Attachment One: Excerpts from the OSD Comptroller FY 2022 Budget Proposal Brief Dealing with China, Russia, Iran, North Korea, and Other Regional Threats


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CHINA – THE PACING CHALLENGE

The DoD is prioritizing China as the top pacing priority, as it remains the only U.S. competitor able to combine its economic, diplomatic, military, and technologic power to mount a sustained challenge to the international system. The rapid development and operational focus of the People’s Republic of China (PRC) constitutes a significant and long-term security threat to the United States and to our allies and partners. This threat is a consequence of nearly two decades of intense effort by China to modernize and reform the People’s Liberation Army (PLA) and other forces into an increasingly capable joint force able to conduct the full range of military operations across every warfighting domain.

In addition to a significant buildup and modernization of its strategic forces, the PLA is advancing its capabilities and concepts for conducting information, cyber, space, and counterspace operations. China is also mobilizing vast resources to become a global leader in emerging technologies and is leveraging those advances in support of its military modernization.

China has made clear that it expects the PLA to be a global military actor capable of securing China’s growing overseas interests and advancing other PRC objectives abroad. These changes are accompanied by aggressive and at times coercive activities that seek to expand the PRC’s military influence by forging closer ties with foreign militaries, developing overseas military bases, and expanding the PLA’s presence worldwide.

China’s robust military modernization activities have, in recent decades, sought to erode the ability of U.S. forces to project power in the region, and China has continued to accelerate the development of capabilities specifically designed to counter key U.S. strategic and operational advantages. The continued erosion of U.S. military advantages relative to China remains the most significant risk to U.S. security interests. If left unimpeded, this continued erosion could fundamentally challenge our ability to achieve U.S. defense objectives and to defend the sovereignty of our allies, the consequence of which would be to limit DoD’s ability to underpin other U.S. instruments of power.

PACIFIC DETERRENCE INITIATIVE

The Pacific Deterrence Initiative (PDI) emphasizes elements within the FY 2022 President’s Budget request that bolster deterrence and maintain our competitive advantage. The FY 2022 PDI features a $5.1 billion subset of the Department’s FY 2022 budget request, not a separate fund, in targeted investments for the Indo-Pacific region, which will be used to develop and procure defense capabilities in support of joint force lethality, especially in providing survivable strike and stand-off capability in a denied environment.

The PDI also highlights investments to improve allied and partner capabilities, and to develop innovative concepts to counter threats through advanced technologies.
Note that in total, the Department is investing over $66 billion in the Indo-Pacific region for FY 2022, including what is highlighted in the PDI. As this year represents the first-ever PDI presentation, the Department expects modifications to the PDI display in future budgets as it works with the Congress to make refinements.

The People’s Republic of China (PRC’s) growing military capabilities are designed specifically to erode U.S., allied, and partner freedom of action in the Indo-Pacific region, and to underpin the PRC’s coercive diplomatic, economic, and other policies. PDI therefore highlights critical DoD investments that improve our capabilities, posture, training, and readiness, along with those of our key allies and partners. PDI investments, however, are not the totality of DoD resourcing and activities that support warfighting effectiveness, deterrence, and competition for the Indo-Pacific; in fact, the majority of DoD investments in a more lethal, resilient, and ready Joint Force have applicability, directly or indirectly, in support of this strategic imperative. However, the PDI does serve as a useful framework for understanding and measuring specific investments as detailed in the categories outlined below.

Section 1251 of the FY 2021 National Defense Authorization Act (NDAA) directs DoD to establish a PDI for the following five purposes:

- Modernize and strengthen the presence of the United States Armed Forces, including those with advanced capabilities;
- Improve logistics and maintenance capabilities and the pre-positioning of equipment, munitions, fuel, and materiel;
- Carry out a program of exercises, training, experimentation, and innovation for the joint force;
- Improve infrastructure to enhance the responsiveness and resiliency of the United States Armed Forces; and,
- Build the defense and security capabilities, capacity, and cooperation of allies and partners.

The FY 2022 PDI highlights DoD investments intended to advance those congressionally-directed objectives, structured around the following four categories of investment:

**Figure 2.1. PDI by category ($ in millions)**

The DoD’s FY 2022 PB request includes $5.1 billion in targeted investments to specific programs for PDI, per the investment categories referenced above. In particular, the FY 2022 PB request improves the Joint Force’s long-range strike capability and capacity, which multiple DoD-internal and -external analyses have identified as critical to U.S. warfighting capability and a credible deterrent for the Indo-Pacific region. This includes increased investments in the capability and capacity of Tomahawk and Standard Missile 6 (SM-6); land-based conventional fires capabilities with ranges exceeding the 500km limit previously imposed by the Intermediate-Range Nuclear Forces (INF) Treaty; and hypersonic capabilities, such as the Navy’s Conventional Prompt Strike capability.

The FY 2022 PB request also expands both shipbuilding activities and shipbuilding capacity, which are necessary to maintain U.S. maritime superiority in the Indo-Pacific, given the centrality of this domain to operations in theater. For example, the FY 2022 PB request expands investments in uncrewed surface and subsurface vessels, platform types crucial to the future development of U.S. naval power projection and Distributed Maritime Operations in the expansive and highly contested Indo-Pacific operating environment. The FY 2022 PB request also includes other investments to improve warfighting capabilities relevant to operational challenges in the Indo-Pacific, including capability enhancements for the F-35 Joint Strike Fighter, resilient Positioning, Navigation and Timing (PNT), and Marine Corps stand-in capabilities.

These investments build upon an extensive array of broader Joint Force investments proposed in DoD’s overall FY 2022 PB request, which prioritize the strategic and operational challenges of the Indo-Pacific theater as DoD’s pacing threat. For example, in addition to the targeted $5.1 billion for PDI, the FY 2022
PB request also includes significant investments in advanced munitions development and procurement; survivable strike platform capability and capacity; expanded forward force posture and resiliency; and resilient Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR) systems. All of these investments will help DoD to maintain a conventional military advantage necessary to deter aggression in the Indo-Pacific region.

The PDI, and DoD investments and activities more broadly:

- Demonstrate the U.S. commitment to preserving a free and open Indo-Pacific. The DoD is focused on maintaining and extending our military advantage in the region, paced to threats posed by the PRC, while deterring and countering the destabilizing actions of North Korea.
- Build forces that are lethal, resilient, ready, and postured to respond quickly and effectively against aggression. Maintaining and increasing our military effectiveness is essential to deterring aggression and preventing conflict.

Help strengthen our Indo-Pacific alliances and partnerships that are central to the U.S. vision of a free, open, and rules-based Indo-Pacific regional order, and which enable collective responses to common challenges that undermine security and stability.

The DoD will continue to prioritize investments that maximize the Joint Force’s warfighting advantage and ability to deter conflict, while also enabling combat- and cost-effective solutions for other capability gaps and shortfalls. The DoD’s PDI and related investments and activities provide a military foundation on which broader U.S. government policies and activities can be advanced to deter aggression and reinforce our network of allies and partners in the region and globally.

ADDRESSING ADVANCED AND PERSISTENT THREATS – RUSSIA, IRAN, NORTH KOREA, AND VIOLENT EXTREMIST ORGANIZATIONS

Even as China represents the pacing threat for the Joint Force, the United States must still maintain the forces and capabilities necessary to deter and defend against enduring threats outside the Indo-Pacific region. Russia remains an enduring and capable adversary that continues to spurn international norms, violate the territorial integrity of its neighbors and the sovereignty of national elections, and to pursue its aims using hybrid tactics and nuclear coercion.

It’s robust military modernization and training is programmed to ensure Russia continues to steadily advance its asymmetric capabilities, conventional force lethality, and nuclear deterrence with an intent to limit U.S. response options.

The DoD also faces ongoing threats from the North Korean regime’s nuclear weapons program, offensive cyber tools, and other destabilizing activities intended to solidify regime security and grow the rogue nation’s regional and international influence.

Iran’s destabilizing activities and pursuit of both conventional and unconventional capabilities pose threats to our forces and partners in the Middle East. Finally, violent extremist organizations, while degraded globally, continue to pose transnational and regional threats to the United States and our allies and partners.

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- **Indo-Pacific:** In the Indo-Pacific, DoD is strengthening and evolving U.S. partnerships into a security architecture that helps uphold a “free and open” order. The U.S.-Australia Alliance has never been stronger. The “Unbreakable Alliance” remains essential to U.S. defense and security objectives in the Indo-Pacific and beyond. Australia’s Defence Strategic Update 2020, articulates a decisive shift in the orientation of its defense and security resources towards the Indo-Pacific.

The U.S.-ROK Alliance is the linchpin of security and stability on the Korean Peninsula and the broader Indo-Pacific region. The United States and ROK will continue to work to find synergies in each country’s
regional strategy to uphold common values and protect global norms. The DoD is working closely with Japan to align implementation of each country’s defense strategies; adapt U.S.-Japan Alliance roles, missions, and capabilities to future threats; enhance trilateral and quadrilateral cooperation; and increase operational readiness and training in line with realignment plans.

Singapore hosted the transit and rotational deployment of more than 1,500 U.S. military aircraft and vessels (2015-2018), and in 2019, signed a memorandum of understanding agreeing to establish a Singapore fighter training presence on Guam. For the Philippines, we continue to plan for over 300 bilateral defense activities annually, and we are increasing the complexity of these engagements to further strengthen interoperability with a key treaty ally in Southeast Asia. In November 2019, the United States and Thailand issued the Joint Vision 2020 which set the stage to bolster force modernization cooperation, expansion of exercises and training to improve joint readiness, and enhance reciprocal access between the two allies.

The DoD continues to provide Taiwan defensive arms and services in accordance with the Taiwan Relations Act. The Department has prioritized capabilities that are highly mobile, distributable, lethal, and would best enable Taiwan to defend themselves against an attack. Additionally, and particularly in light of the increasing Chinese military threat to Taiwan, the Department seeks to prevent miscalculation by sustaining our forward deployed, and credible force.

The DoD must also support the broader network of allies and partners who can effectively manage their own territorial defenses, act as net exporters of security, and facilitate U.S. or coalition force flow and logistics. As regional security environments evolve, future mission demands on the U.S. Joint Force may necessitate changes in needed basing, access, and agreements. Those who oppose the United States often seek to exploit gaps, seams, and vulnerabilities among our allies and partners situated along their borders, our geographic theater boundaries, near choke points in areas outside national jurisdiction, and near ethnic, economic, and political fault lines. Accordingly, these states will play important roles as we seek to deter conflict and support other forms of national power.

Critically, DoD also seeks enhanced cooperation with frontline allies and partners located along the borders of those who oppose us. To lessen the threat posed by a fait accompli scenario, DoD can help improve the ability of allies and partners to selectively deter, blunt, and impose costs on malign actions, hostile activities, and ongoing or potential military aggression until the United States and other nations could bring decisive force to bear. The Department will focus on building frontline ally and partner capacity and internal resilience to defend themselves against aggression and coercion and to motivate transformative defense institutional change.

As some countries, particularly China and Russia, seek to erode the ability of U.S. forces to project power abroad in defense of our allies and partners, DoD understands that it cannot tackle this challenge alone. Allies and partners affect the full range of activities that encompass DoD priority missions. Moreover, as the Interim Guidance recognizes, many of the greatest threats to American prosperity and security— including the climate crisis, global pandemics, cyber threats, and nuclear proliferation—are borderless challenges that require collective action. The United States’ success in tacking these challenges will hinge on our ability to leverage our strong relationships with our allies and partners.

**WORK IN PARTNERSHIP WITH OUR NATION**

The DoD cannot alone address the many complex security challenges confronting the United States. The Department and its armed forces must, at all times, work in concert with other elements of national power – including diplomatic, economic, and intelligence activities – as part of a whole-of-government effort to address threats to the homeland, our core interests, our allies and our partners.

The FY 2022 budget request invests in activities with positive impacts that Americans will feel at home – including support for American manufacturing and industry, for the people who serve in our all-volunteer force and their families, and for our disaster and pandemic response infrastructure.