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Before the

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Chairman Gardner, Ranking Member Markey, and Members of the Subcommittee: Thank you for the opportunity to appear before you today. It's an honor to testify on the Asia Reassurance Initiative Act (ARIA), the U.S. Indo-Pacific Strategy, and our nation's continued leadership in that region. And it's also an honor to be doing so alongside my friend and colleague, Randy Schriver.

The Indo-Pacific region is of chief importance to the United States. The Indo-Pacific includes half of the world's population and, by the middle of the century, will likely constitute half of the world's gross domestic product. Fifty percent of global trade passes through Indo-Pacific sea routes. Annually, the United States conducts \$1.4 trillion in two-way trade with the region and is the source of over \$850 billion in foreign direct investment, making the United States the region's largest trading partner and investor. The region is home to the world's three largest democracies, some of its most inspirational democratic miracles, and many of its fastest growing economies.

In all of these ways, the region implicates vital U.S. interests. And to defend those interests, we've long exercised leadership in the Indo-Pacific. But as the region grows in population and economic weight, U.S. strategy must adapt to ensure that the Indo-Pacific is increasingly a place of peace, stability, and growing prosperity—and not one of disorder, conflict, and predatory economics.

The ARIA legislation states, "Without strong leadership from the United States, the international system, fundamentally rooted in the rule of law, may wither, to the detriment of United States, regional, and global interests."

Although the Administration is still reviewing the legislation itself, we agree with that specific assessment.

That is why the Administration is pursuing a strategy—grounded in U.S. leadership—that advances a free and open Indo-Pacific. President Trump introduced this strategic concept during his historic trip to the region in November, the longest trip by a President to the Indo-Pacific in a generation. We are now formulating the implementation of that strategy, and the formulation process is a government-wide endeavor that includes the Department of State, the Department of Defense, and every other agency with a role in the Indo-Pacific.

Our objective is to align U.S. policies and programs toward strengthening the free and open order that the United States has fostered in the Indo-Pacific for over 70 years.

The modifiers we use to describe the Indo-Pacific order—"free" and "open" were chosen with care, because they embody the principles we seek to embed in the region.

The term "free" means first, on the international plane, that we want the nations of the Indo-Pacific to be free from the coercion of outside powers. Nations should be able to pursue their own paths in a sovereign manner free from the weight of spheres of influence. Second, "free" means, at the national level, we want the societies of Indo-Pacific nations to become progressively more free—free in terms of good governance, in terms of fundamental freedoms, and in terms of transparency and anti-corruption.

"Open," first and foremost, means open sea lines of communication and open airways. These open sea lines of communication, particularly those in the South China Sea, are the lifeblood of the region. Secondly, we mean more open connectivity in the form of quality, best-value energy, transport, and digital infrastructure that's driven by private capital investment. Third, we mean more open investment environments and free, fair, and reciprocal trade. A better investment environment and an equal and open playing field for trade benefit U.S. businesses and workers. But they also benefit indigenous innovators and indigenous entrepreneurs who will be more empowered to drive economic growth in their home countries.

Embedding these free and open principles will require efforts across the spectrum of our capabilities: diplomatic initiatives, governance capacity building, economic

cooperation and commercial advocacy, and military cooperation. But we are not beginning from a standing start. The United States has longstanding programs that support the free and open order. And we've initiated new efforts in the first year of the Trump Administration including: new energy and infrastructure partnerships with Japan and India; the delivery of a Coast Guard cutter to Vietnam; strengthened cyber cooperation with Australia, Japan, Indonesia, New Zealand, Singapore, South Korea, and Vietnam; the first U.S.-India Counterterrorism Designations Dialogue; an effort to speed foreign military sales to our partners; and we were gratified to work with Congress on the Palau Compact.

As the United States pursues our Indo-Pacific strategy, it's important to note that a number of our partners are pursuing similar strategies. If you look at India's Act East policy, at South Korea's New Southern policy, at Japan's Free & Open Indo-Pacific Strategy, at Taiwan's New Southbound policy, and at Australia's Foreign Policy Whitepaper, they are all seeking to expand ties throughout the Indo-Pacific and in particular with the nations of Southeast Asia and ASEAN. As these strategies overlap with ours, they'll form a strong free and open fabric that knits the region together, preserves sovereignty, and promotes prosperity. This is a vision the United States has long advanced in the Indo-Pacific, and one we believe will continue to reap benefits in terms of stability and prosperity.

Conclusion

Mr. Chairman and Members of the Subcommittee, the Department of State together with the rest of the Administration is making significant progress toward a lasting strategy that will ensure the Indo-Pacific continues to be a peaceful, prosperous, and economically dynamic region.

I commend Congress, and this Subcommittee in particular, for your thoughtful and thorough approach to supporting U.S. engagement in the region. I look forward to your questions, and I look forward to working with you and your staff members on our Indo-Pacific strategy.