of Democracy Human Rights, and Labor; International Organization Affairs; and European and Eurasian Affairs conduct regular dialogues and engagements with the European Union, including on the subject of human rights in China.

Question. What would you characterize as 'wins' in this category?

Answer. Since the release of the 2017 National Security Strategy, we have engaged with Europeans on the China Challenge. European governments and the EU are taking action to confront the PRC on its human rights record and reject PRC attempts to coerce them into silence or compliance. We see progress on European 'pushback,' whether it is a decision in Sweden or Belgium to close a Confucius Institute in favor of freedom of expression; the desire of the Czech Senate President to visit Taiwan despite threats of retaliation from the PRC; the United Kingdom's joint statement on Xinjiang, made along with 17 European signatories at the 74th United Nations General Assembly in 2019; and the side-events we co-sponsored with the UK, Canada, Germany, and the Netherlands on the situation in Xinjiang. Several European governments have expressed interest in developing the kinds of advisory and punitive tools the United States uses to deter businesses, including banks, from dealing with supply chains tainted by forced labor and other human rights abuses. We also welcome the EU High Representative for Foreign Affairs and Security Policy Joseph Borrell's announcement that the EU is "working on a comprehensive and coordinated EU response" to address the erosion of Hong Kong's freedoms, after UK, France, and Germany announced the suspension of their extradition treaties or pending treaty negotiations with Hong Kong. Coordination on human rights policy issues will also be an important focus of the upcoming U.S.-EU Dialogue on China.

Question. Has the U.S. urged Europe to change its views on the Confucius Institutes and do you sense that European attitudes are shifting on these Chinese cultural and educational efforts?

Answer. We have shared our experiences countering the Chinese Communist Party's malign influence with European partners, including issues related to research integrity, academic freedom, free speech on campuses, and Confucius Institutes. Recent decisions in Europe to shutter Confucius Institutes and increased scrutiny by European legislators and journalists of PRC influence on university campuses show that our engagement with likeminded partners is making a difference and attitudes are indeed changing. European governments and civil society are increasingly aware and active.

RESPONSES OF PRINCIPAL DEPUTY SECRETARY JULIE J. CHUNG TO QUESTIONS SUBMITTED BY SENATOR ROBERT MENENDEZ

Question. COVID–19 response in Latin America: Latin America is the current epicenter of the COVID–19 pandemic. China's Foreign Minister recently announced a $1 billion loan program for COVID vaccine access in the region. While USAID has delivered over 2,000 ventilators to the region, I am concerned that the Trump administration's efforts once again fall into the category of over promise and under deliver. Our record is further complicated by the Administration's deportation of dozens of COVID-positive immigrants to Guatemala and Haiti. We must do more to show our hemispheric partners that we are in this fight together:

Given the importance of the need for access to a future vaccine, how is the United States supporting countries in Latin America and the Caribbean to ensure equitable vaccine access across the region?

Answer. USAID is committed to supporting global access to safe and efficacious vaccines against COVID–19 when available. USAID is working with the National Security Council, State Department, and interagency partners to ensure that needs

in Latin America and the Caribbean are appropriately prioritized in the global response efforts. USAID is a longstanding Gavi donor, and since 2001, has supported Gavi to vaccinate more than 822 million children in 73 countries—preventing more than 14 million future deaths. In February 2020, the U.S. Government announced a budget request for a new, $1.16 billion contribution to Gavi over fiscal years 2020–2023. USAID has been a major partner in health development in the LAC region over the past 50 years and can build upon those past investments to support vaccine access.

Question. China and Environmental Concerns: For the fourth consecutive year, a large Chinese fleet was illegally fishing at a short distance from the boundaries of the Galapagos Islands, threatening the marine life and biodiversity of a recognized U.N. World Heritage site and potentially violating Ecuador's sovereignty. Overfishing has many environmental repercussions and a detrimental effect on tourism, which is a major source of income in Ecuador. The Government of Ecuador, however, does not have enough capacity to detect and deter Chinese fishing vessels, leaving illegal fishing to continue unabated:

Can you explain the implications of these incidents and China's broader environmental record in Ecuador?

Answer. Beyond the serious implications of illegal, unreported, unregulated fishing, the previous Ecuadoran administration of Rafael Correa engaged with the PRC with a disregard for the environment, rule of law, and responsible practices. For example, 13 workers died due to unsafe working conditions at the PRC-financed and built Coca Codo Sinclair dam. The hydroelectric plant has never become fully-operational due to corruption and faulty construction. A sinkhole that caused the oil spill earlier this year may have resulted from activity associated with this dam. The U.S. National Response Team provided assistance to help mitigate the impact of the oil spill on local communities, the environment, and provided guidance to avoid the sinkhole reaching the dam intake and rendering it completely useless.

Question. How can the U.S. support Ecuador's efforts to deter these practices?

Answer. The United States supports partners like Ecuador in protecting ocean resources through the sharing of information, as well as by providing technical advice and assistance. Recently, in coordination with the Ecuadoran Navy, the U.S. Coast Guard cutter Bertholf completed a joint patrol to detect and deter potential IUU fishing near the Galapagos. Additionally, USAID is helping build increased transparency and accountability into the management of natural resources in the face of informal and illegal extractive activities that affect livelihoods and the health of ecosystems. Through America Crece, the U.S. is supporting Ecuador and other countries in the hemisphere to evaluate infrastructure projects for quality and transparency.

Question. As you know, I and members of the Senate Foreign Relations Committee introduced bipartisan legislation last month to strengthen U.S. competitiveness in Latin America and the Caribbean and address China's economic, security, and intelligence engagement. The bill, Advancing Competitiveness, Transparency, and Security in the Americas Act (ACTSAA) requires the Departments of State and Treasury to provide technical assistance to regional partners to help them safeguard their infrastructure from predatory foreign investment, similar to the Committee for Foreign Investment in the U.S. (CFIUS). What initial steps have been carried out on this front?

Answer. We have a shared interest with our partners throughout the Western Hemisphere in ensuring that predatory buyers do not endanger our collective security by exploiting the global economic crisis to gain control over sensitive technologies and critical infrastructure. We have encouraged our allies and partners to protect critical infrastructure and sensitive technology and information through rigorous, transparent, whole-of-government foreign direct investment screening processes focused on national security risks, while still allowing capital flows to energize economic recovery. Working closely with Treasury and other interagency partners, we deployed interagency technical teams to countries such as Brazil, Canada, and Chile that have sought to develop their capacity to institute national security investment screening.

Question. Can you briefly outline how the Administration prioritizes DFC engagement in the region?

Answer. The U.S. International Development Finance Corporation (DFC) plays a critical role in leveraging the power of private sector investment to advance U.S. foreign policy objectives in the Western Hemisphere. Ensuring a robust recovery from the economic effects of the COVID–19 pandemic will require significant private in-

vestment and the DFC has committed to spur at least $12 billion in private investment in Latin America and the Caribbean over the next 5 years. The Department, both through our embassies and through the Secretary's role as Chairman of the DFC Board of Directors, is working closely with DFC to identify investment opportunities, particularly in less developed countries and in certain sectors that may need greater assistance in facilitating private investment. Through DFC and other economic foreign policy tools, the Administration is providing our partners with alternatives to unfair and opaque Chinese economic practices and promoting U.S. solutions, rooted in transparency and the rule of law. As such, the DFC plays a key role in advancing Administration's multi-pronged strategy for countering the malign aspects of China's engagement and ensuring the United States remains the region's preferred trade and investment partner.

Question. ACTSAA requires the designation of a China Engagement Officer at WHA embassies to report on China's presence in the region. Can you outline the reporting officers you have in the region?

Answer. Our embassies are staffed with officers conducting political, economic, consular, and public diplomacy efforts to maximize the U.S. role as the partner of choice in the Western Hemisphere. They monitor and respond to Chinese activities in their respective host countries. All of our embassies and many of our consulates in the Western Hemisphere have officers responsible for performing these functions.

We also have a Regional China Officer (RCO) based in Lima, Peru, who tracks regional trends and supports our reporting and public outreach teams at our missions in the field. We look forward to hosting three additional WHA-focused Regional China officers, who will be based in Bridgetown, Montevideo, and Panama City starting in fall 2021. These officers lead and coordinate our strategy to counter China's malign activities by assessing the PRC's drive for influence in the region and developing effective responses to that.

Question. ACTSA requires the Executive branch to provide our regional partners with assistance on cyber-security and cyber-defense. Can you briefly outline initial efforts?

Answer. The U.S. Government provides cybersecurity technical assistance to partners in the Western Hemisphere. For example, the Department of State funds partners like the Organization of American States Inter-American Committee Against Terrorism (OAS–CICTE) Cybersecurity Program to carry out cybersecurity capacity building activities in the region. The Department also funds Western Hemisphere countries to participate in global programs, such as the George C. Marshall Center's Program for Cyber Security Studies. Through the Global Defense Reform Program, the Department will embed a cybersecurity and policy advisor within Ecuador's Ministry of Defense Joint Cyber Defense Command. The Department provides technical assistance to promote best practices for a national approach to cybersecurity under the Digital Connectivity and Cybersecurity Partnership initiative.

Question. Does China play a role—either direct or indirect—in violations of human rights in Latin America and the Caribbean? If so, please cite specific examples.

Answer. The People's Republic of China's (PRC) aggressive efforts to expand market share for state-affiliated firms, carry out infrastructure projects, implement disinformation campaigns, and export surveillance and censorship tools play a direct and indirect role in human rights violations in Latin America. The lack of transparency in transactions with the PRC and PRC-based entities, as well as an increase of the region's dependence on debt financing from the PRC, empowers corruption. The PRC's infrastructure projects often ignore both labor and environmental laws, undermining individual workers' rights and labor standards more generally. The PRC's control over local media outlets through bribes and other means silences investigative journalists who draw attention to human rights abuses and suppresses negative stories of the PRC's activities in the region. The PRC's export of surveillance and control equipment to the region also increases the risk to human rights defenders and those willing to expose human rights violators.

Responses of Ambassador Philip T. Reeker to Questions Submitted by Senator Ben Cardin

Question. To what do you attribute the recent shift in attitude of European nations away from a China policy organized around economic engagement toward one of limiting China's influence in Europe?

Answer. Since the publication of the National Security Strategy in 2017, the United States vigorously engaged with our European Allies and partners to alert them to threats posed by the People's Republic of China (PRC). Accelerated investment and acquisition of European companies by PRC companies has led Europeans to understand their economies are targets of Beijing's Made in China 2025 strategy, resulting in Europeans beginning to develop national and EU-wide investment screening mechanisms. The "Transatlantic awakening" on the PRC has deepened over the last year. Revelations of human rights abuse in Xinjiang, Beijing's targeting of Hong Kong with national security laws, and increasing PRC hostility toward Taiwan and others in the South China Sea have led Europeans to recognize the implications of enabling the malign activities of the Chinese Communist Party (CCP). With the outbreak of the COVID–19 pandemic Europeans suffered tragic consequences of Beijing's disinformation campaigns and lack of transparency. Continued U.S. engagement with European counterparts to highlight the nature and the pattern of CCP aggression has further shifted attitudes in Europe and contributed to the development of strategies and mechanisms to make Europe more resilient and better able to counter PRC malign influence.

Question. How has Beijing responded to efforts by European leaders to reduce interdependence and balance relations?

Answer. I believe Beijing has been surprised by the speed and degree to which many European leaders have reacted negatively to PRC bullying and disinformation efforts. In 2019 the European Commission issued its "Strategic Outlook" on EU–China relations that characterized the PRC as a partner, a competitor, and a systemic rival. The PRC is facing headwinds on a variety of issues in Europe, including investment screening, 5G, domestic interference, and multilateral engagement. The CCP is also facing increasing European public and parliamentary criticism on human rights, Hong Kong, aggression in the South China Sea, interference on university campuses, and many other issues. European public polls show increasingly unfavorable views of the PRC generally, and European politicians are increasingly forthright in calling out and countering PRC malign influence. The frosty receptions to the recent fence-mending trips to Europe by Foreign Minister Wang Yi and Politburo member Yang Jiechi reveal the degree to which European leaders are reducing dependence and rebalancing relations with the PRC.

Question. How will the economic impact of the COVID–19 pandemic affect the relationship between European countries and China?

Answer. Supply chain disruptions caused by the COVID–19 pandemic and the severity of their impact on the health and livelihood of Europeans have heightened concerns about Europe's economic dependence on the PRC. Europe's auto and electronics industries were among the hardest hit, while many countries experienced shortages of pharmaceutical ingredients and other critical medical supplies imported from China.

The pandemic has created a greater sense of urgency to diversify supply chains that are predominantly rooted in the PRC in order to boost European resilience. The EU has long sought to reduce dependence on other countries for critical materials and technologies, as evidenced by its new Industrial Strategy for Europe, released in March. The European Commission issued guidelines to coordinate the EU's approach to investment screening in light of the COVID–19 crisis and to protect the EU's critical assets and technologies from potential hostile takeovers and investments by non-EU companies.

Question. What are the prospects for an EU-China investment agreement, and what might that entail?

Answer. The EU seeks an EU-China Comprehensive Agreement on Investment (CAI) in order to create new investment opportunities for European companies by opening the PRC market and eliminating discriminatory laws and practices that prevent them from competing on an equal basis with PRC companies.

In 2016, the two sides agreed on the scope of the agreement which would go beyond a traditional investment protection agreement to cover market access for investment, and ensure a level playing for EU companies in the Chinese market. As we understand, negotiations are complete on chapters relating to: the behavior of state-owned enterprises, forced technology transfer, and transparency of subsidies. Despite the political will to complete negotiations by the end of 2020, the EU has indicated it will not move forward until China makes significant concessions on the key remaining chapters relating to market access, environment, and labor. As European Council President Charles Michel recently said, "Europe is a player, not a playing field."

The U.S. Government shares many of the EU's concerns regarding PRC trade and investment practices and a lack of reciprocal market access. The State Department is taking actions along with the interagency to ensure a level economic playing field for American companies and to counter Beijing's efforts to reshape the open, market-oriented, rules-based economic order to its advantage.

Question. What does the future of the 17 + 1 initiative look like?

Answer. The 17 + 1 initiative is one mechanism that the PRC has sought to use to expand its influence in Central and Eastern Europe. It includes the countries in the region and fits into larger PRC "Belt and Road" and "Silk Road" initiatives. The PRC attempts to use these relationships to gain a toehold in the EU and Schengen Zone and, therefore, access to Western Europe as well. In practice, however, the 17 + 1 has consisted more of photo-ops with officials than of concrete outcomes.

The future of the 17 + 1 is unclear. In 2020, its annual summit was postponed due to the coronavirus pandemic. The PRC's overly aggressive pushing of its agenda, both surrounding the pandemic response and on other issues such as Hong Kong, has turned off European partners, who were already disillusioned by unfulfilled promises, and tempered their enthusiasm about 17 + 1. PRC FDI in the EU has been declining in recent years, reaching a 5-year low in 2019 of 11.7 billion euros, with the Central Europe region accounting for just 3 percent of that figure. Increased trade has benefited the PRC more than the European countries, as the increase has been mostly in Chinese exports, and Chinese ambassadors in Europe have sought to use European dependence on investments in, and trade with, China to soften or influence EU policy towards China, and/or to retaliate against steps or policies Beijing does not like. All 17 countries in the initiative have seen their trade deficit with the PRC increase since the group was established in 2012.

Question. How can the U.S. take advantage of the weakening relationship between China and CEE countries to counter China's influence in that region?

Answer. We are developing partnerships with European governments and institutions to ensure that our relationships with the PRC are based on reciprocity, transparency, accountability, and respect for rule of law, property, labor rights, and human rights. Together with Europe, we need to ensure a constructive and results-oriented relationship with the PRC.

In recent years, there has been a "Transatlantic Awakening" to the PRC Challenge, with increased European pushback. Examples include decisions by Sweden and Belgium to close Confucius Institutes; the Czech Senate President's visit to Taiwan despite threats of retaliation from the PRC; and an EU report exposing and condemning PRC disinformation tactics during the COVID pandemic. Both sides of the Atlantic see the need to curb PRC aggression, assert our sovereignty, and protect our economies.

The United States strongly supports the Three Seas Initiative (3SI), which aims to improve North-South infrastructure between the Baltic, Black, and Adriatic seas. The 3SI also has an important geopolitical dimension. The PRC uses infrastructure investments and offers of economic gain to create dependencies, to expand its political influence, and to turn countries away from the West, democracy, and the rule of law; the 3SI builds resilience against that threat.

With the United States driving the debate about trusted 5G vendors, Xinjiang, and Hong Kong's autonomy, we have given these topics a global platform and rallied countries in Europe and beyond to push back against the PRC.

Question. How have European countries responded to the United States' strategic approach to China?

Answer. We see a Transatlantic strategic alignment on the People's Republic of China (PRC) developing over a shared threat perception and common purpose to protect our democracies, open societies, and economies. In recent years, European governments have rolled out stronger investment screening regulations modelled on FIRRMA and CFIUS legislation and adopted an EU-wide investment screening mechanism. The EU identification of the PRC as an "economic competitor" and "systemic rival" and the adoption of a toolbox of measures to secure 5G networks are also important steps. Europeans have advocated for greater market reciprocity and a level playing field for European companies, understanding the threat that a state-controlled economy poses to free market values and intellectual property rights.

Earlier this year European legislators launched a global initiative, the Inter-Parliamentary Alliance on China, that acknowledges the need for a whole-of-government approach. The U.S. National Security Strategy also recognizes the need to use all government tools in efforts to counter the PRC. At the 2019 Leaders Meeting, NATO Allies formally declared for the first time that the PRC's growing influence and international policies present 'challenges and opportunities' that need to be ad-

dressed by the Alliance. In September, France, Germany and the UK submitted a joint note verbale in the U.N. against the PRC's claims in the South China Sea. We joined our G–7 counterparts in condemning the PRC's violation of the Sino-British Joint Declaration on Hong Kong. We have also seen European leaders, at all levels, reaffirm shared Transatlantic values of transparency and free speech by speaking out publicly about the PRC's aggressive disinformation campaigns throughout the COVID pandemic, as well as its human rights violations in Xinjiang, the repression of protesters in Hong Kong, and its hostile actions toward Taiwan. These are just a few of the indicators of that growing strategic alignment between the United States and our Allies and partners in Europe with regard to the PRC.

Question. What effect has the United States' withdrawal from multilateral organizations like the WHO had on relations between China and Europe?

Answer. While the United States and many of our likeminded partners have our differences on the subject of multilateralism, we agree that these institutions should be rooted in democratic values and hew to their missions. The United States and the Department are committed to upholding the U.N. and related institutions that have fostered global peace and prosperity over the past 75 years, including by continuing to be the largest financial contributor to these organizations. We have provided over $12.2 billion to international organizations in fiscal year 2019 alone. The United States' demonstrated commitment to the U.N. and related agencies is critical to the U.N. accomplishing its mission, maintaining its integrity and impartial role of serving all its Members, and rejecting efforts of the People's Republic of China (PRC) that seek to coopt the U.N. to accomplish its own authoritarian goals.

Over the last 3 years we have seen an increased awareness in many European countries, what Secretary Pompeo has referred to as a "Transatlantic awakening to the China Challenge." U.S. diplomats from the Secretary on down have been engaging—virtually or otherwise—on China-related issues throughout Europe. Positive results from our substantial diplomatic engagement contrast sharply with the growing backlash to the PRC's heavy-handed "mask diplomacy" and its angry reaction to European criticism of its COVID response. European audiences got to see firsthand just how the Chinese Communist Party handles criticism and questions, and they did not like what they saw. Europeans are also increasingly concerned about the Chinese Communist Party's exploitation of multilateral bodies.

Question. What would be the benefits of working more closely with our European allies to mitigate security and other threats posed by China?

Answer. Europe is home to many of America's closest and most capable Allies. When we have common purpose, our European Allies and partners are force multipliers in any endeavor the United States undertakes. That is the greatest benefit of working with them to mitigate threats posed by the People's Republic of China (PRC). The Transatlantic Alliance underpins the standards of cooperation and coordination in the international system that developed after World War II. European governments share our interest in preserving and promoting democratic and free market values. Our European Allies and partners also wield global influence and can be intermediaries to gain more supporters to a common cause. Our NATO Allies recognize the PRC's international policies present challenges that must be addressed, together as an Alliance, to ensure Transatlantic security. Systemic connections between the United States and our European Allies and partners on finance, trade, defense, supply lines, IT, media, and research and development enables us to advance broad agendas when we work together.

RESPONSES OF ASSISTANT SECRETARY DAVID R. STILWELL TO QUESTIONS SUBMITTED BY SENATOR EDWARD J. MARKEY

Question. The Taiwan Fellowship Act, modeled on the Mansfield Fellowship Program between the United States and Japan, establishes a 2-year fellowship exchange program for Federal Government employees in all three branches of government to learn, live, and work in Taiwan. This legislation looks to expand bilateral cooperation with Taiwan at a time that China seeks to isolate the island nation diplomatically:

Do you personally support this concept and how would you characterize the level of support from Taiwan authorities?

Answer. The Department appreciates and shares many of the bill's sentiments. The Administration is committed to supporting Taiwan as it faces an ongoing PRC pressure campaign to shrink Taiwan's international space. We would consider any exchange program that deepens U.S. Government employees' understanding of Tai-

wan and its system of governance an important component of our relationship with Taiwan. Next steps moving forward should be taken in careful coordination with the Department of State and the American Institute in Taiwan. As Department experts have conveyed to Senate staff, the text as written is prescriptive in ways that would result in heavy costs. We look forward to continuing to work with Congress to ensure any bill text that proceeds is framed as permissive authorities and preserves our shared goals as well as the Department's flexibility. Further, AIT Taipei has reported that the Taiwan Authorities similarly welcome the Act.

Question. The Taiwan Fellowship Act, modeled on the Mansfield Fellowship Program between the United States and Japan, establishes a 2-year fellowship exchange program for federal government employees in all three branches of government to learn, live, and work in Taiwan. This legislation looks to expand bilateral cooperation with Taiwan at a time that China seeks to isolate the island nation diplomatically:

Of the funds appropriated by Congress in fiscal year 2018, 2019 and 2020 for the American Institute in Taiwan (AIT), what amount of funds went unobligated?

Answer. The unobligated balances for the American Institute in Taiwan (AIT) over the past 3 fiscal years are as follows:

American Institute in Taiwan (AIT)

($s Actual)

FY	Appropriation	Unobligated Balance
2018	$31,963,000	$19,326
2019	$31,963,000	$519
2020	$31,963,000	$14,398

Question. Given the emphasis the Secretary has placed on international law—in this instance hy has the Administration not sought Senate ratification of the U.N. Convention on the Law of the Sea?

Answer. This Administration has reaffirmed that the 1982 Law of the Sea Convention generally reflects customary international law and that the United States will continue to exercise its rights and jurisdiction and perform duties in accordance with applicable international law, including customary international law.

Question. Please describe the degree to which U.S. security, commercial, and environmental groups and interests have urged you and other senior Department leaders to pursue ratification of UNCLOS.

Answer. U.S. Chamber of Commerce and key American players in the oil and gas, telecommunications, deep seabed mining, and shipping industries have in the past supported the United States becoming a party to this Convention.

RESPONSES OF AMBASSADOR PHILIP T. REEKER TO QUESTIONS
SUBMITTED BY SENATOR EDWARD MARKEY

Question. At this week's virtual summit between Xi Jinping and three EU leaders, the Europeans reportedly raised China's human rights issues directly to China's leader—from Hong Kong, to the Uyghurs, to Tibet. European leaders are seeking major trade concessions from Beijing, yet they weren't shy about their support for universal values:

Did the EU-China summit reaffirm that European allies can be vital partners in speaking out and standing against Beijing's authoritarian and expansionist behavior?

Answer. The EU and our European partners share our commitment to the promotion of universal human rights around the world, including in the People's Republic of China (PRC). We welcome unequivocal statements by our partners to this end, including European Council President Michel's statement following the September 14 EU-China summit on Hong Kong, Xinjiang, Tibet, press freedom, and individual human rights cases. We coordinate regularly with our European partners on human rights issues and welcome opportunities to speak jointly with them on human rights in the PRC, such as at the U.N. side-events we co-sponsored in March and September 2019 with Canada, Germany, the Netherlands, and the UK focused on human rights issues in Xinjiang and as indicated by the July 2020 G–7 foreign ministers' statement on Hong Kong. focused on the situation in Xinjiang.

Question. The EU's top foreign policy official recently wrote that Europe should seek to cooperate closely with countries that champion multilateralism and international law. On balance, have our European allies and partners been supportive of the Trump administration's exits or planned exits from institutions and agreements including but not limited to the Paris Climate Agreement, the Treaty on Open Skies, the World Health Organization, and the Joint Comprehensive Plan of Action?

Answer. The United States and our European Allies and partners agree that multilateral institutions should be rooted in democratic values and hew to their missions. The United States and the Department are committed to upholding the U.N. and related institutions that have fostered global peace and prosperity over the past 75 years, including by continuing to be the largest financial contributor to these organizations. We provided over $12.2 billion to international organizations in fiscal year 2019 alone. The United States' demonstrated commitment to the U.N. and related agencies is critical to the U.N. accomplishing its mission, maintaining its integrity and impartial role of serving all its Members, and rejecting efforts of the People's Republic of China that seek to coopt the U.N. to accomplish its own authoritarian goals.

EU President Charles Michel stated following the 22nd bilateral EU-China Summit in June that "[e]ngaging and cooperating with China is both an opportunity and necessity. But, at the same time, we have to recognize that we do not share the same values, political systems, or approach to multilateralism."

We continue to protect multilateral bodies as Transatlantic partners. One example that demonstrates our continued shared values in multilateral bodies is our commitment to protect intellectual property. The Transatlantic community has thrived like no other part of the world since World War II, in part because our countries protect intellectual property. This year, Secretary Pompeo led a global diplomatic effort, working with our European Allies and partners, to make sure that the next director general of the World Intellectual Property Organization would be one who protects intellectual property rights on behalf of the world, not on behalf of China.

The Administration is advocating for greater transparency and greater accountability in the multilateral sphere and encouraging our European Allies and partners to also hold these bodies accountable. In May the President announced the United States would terminate its relationship with the World Health Organization (WHO). The President has been clear that the WHO needs to reform, starting with its independence from the Chinese Communist Party, and making substantive improvements to the organization's ability to prepare for, prevent, detect, and respond to outbreaks of dangerous pathogens with transparency and accountability. In May 2020, the World Health Assembly unanimously adopted a resolution that called for the establishment of an independent panel to evaluate the global response to the pandemic of COVID–19, including, but not limited to, an assessment of the WHO's performance, as well as an investigation of the origin and spread of novel coronavirus SARS-CoV-2. Consistent with our long-standing policy, the United States will continue efforts to reform WHO and other international organizations to ensure they operate transparently and fulfill their mandates, as well as to urge WHO Member States to support the U.S. call for reforms that strengthen transparency and accountability.

On the Open Skies Treaty, although Allies do not all agree with our decision to withdraw, they share our concerns regarding Russia's violations and acknowledge that Russia bears the responsibility for the erosion of the European security architecture through its repeated violations of its arms control, nonproliferation, and disarmament commitments and obligations, not to mention its actions in contravention of Helsinki Final Act principles. We continue to work closely with our Allies and

partners to find common ground to move forward collectively, including to address Russian non-compliance.

Question. The Pew Research Center survey released this week shows severe declines in European views of the United States. Additionally, in all 9 European countries surveyed, the percentage of people who believe China has done a good job in handling the pandemic is more than twice as high as the percentage saying the United States has responded well to COVID–19. Is China's "mask diplomacy" in Europe succeeding?

Answer. In light of European audiences' awareness of the origins of COVID–19, China's "mask diplomacy" has had limited effectiveness. European journalists have largely shown the PRC's "gifts" to be rooted in political opportunism rather than altruism. They have highlighted the low-quality of donated PPE and PRC attempts to leverage contributions for propaganda efforts.

Pew's research does indicate, however, that PRC practices of data manipulation, censorship, and media control over international reporting within China, has been successful at misleading European publics as to the extent of their efficacy while obscuring the authoritarian actions they have used to clamp down on the spread of COVID–19.

Question. Secretary Pompeo recently unveiled the Report of the Commission on Unalienable Rights. Do our European allies share the view laid out in the report that there has been a "proliferation" of human rights and we should make a distinction between "inalienable rights" and those that are "ad hoc?"

Answer. Shared democratic values and traditions define the Transatlantic relationship and underpin the free world. As EU High Representative Josep Borrell wrote in a September 1 article, the EU's "long, shared history and shared values with the United States bring us closer to Washington than to Beijing." On the margins of the U.N. General Assembly, the United States issued a Joint Statement, signed by some European Allies and partners, which called on nations to recommit themselves to the founding principles of the 1948 Universal Declaration of Human Rights.

Regarding the matter of potential distinctions among rights, the commission drew attention to the difference it saw between unalienable rights—that is, those pre-political rights inherent in all persons at all times, which may not be forfeited or transferred—and those rights created by positive law by different nations and subnational entities. That such a distinction exists reinforces the essential commitment all freedom-loving nations must make to the unalienable rights in the Universal Declaration of Human Rights that comprise our shared values.

RESPONSES OF ASSISTANT SECRETARY DAVID R. STILWELL TO QUESTIONS SUBMITTED BY SENATOR TED CRUZ

In 2015, the Obama-Biden State Department issued "Guidelines on Relations with Taiwan," which prohibited our Taiwanese allies from displaying their flags and other symbols of their sovereignty in official capacities or at official U.S. functions. I have filed legislation, the Taiwan Symbols of Sovereignty (SOS) Act, S. 3310, mandating the reversal of that prohibition, and have in the meantime urged the Trump administration to do so in the absence of a Congressional mandate. On Sept 17 you testified to the Senate Foreign Relations Committee (SFRC) that the prohibition is either required by or aligns with the Taiwan Relations Act (TRA), and more specifically that "the Guidelines follow from" the TRA. Elsewhere in your testimony, you suggested the TRA is the basis for a policy of strategic ambiguity in which the U.S. does not take a stance on Taiwanese sovereignty, which in turn justifies the prohibition.

Please answer the following three questions.

Question. What is the language in the TRA that is the basis for the prohibition on our Taiwanese allies displaying symbols of their sovereignty? In answering this question please quote the language from the TRA directly and identify the sections, paragraphs, and as relevant subparagraphs where that language is located.

Answer. The United States recognizes the People's Republic of China as the sole legal government of China, and, within this context, has maintained unofficial "commercial, cultural, and other relations" with Taiwan, as further memorialized and facilitated by the Taiwan Relations Act (TRA). Across multiple Presidential administrations, U.S. guidance to Executive Branch agencies is premised on this unique unofficial relationship and the President's constitutional authorities relating to issues of recognition and to the conduct of U.S. foreign relations. The TRA provides addi-

tional support for and acknowledges the Executive Branch's discretion in the conduct of the relationship with Taiwan.

Question. Was the U.S. policy before the "Guidelines" were issued in 2015 consistent with the TRA? If not, please quote the language from the TRA with which it was inconsistent directly and identify the sections, paragraphs, and as relevant subparagraphs where that language is located.

Answer. The U.S. one China policy is guided by the Taiwan Relations Act (TRA), the three Joint Communiques and the Six Assurances. The United States recognizes the People's Republic of China as the sole legal government of China, and, within this context, has maintained unofficial "commercial, cultural, and other relations" with Taiwan, as further memorialized and facilitated by the TRA. Across multiple Presidential administrations, U.S. guidance to Executive Branch agencies is premised on this unique unofficial relationship and the President's constitutional authorities relating to issues of recognition and to the conduct of U.S. foreign relations.

Question. In what sense does a policy of ambiguity align with the active prohibition set out in the 2015 "Guidelines," as opposed to a policy in which the U.S. maintains ambiguity about the Taiwanese displaying symbols of their sovereignty, which was the pre-"Guidelines" status quo?

Answer. The description of U.S.-Taiwan policy in this question is not accurate. Our Guidelines are instructions on how to engage Taiwan within the parameters of our long-standing one-China policy, which is guided by the Three Communiques, the Taiwan Relations Act, and the Six Assurances. As such, the 2015 State Department-issued Guidelines did not represent a change in U.S. policy.

RESPONSES OF ASSISTANT SECRETARY DAVID R. STILWELL TO QUESTIONS SUBMITTED BY SENATOR CORY BOOKER

Question. China's Support for Multilateralism and "Vaccine Nationalism": Since the Trump administration withdrew from UNESCO and the U.N. Human Rights Council, China announced itself as the "champion of multilateralism," filling the void left by the United States.

China appears to have worked hard to present the Trump administration as "unilateralist" and China, in contrast, as committed to multilateralism and support for global institutions such as the World Health Organization:

How, if at all, is the Administration responding?

Answer. The United States remains an indispensable, committed partner of the international community, including at the U.N. and its specialized agencies and related organizations, and continues to be the largest funder of international organizations, providing over $12.2 billion in fiscal year 2019. This Administration will continue working to ensure that respect for human rights, the dignity and worth of individuals, peaceful resolution of conflict, sustainable economic prosperity, national sovereignty, transparency, good governance, and the rule of law remain priorities at the U.N. and its specialized agencies and related organizations.

The People's Republic of China has expanded its malign influence throughout the multilateral system, including the World Health Organization, to advance its own narrow foreign policy interests, often at the expense of the health and safety of the global community. The Department has been working diligently to push back against the PRC's problematic behavior and authoritarian ideology within the U.N. and its specialized agencies and related organizations and to strengthen the institutional integrity of these organizations by improving their transparency, accountability, and effectiveness.

Question. Is the Administration's position that it will not participate in COVAX, the global partnership of 172 countries that will develop and share access to a vaccine, because it is loosely associated with China?

Answer. The United States has invested more than $10 billion to rapidly develop COVID–19 vaccines, therapeutics, and diagnostics and to expand domestic manufacturing capacity. These efforts will benefit the global community by bringing safe and effective medical countermeasures to market faster. The Administration's decision not to participate in multilateral initiatives such as the Access to COVID–19 Tools Accelerator (ACT) or the COVAX facility was based on several factors. The Department of Health and Human Services and USAID are engaged in technical conversations with the Coalition for Epidemic Preparedness, Gavi (both of which are public-private global health partnerships), and other partners to advance global efforts to develop and deploy life-saving vaccines and therapeutics as quickly, and as broadly as possible.

Question. Does the Administration believe it can compete with China by gambling the lives of Americans with only American vaccine candidates, and cutting off access to vaccine candidates that a majority of countries in the world will be able to access?

Answer. The United States Government remains committed to ensuring Americans have access to a safe and effective COVID–19 vaccine. The United States Government has invested more than $10 billion to accelerate the research, development, and manufacture of COVID–19 vaccines, therapies, and diagnostics, including supporting international vaccine candidates developed by global pharmaceutical companies. As President Trump has said, the United States is "willing to work with anybody that's going to get us a good result."

Question. What if one of the U.S. vaccine candidates does not prove safe or effective or takes longer to be approved, while a COVAX vaccine proves to be more effective—is the Trump administration prepared to answer why Americans could be at the back of the line for doses to a vaccine?

Answer. The Department continues to engage with international partners to exchange information and best practices on vaccines, therapeutics, and other measures to combat COVID–19 and to build global capacities necessary to prevent the next pandemic. In response to the pandemic, the Department has worked closely with FEMA and other federal agencies to secure medical supplies for domestic needs, and the Department remains poised to support ongoing Administration response efforts. Through decades of scientific collaboration and investments in global health security, the United States has built a network of international partners that we will continue to leverage to enhance domestic and global health security.

Question. How is the Administration holding the CCP accountable for its human rights abuses? What actions are being taken to help prevent a further worsening crackdown in Inner Mongolia?

Answer. The State Department is outraged by the People's Republic of China's (PRC) ongoing targeting and abuse of human rights activists and members of ethnic and religious minority groups. The U.S. Government has taken concrete action to respond to the human rights crisis in the People's Republic of China, to include visa restrictions, export restrictions, import restrictions, financial sanctions, and multilateral initiatives.

Following decades-long oppression in Tibet and a devastating campaign of repression in Xinjiang, the Chinese Communist Party seeks to erode the unique culture of ethnic Mongols in Inner Mongolia as well by, for example, replacing Mongolian with Mandarin Chinese as the language of instruction in schools.

The United States seeks to preserve the distinct religious, linguistic, and cultural identity of the PRC's ethnic Mongolian population. We will continue to promote accountability for those who commit human rights abuses, and to impose costs on the individuals and entities that carry out or enable abuses. We also encourage other members of the international community to take similar steps.

Question. Suppression of Journalists/Human Rights Abuses: The Chinese Communist Party's (CCP) reflexive repression has already resulted in horrific consequences for minority groups in Xinjiang and Tibet, in addition to human rights activists throughout China. Unfortunately, the CCP's campaign continues to broaden, most recently in Inner Mongolia where authorities are targeting ethnic minority Mongols:

What have you conveyed to Chinese government authorities regarding this outrageous behavior targeting this accredited Los Angeles Times journalist? How should the U.S. respond to deter this type of behavior?

Answer. The United States condemns the PRC's detention and physical harassment of Alice Su, a reporter for the Los Angeles Times, who was in Inner Mongolia covering protests against a new PRC policy reducing the use of the Mongolian language in education. Independent journalists play a vital role in transparency in China, and the world saw firsthand the negative implications of censorship when COVID–19 broke out in Wuhan. Independent journalism is also critical to shedding light on the PRC's efforts to Sinicize its ethnic minorities in Xinjiang, Tibet, and Inner Mongolia. It is reprehensible that the PRC has suppressed protests by ethnic Mongolians seeking to express their legitimate concerns and protect their mother tongue against discriminatory measures, just as it has suppressed similar protests in Tibet and Xinjiang.

Question. What is the State Department doing to change the perception that we have forgotten Africa?

Answer. Secretary Pompeo and Under Secretary Hale both traveled to Africa this year to underscore our long-standing commitment to our partnership, strengthen

economic ties, and support the next generation of Africans. The Administration's new Prosper Africa initiative is bringing together U.S. Government resources to two-way expand trade and investment. For the past decade, the Young African Leaders Initiative (YALI) has promoted leadership, entrepreneurship, effective public administration, and strengthening of civil society. These initiatives will continue to provide critical opportunities to African youth, who are the future leaders of their communities.

Question. What lines of effort exist to promote the assistance we are providing and the longstanding partnerships we have with African institutions?

Answer. The U.S. advances peace and security by strengthening our defense and development partnerships with African governments, Regional Economic Communities, and the African Union to reinforce democracy, human rights, and rule of law. We help partners counter malign actors by harnessing the power of markets, promoting good governance, and strengthening institutional capacities, including in health. Over the past decade, we provided over $100 billion in global health funding and nearly $70 billion in overseas humanitarian assistance. To develop Africa's future workforce, we also provide critical education, especially for women and youth.

Question. It has been nearly a year since the State Department unveiled its Indo-Pacific Strategy. What success has the strategy had in countering this Chinese initiative so far?

Answer. Through the Indo-Pacific Strategy, the United States works with allies and partners to advance open investment environments; free, fair, and reciprocal trade; good governance; and freedom of the seas. Since 2017, this strategy has helped the U.S. and our partners in countering Beijing's malign actions, which threaten the peace and security of the Indo-Pacific region. The United States and a diverse chorus of partners now speak in terms of the Indo-Pacific with a shared vision and vocabulary, as seen in ASEAN's Outlook on the Indo-Pacific. Under the Indo-Pacific Strategy, the United States has elevated commercial diplomacy tools, sharpened transparency and governance tools under the Indo-Pacific Transparency Initiative, and expanded security partnerships with Indo-Pacific partners. Alongside our likeminded allies in this effort, we can prevail against Beijing's malign behavior and strategic competition.

Question. What are some examples the Department can point to where U.S. Government efforts have either repelled Chinese attempts to gain influence or otherwise increased our own standing in the region?

Answer. The Administration's Prosper Africa program is intended to significantly increase two-way trade and investment. We actively promote U.S. firms and solutions. For example, the U.S. Export-Import Bank recently financed $5 billion for U.S. exports to Mozambique. Chicago's Weldy Lamont won a $100 million grid-extension contract to increase energy access in Senegal, beating out a Chinese competitor. Botswana's recent termination of Beijing's faulty roadway projects underscores the importance of our quality-driven, long-term investment model.

Question. Aggressive Chinese Diplomacy: In recent years, the Chinese foreign ministry appears to have instructed its embassies overseas to adopt a more aggressive tone against the United States and our allies. Called "wolf-warrior diplomacy," this approach seems to represent a transition in Chinese diplomacy from conservative, passive, and low-key to assertive, proactive, and high-profile—and to reflect a sense of increasing nationalism within China. We have seen an increased willingness among Chinese ambassadors to engage in public speaking and publish op-eds in an effort to push significant disinformation campaigns that attack the West and promote a version of Chinese economic, political, and diplomatic engagement that is disconnected from reality:

What is the Department's observation about the effectiveness of this Chinese campaign?

Answer. Chinese diplomats have indeed grown more strident and aggressive in their public and private remarks, both at home and in third countries. The German Marshall Fund has found that, since the first Hong Kong protests erupted in March 2019, Twitter accounts connected to PRC Embassies, Consulates, and Ambassadors have increased 250 percent. This is in stark contrast to the PRC's censorship of social media at home, including outright blocking of platforms like Twitter and Facebook. This newfound aggression in seeking to control the information narrative has been matched by diplomatic aggression—to include outright threats against third counties' sovereignty, security, and economic well-being. However, in most cases these attempts have not resulted in the cowing of foreign leaders or publics.

To the contrary, this belligerence has revealed CCP malign intent more clearly to a global audience, and most countries have responded by publicly rejecting Beijing's increasingly threatening approach. In addition to not bowing to Beijing's demands, public opinion polls reveal a souring of views of the Chinese government's tone and behavior in more and more countries. In particular, countries' rejection of the PRC's cover-up of COVID–19, disinformation efforts around its origins and spread, and transactional approach to medical supplies, have further exposed the limits of Beijing's aggressive diplomatic efforts.

Question. What is the State Department's strategy for counteracting wolf-warrior diplomacy?

Answer. The Department's tracking of Beijing's so-called "wolf-warrior" diplomacy has shown this strategy often backfires, angering the very audiences Beijing hopes to influence. For example, Global Engagement Center analysis of Foreign Minister Wang Yi's recent trip to Europe showed that digital and social media conversations in Europe about the visit were predominately negative.

The Department, however, is not just monitoring CCP attempts to influence global conversations. Across the Department and at our posts around the world, our teams are focused on sharing accurate information about the United States, our policies, and values while building resiliency to CCP propaganda and disinformation. Public Affairs Officers at U.S. embassies and consulates, working with their local staff, use their own media platforms, local contacts, speaker and grant programs, and a variety of other tools to ensure that local governments and publics see PRC aggression clearly. Beijing's "wolf-warrior" efforts work against Beijing—their threats against local leaders, companies, and publics almost always result in a strong and negative response in these countries, further raising collective alarm about Beijing's malign activities abroad.

Question. What is the Department doing to lift the curtain on China's anti-democratic, neocolonialist diplomatic and economic engagement?

Answer. We are working every day to raise awareness of the PRC's malign activities around the world. As mentioned in my testimony, the Department has reorganized and retooled to confront the global threat from the CCP in recent years, and every office and bureau is focused on this global foreign policy challenge. We recognize that messaging is a critical component of our campaign to reveal the PRC's malign activities abroad; this includes both private messaging to local governments as well as public messaging efforts.

All of our diplomats in the field are empowered to speak on China issues, and are raising awareness of PRC malign intentions every day. The greatest tool in this effort is transparency: exposing PRC malign actions helps foreign audiences understand the threat Beijing poses to their country's own national interests and well-being. We are also eager to use the new Counter China Influence Fund (CCIF) to support our posts in their programmatic and messaging efforts to expose PRC malign influence. On the economic front, our posts are taking advantage of the many new tools at their disposal to provide alternatives to Beijing's predatory lending, including the Development Finance Corporation (DFC), which helps meet local development needs without resorting to Beijing's unsustainable lending.

Question. In the year that has passed since the signing of this joint statement, what areas has the State Department identified as being ripe for cooperation, technical assistance, and capacity building? Are any programs yet underway?

Answer. The Department of State deepened cooperation with the African Union Commission (AUC) by increasing technical assistance in support of African Continental Free Trade Area (AfCFTA) negotiations to assure a level playing field for U.S. business. Capacity building programs have included: Department-funded U.S. exchange programs for 13 AUC trade officials on trade, digital trade and intellectual property rights; a USDA-funded policy workshop to draft the AfCFTA Sanitary and Phytosanitary annex; a training seminar for 30 AfCFTA negotiators on IPR coordinated by the Department with support from USTR, USPTO, and the U.S. Copyright office; and USAID-funded advisors on technical barriers to trade and digital trade.

CHINESE USE OF TECHNOLOGY FOR MALIGN INTENT

In August 2019, the Wall Street Journal reported that Huawei technicians helped the governments of Uganda and Zambia spy on political opponents by intercepting their encrypted communications and social media, and by using cell data to track their movements. Just last month, researchers at a UK mobile security company discovered malware pre-installed on new smartphones marketed in Africa, made by the Chinese manufacturer Transsion.

Transsion is the fourth largest mobile handset maker (by sales) in the world, behind Apple, Samsung, and Huawei, and the leading seller of mobile phones in Africa. The affected devices are Transsion's low-cost "Tecno W2" Android phone models. Researchers observed 95 percent of the affected devices operating in Cameroon, Côte D'Ivoire, Democratic Republic of the Congo, Egypt, Ethiopia, Ghana, and South Africa. Compromised mobile devices could enable malicious activity, such as credential stealing or espionage, placing users' personal information and data at risk of monitoring or interception. Furthermore, communicating with users of these devices, including third parties and partner organizations, could result in the compromise of shared information:

Question. What kinds of specific initiatives or lines of effort does the State Department have in place to counteract this type of malicious activity?

Answer. The Department's efforts seek to promote an open, interoperable, secure, and reliable Internet and promote best practices for cybersecurity. Allowing untrusted, high-risk vendors, such as Huawei, into any part of 5G networks makes critical systems vulnerable to disruption, manipulation, and espionage, and puts sensitive government, commercial, and personal information at risk. To counter this threat, the Department has led an international campaign to convince our partners and allies to exclude untrusted vendors from their information and communications technology networks and services.

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