Gregory Poling: All right. Hey, everybody. So we’re going to get started with our lunch keynote. I hope everybody had a chance to dig into the buffet.

So today we’re going to hear from Ely Ratner. Ely serves as the assistant secretary of defense for Indo-Pacific security affairs at the U.S. Department of Defense. Prior to his confirmation, he served as the director of the DOD China Taskforce and as a senior advisor on China to the secretary of defense. And prior to his work at DOD, Ely was the executive vice president and director of studies at the Center for a New American Security. And so without further ado, please join me in welcoming Dr. Ely Ratner to the stage. (Applause.)

Ely Ratner: All right. Well, thank you, Greg, for that kind introduction. And wonderful to see everyone. It’s a privilege to be here today. And I’ve always found this particular event to be one of the best, highest quality Asian security events not only here in Washington, but nationally as well. So very happy to be here.

I last spoke at this conference in 2017. And at that time had the luxury of being a fellow think tanker, which is a little bit of an easier job than coming here as a U.S. official. But I will do my best. And I’ve just come this morning from two hours of classified briefing with the – an interrogation with the Senate Armed Services Committee. So I’m going to see whether the – who’s the tougher audience, CSIS or Senate Republicans. I worry the worst is yet to come. (Laughter.) But thank you all for being here today.

You know, there’s been a lot of changes in the region over the last couple years. I know that’s what you’ve been talking about earlier today, with a particular focus on the South China Sea. But let me give you a little sense of how we’re thinking about the current contexts from the perspective of the Defense Department, and then very much look forward to question and answer with Greg and with the group.

So, you know, suffice it to say – and you hear this a lot but it’s true – you know, across all metrics, the Indo-Pacific is the fastest growing part of the world. It’s a tremendous opportunity for the United States, but also obviously prevents great challenges. And it’s the department’s assessment, which I know many here today share, that the single most consequential challenge in the Indo-Pacific from a security perspective stems from the People’s Republic of China.

And that’s why you’ve heard Secretary Austin and the department, in official documents and otherwise, characterize the PRC as our pacing challenge. Beijing has, over the last few years, intensified its efforts in particular to assert control over its maritime periphery and to deconstruct core elements of the rules-based order; again, I know issues you’ve been wrestling with this
morning. And we see Beijing combining its growing military power with greater willingness to take risks.

I wanted to mention in particular – and Greg mentioned this was something that was raised this morning as well – that in recent months we've witnessed a sharp increase in unsafe and unprofessional behavior by PLA ships and aircraft, implicating not only U.S. forces but allied forces operating in the region.

As you know, last month a PLA J-16 fighter cut across the nose of an Australian P-8 that was conducting routine overflight activities in the South China Sea and released a round of chaff that was ingested into the P-8 engine. And that maneuver fell right on the heels of a series of unsafe intercepts of Canadian aircraft conducting U.N. Security Council resolution enforcement activities in the East China Sea in an incident earlier this year when the PLA Navy ship – a PLA Navy ship directed a laser at another Australian P-8, endangering the safety of all of those on board.

Now, you have seen, I'm sure, episodes of these periodically reported in the media and others. But I want to be clear that these are not isolated incidents; that over the last five years the number of unsafe PLA intercepts, including U.S. allies and partners operating lawfully in international airspace in the South China Sea, has increased dramatically, with dozens of dangerous events in the first half of this year alone.

In my view, this aggressive and irresponsible behavior represents one of the most significant threats to peace and stability in the region today, including in the South China Sea. And if the PLA continues this pattern of behavior, it is only a matter of time before there is a major incident or accident in the region.

And this is an influential crowd here today, folks watching at home. I would urge all of you, in your official and unofficial channels, as our senior leadership has done at DOD, to press Beijing to stop this dangerous behavior.

In addition to this, across the region, and especially in the South China Sea, the PRC has also escalated tensions with its neighbors at a pace unseen before. It's employing its military, maritime militia, and state-owned enterprises in a holistic way to intimidate and impose its preferences on regional states.

CSIS has done pathbreaking work on this, illuminating the PRC's coercive tactics, including an incident a few months ago in which the Chinese coast guard harassed a Taiwanese vessel carrying Filipino scientists and shadowed the research vessel for more than two weeks. Beijing has taken similar actions against Vietnam. And earlier this year the Chinese coast
guard aggressively approached Vietnamese drilling vessels that were lawfully pursuing energy-exploration activities within Vietnam’s exclusive economic zone. And in May of last year, the PLA sent more than a dozen military aircraft into Malaysian-administered airspace. And, of course, last fall we all know PRC vessels used water cannons to block and target Philippine resupply boats headed toward Second Thomas Shoal.

So these actions, again, are not individual provocations. Beijing is systematically testing the limits of our collective resolve and advancing a new status quo in the South China Sea that flies in the face of our shared commitment to the respect for sovereignty, peaceful resolution of disputes, and adherence to international law.

And this is why we aren’t looking at the South China Sea problem set in isolation but as part of a unified strategic approach by Beijing that spans the Indo-Pacific. The PRC’s actions in the South China Sea show what a PRC-dominated regional order would look like. This is a world defined by spheres of influence in which might makes right and disputes are resolved by force.

So we at the Defense Department and across the U.S. government are seized of this challenge with a great sense of urgency. And from a defense perspective, what this demands of us is that we demonstrate the will and capability to credibly deter PRC aggression. So I’ll focus the remainder of my remarks not on the challenge but on what a few of our priorities are as we go about this work going forward. And I’ll start on the issue of asymmetric advantages.

So the first key element here is building asymmetric advantages for our partners. The tragedy in Ukraine has been an instructive period for Indo-Pacific leaders and policymakers. It’s, of course, shown us the very real human costs of an unprovoked assault on the rules-based order. But it’s also taught us some key insights on adaptability, resilience, and resolve, and highlighted the urgency of our ongoing work in the Indo-Pacific.

Without question, bolstering our partners’ self-defense capabilities in the South China Sea and across the region is a task of foremost importance for the Defense Department, and DOD is taking an increasingly proactive approach in looking at new options to support these efforts.

Our approach is informed by an understanding that deterrence is not simply about outmatching our competitors dollar for dollar. We’ve seen reminders in Ukraine that smaller nations can outmaneuver larger aggressors through smart investments in self-defense technologies, anti-aircraft weapons, and other anti-access denial capabilities.
And in concert with capabilities, we see information as another powerful tool for fundamentally reshaping the playing field in the South China Sea. This includes supporting our partners’ ISR capabilities but it also requires thinking more expansively about how we manage, flow, and share information and use transparency to greater effect.

So we’re doubling down on our efforts to build a common operating picture with our partners that will allow them to better detect and counter illicit activities in their territorial waters.

Our new Indo-Pacific Partnership for Maritime Domain Awareness, which we can talk a little bit more about in the Q&A, which we launched at the Quad Leaders Summit in May, is just one way that we’re doing so.

The IPMDA, or IPMDA, as it is known, will allow us to share near real-time satellite data with our partners and rapidly process and distribute this data through regional information fusion centers in Singapore, in the Indian Ocean, and the Pacific Islands.

A second priority I wanted to highlight today is the work we’re doing to build a combat-credible forward presence in the region, including through pursuing new areas of access and new ways of operating.

Secretary Austin, as many of you may have heard, said at the Shangri-La Dialogue in Singapore that the Indo-Pacific is the department’s, quote, “priority theater of operations.” As we center our operations on the region we’re focused on day-to-day campaigning, harnessing new capabilities, operational concepts, and combined warfighting development with our allies to complicate our competitors’ military preparations.

And we’re building a more dynamic presence in the region. In practice, this means we’re operating forward and more flexibly, including through a regular tempo of rotational activities.

As many of you have seen, last fall two of our carrier strike groups were joined by a Japanese helicopter destroyer and a U.K. carrier strike group to conduct multilateral multicarrier operations in the Philippine Sea, and when the USS Theodore Roosevelt carrier strike group rotated through the Indian Ocean and, ultimately, the South China Sea last spring we conducted multidomain operations with the Indian navy and air force that integrated air, anti-submarine, and command and control elements. And across the board we’ve increased the complexity, jointness, duration, and scale of our combined exercises with our allies and are bringing together new constellations of actors.
The past few months alone have shown how we’re stepping up our game in this regard. In April, the United States and the Philippines concluded the thirty-seventh iteration of the Balikatan exercise with 9,000 personnel across our military services, coast guards, and special forces. This was the largest iteration of the exercise in its long history and included members of the Australian Defence Force.

Last month, of course, we kicked off RIMPAC with 26 participating nations and more than 25,000 personnel, also the largest iteration in its 28-year history. And next month, for the first time our Garuda Shield exercise with Indonesia will be multilateral, including 12 additional nations, such as the U.K., Australia, Japan, Malaysia, Singapore, and Canada.

And as we continue to shore up our position in the region, we will not relent in our commitment to fly, sail, and operate wherever international law allows to ensure that all nations are able to exercise this right, and our partners share this commitment. The Indian navy’s historic deployment of a naval task force to the South China Sea last summer, for example, was a resounding affirmation of these principles.

Which brings me, of course, to our third priority, which is how we’re working to enable our more capable and most capable alliances and partnerships in the region. The United States’ ability to pursue common security and economic goals with likeminded nations is the cornerstone of our success and at the root of our strategy. For the U.S. military specifically, our defense relationships and our ability to bind them more tightly together into more deeply interoperable coalitions can make clear the costs of aggression. Our alliances with Australia, Japan, the Philippines, the ROK and Thailand remain at the center of our approach. And we’re continuing to chart an ambitious course.

During Secretary Austin’s trip to Bangkok in June, we discussed opportunities to expand bilateral training and exercises with Thailand, including through establishing a new working group on reciprocal access. Our visiting forces agreement and enhanced defense cooperation agreement with the Philippines also underpin our defense cooperation, supporting more than 300 exercises in mil-to-mil activity annually between our two countries. And we’re working with Manilla now to develop new bilateral defense guidelines that will clarify our respective roles, missions, and capabilities within the framework of our alliance.

These discussions are critical as we remain unwavering in our mutual defense commitments. And let me reiterate what Secretary Austin, Secretary Blinken, and other U.S. officials current and previous have said before, which is: An armed attack on the Philippines armed forces public vessels or aircraft in the South China Sea would trigger our mutual defense commitments.
under Article 4 of our mutual defense treaty. Beyond our treaty alliances, our ties with ASEAN and partnerships with Singapore, Indonesia and Vietnam are also stronger than ever before, as we expand the tempo of our operational engagements and build cooperation in new domains, such as cyberspace.

And finally, we’re redoubling our efforts with partners to address gray zone actions that chip away at the foundations of international laws and norms and are bringing the full resources of the U.S. government to bear. Next year, as many of you likely know, the U.S. government will deploy a cutter to Southeast Asia and Oceania to provide opportunities for multinational crewing and training across the region. This will be the first forward deployment of the U.S. Coast Guard in the Indo-Pacific region and will complement the Coast Guard’s commitment to prioritize Southeast Asia through providing additional cutters and a new regional training team.

So just to wrap up, obviously these investments and activities matter because today the Indo-Pacific region stands at a critical juncture on our path to a stable and open and secure order. The stakes are apparent, not only in the South China Sea but also to the West where the PRC continues to harden its position along its disputed border with India, and further to the north in the Taiwan Strait. Across each of these areas, the PRC is altering the status quo that has long served the region, and in ways that have profound implications for our collective security.

To be clear, we do not seek confrontation or conflict. We say that publicly. We say that privately. Our primary interest is in upholding the order that has for decades sustained the region’s peace. And while we will always stand ready to prevail in conflict, it is the primary responsibility of the Department of Defense to prevent it, and deterrence as the cornerstone of our strategy. So we’re working closely with competitors and partners alike to establish guardrails. As you saw in Senator Austin’s meeting with the PRC’s minister of national defense last month on the sidelines of the Shangri-la Dialogue. And we’re actively seeing open lines of communication with Beijing and with China’s defense leaders to ensure we can prevent miscalculations.

Fortunately, and again I’ve just come from the Hill, I can attest that there is a real enduring bipartisan consensus emerging around the challenge that Beijing presents and the need for the United States to refocus its time, energy, and resources on the Indo-Pacific region. The reservoir of support for this approach is broad and deep, and Democrats and Republicans alike recognize that DOD should and must prioritize the PRC as the pacing challenge for the United States. So we benefit from the work of those here today, including on Capitol Hill, who are working with us to build sustainable solutions.
We, of course, don’t take this challenge lightly. And we’re going to compete vigorously to defend our interests and stand up for our values. So I hope as I’ve made clear today, and look forward to the discussion, we are committed to putting in the hard work and making the tough calls and upfront investments that this demands of us. Thank you and look forward to the discussion. (Applause.)

Mr. Poling: Well, thank you so much – thank you so much, Ely.

So I’m going to ask a few questions to let everybody gather their thoughts, and both those in the room and online are welcome to submit questions as well. You can use the form, again, online if you are watching, or line up over by the stand mic and surprise us.

But first off, so, Ely, that was a wide-ranging speech and it covered just about everything I would want to ask anyway, so I’m just going to kind of ask you to expand on a few of the points. You mentioned the Shangri-La Dialogue briefly. I think that the consensus throughout the region was that Secretary Austin’s speech was quite well-received, particularly in comparison to the rather bombastic speech that we got from General Wei. The speech only mentioned the South China Sea a handful of times – South China Sea or artificial islands and the like – but these ideas of international law, the rules-based order, peaceful resolution to disputes were really woven throughout the speech. It felt like a lot of it could have been referring to the South China Sea and similar Chinese activity. So in the grand sweep of U.S. Indo-Pacific strategy, how important is this issue among the list of others?

Assistant Secretary Ratner: Well, thanks, Greg. I think – I think it’s fundamentally important. And for those of you who have followed my career, I’ve believed for a long time and spent a lot of time working on this issue set that it is in many ways the fulcrum of the competition over the future of the region.

You mentioned Secretary Austin’s speech. For those of you who haven’t read it and read it again, would commend it to you. But the vision that he laid out was what he described as a shared vision among partners in the region. And you know, our sense is, talking to whether it’s, again, treaty partners in Northeast Asia, ASEAN partners, European partners, other – Indians and others, there’s a common language around the type of region that the – that most of the international community wants to see in the South China Sea. And we see that in contrast to the vision that Minister Wei laid out and the vision through its actions that the PRC is designing.

So, I think, exactly as you said, the principles of sovereignty as countries regardless of size being able to protect their interests, make their own decisions, in a region in which rules and norms are respected are very much,
I think, at play and contested in the South China Sea. And that’s why we’re working with allies and partners and the like to ensure that we all collectively can contribute to that vision. So, it’s, obviously, from an economic perspective fundamentally important waterway, but from a strategic perspective as well I’ve always thought of it as the hinge of the future of the region.

Mr. Poling:

Well, let’s talk about some of the partnerships. You alluded to the pretty remarkable turnaround in the Philippine alliance over the last 18 months and particularly since Secretary Austin’s visit out to Manila last year, when the VFA abrogation was suspended. So, we’ve had all this work. The Enhanced Defense Cooperation Agreement is finally being implemented, new defense guidelines are underway, and we have a new administration just having taken office in Manila. How do you, so far, see things progressing? Do you feel good about where we’re headed under the new Marcos administration?

Assistant Secretary Ratner:

I do, absolutely. And just to, I think, reiterate what you’ve just described, Greg, that I actually just days after I was confirmed joined the trip with Secretary Austin out to Southeast Asia last summer in which he stopped in Manila. We had a long, very in-depth meeting with President Duterte and had an opportunity to work through some of the issues that had become a little bit held up within the – within the alliance at that time – though I will say, as of course Greg, who’s probably the leading expert in this country on this issue, we have a very strong foundation to the U.S.-Philippines defense relationship. So despite when politics roil a little bit, the defense partnership remained and was quite strong, though of course certain initiatives around EDCA and others had gotten held up. In the wake of the secretary’s trip a lot of that opened up, not only the implementation of the existing EDCA sites as you mentioned, but now we’re in bilateral negotiations with the Philippines on identifying possibly new EDCA sites, which I think is a very exciting development. And we’re engaging in – as we are, frankly, with almost every partner in the region – really new types of conversations about the kind of cooperation that we’re looking to do, including the development of the new bilateral defense guidelines that I mentioned.

So I think there’s a lot of opportunity in the relationship. We’ve, obviously, had some senior officials already head out to Manila, would love to get Secretary Austin back there as soon as we can to meet with the new team as they get into place. And I think, as has been the case, they are real champions of the alliance, not only in the Philippines but in senior positions in the government too. And that makes a big difference. So obviously we’ve got a lot of work to do in terms of where we want to take the alliance, but I think we’re on a very strong trajectory that started in the latter period of the Duterte administration.
Mr. Poling: Well, so let’s keep going around the horn, then, of our partnerships. You mentioned the expanded Garuda Shield Initiative exercises coming up with Indonesia. General Milley this week headed to Indonesia. How important do we view the Indonesia relationship? And where do you see things progressing?

Assistant Secretary Ratner: Again, very, very important, and I think that’s part of the reason why the chairman stopped. I had a chance to talk with him about his trip before he left. He was very enthusiastic to get there. He’s got terrific counterparts there to be working with. And I think, again, from a – the – what we are seeing throughout the region is a trend and a pattern of partners, again, wanting to contribute and share in the construction of that more free and open order that we have described. And part of that is a response to the threat perception from Beijing. And I think that goes around the region.

But the fact that we are taking what has been a bilateral exercise and the Indonesians are working with us to multilateralize, bring partners in from inside the region and out, I think is a – is a real demonstration of where we want to go with that relationship. Again, it’s a place very much interested in traveling with Secretary Austin, hopefully even later this year; and one, again, which I think there’s a lot of promise, both on the capability side and also on the – on the mil-mil and military-education side.

Mr. Poling: I’d be remiss if I also didn’t ask about Vietnam, given the topic. You know, there’s always a sentiment in this town that why aren’t we going faster with Vietnam. But when we consider the fact that we had effectively no military relationship a decade ago, we’ve gone pretty darn fast with Vietnam. Where do you see that relationship fitting within the broader U.S.-Indo-Pacific strategy?

Assistant Secretary Ratner: Again, central partner when we think about the key countries that we want to be working with in the region, that we need to be working with in the region, and who are sending demand signals that we ought to be working together. I’m hoping to be going out to Vietnam in September for some senior-level dialogue, talks, which I’m very much looking forward to, and have hosted a number of Vietnamese counterparts at the Pentagon, including this afternoon.

You know, it’s obviously a lot of history to the relationship. And that’s something we proactively address. The war legacy is part of the relationship; remains really important in terms of some of the accounting, as well as some of the efforts to ensure the health and safety of folks back in Vietnam.

I will say one of the most special things that I have gotten to do as assistant secretary is that when Secretary Austin – when I had a chance to travel with him to Hanoi, one of the things that he said at that point is, hey, for a long
time we’ve been talking about DPAA and the recovery of the remains of fallen American soldiers. How about we work with you to help you recover some of your soldiers as well, and in one of the bilateral meetings that I had recently was able to hand over literally binders of documentation that we were able to provide the Vietnamese on data that they can use to help recover some of their war dead as well.

So, I think really that’s important to both sides. And that kind of respect is, I think, at the foundation of the defense relationship, which is moving forward at a fairly rapid pace, given some of the constraints that we all understand. And we’ve been working with Vietnam to strengthen their peacekeeping capabilities, also some of their HADR capabilities. And when we talk about working with partners really throughout the region to ensure they have the capabilities they need to prevent the kind of coercion, if not aggression, that we’re seeing in other parts of the world, Vietnam is certainly part of that. And we’re having some of those conversations as well.

Mr. Poling: All right, one more from me and then we’ll open it to the floor, because you kind of lobbed one up for me. So I guess I’ll take a swing at it.

The Indo-Pacific Partnership for Maritime Domain Awareness – anything you can tell us about the status of the implementation, what it’s going to look like, how you see it applying to the South China Sea issue in particular?

Assistant Secretary Ratner: Yeah, so, first of all, apologize for the acronym. Usually, DOD is very good at acronyms. This one – there was a lot of dispute about what this effort was going to be named, and it ended up just sounding out. So people are calling it IPMDA. Maybe we should have a contest here for a new name for this effort, if that gets too long. But I think most folks are probably tracking that. What we’re really aiming to do here is to share and disseminate information on what’s happening in the maritime domain in particular. And the South China Sea will be a key part of this, particularly as it relates to illicit activities. This is going to be space-based maritime domain awareness.

I will say, as a former think tanker, many of us have written about and thought about for probably a decade of, hey, given the technologies that CSIS and others are using to provide transparency on what’s happening in the water, why isn’t there a shared unclassified maritime domain awareness program for countries throughout the region who don’t have the capabilities to monitor? Because what ends up happening is, for countries that don’t have that kind of maritime domain awareness, they may have a Coast Guard vessel, or even a(n) area surveillance plane.

But they would have to patrol, like a police car patrols a neighborhood, around looking for trouble rather than getting very direct information that says there is an illegal fishing vessel or an illegal Coast Guard vessel in your
waters at this exact location and having them be able to go and police their sovereignty much more effectively. So the practicality of this is quite real. And the fact that there are a lot of former think tankers in the Biden administration working on this account probably help to bring this idea to fruition.

So I’m very excited. I think this is an incredibly important initiative. We’re in the process – this is a Quad initiative. So in the process of consulting with Japanese and Australian and Indian counterparts on the process and funding. But in terms of next steps, we are planning in August to provide regional partners with a demonstration of the technology itself at the SEACAT exercise in Singapore. I’ve gotten this demonstration in my office. It is incredible what this technology can do when it combines artificial intelligence with particular radar detection and bringing – fusing together a number of other information sources to be able to track vessels. Really important.

So we’re going to get a chance to demonstrate that technology to partners next month, in September, as part of the Blue Pacific Initiative. It’s going to be another venue particularly for the Pacific Island countries, but other Indo-Pacific nations to be able to consult on this initiative on the way forward. So it’ll be a little bit of time before it’s fully up and running, but I think we’re on course to get there.

Mr. Poling: Great. Thank you. All right, well, let’s go ahead and open it up, both online and here in the room. And if you’re going to ask a question, as usual, please identify yourself so Ely knows against whom he’s defending himself. Please.

Audience Question: Thank you very much, Assistant Secretary. My name is Nike Ching with the Voice of America.

My question may not beat the Senate Armed Service Committee, but I will try my best. (Laughs.) Can you give us an update on the frequency of FONOP, freedom of navigation operations, in the South China Sea? And if there’s any correlations between the frequency and the perceived threats from China? And separately, if I may, how do you envision Taiwan to be discussed in the planned virtual meeting between President Biden and Chinese leader Xi Jinping? Thank you.

Assistant Secretary Ratner: OK. Thank you. On the last one, I’ll give a very quick answer which is there is no way to get in more trouble than speaking for the White House. So I will – I will defer you to the White House on any plans for the president’s engagement with Xi Jinping. Though happy to talk about some of the engagements that Secretary Austin has had with Minister Wei and other mil-mil cooperation that we have with China, including on issues related to the South China Sea.
On the question of FONOPS, we do not discuss publicly our operational plans. But the freedom of navigation operations that we do perform are all shared in the information space. And you can go through and catalogue them to get a sense of the tempo of those operations. They are ongoing. And we see them as critical to, as you know, upholding the rules-based international order and living by the rhetoric that you hear from U.S. officials all the time that we will continue to fly, sail, and operate wherever international law allows. So that is not dictated by Beijing’s behavior as something that’s going to go up and down. It’s something that is a steady and really important program for the Defense Department.

Mr. Poling: All right. I’m going to alternate between the in-the-room audience and the online audience for fairness’ sake. So the next one is going to go to Charlie Brown with Booz Allen Hamilton in Singapore, who’s staying up pretty late to harass you.

Charlie says, the National Security Strategy and National Defense Strategy and nearly every leaders’ statement notes that the Indo-Pacific is a priority theater and China is the pacing challenge, and the partners and allies are our greatest advantage.

Yet, when you look at security assistance, especially foreign military financing and other security cooperation, other theaters, especially the Middle East, still dominate the charts. So how will that be fixed?

Assistant Secretary Ratner: That sounds like a question I used to ask. So it’s a good question.

I will say that the effort to transform – when we talk about the – China being the pacing challenge for the department, I think it’s important to remember that we’ve only been after this for a couple of years now and it will take some time to transform the institutions and budgetary mechanisms and others to reflect that prioritization, though, I see that as my job day in and day out and, again, am regularly, as are the senior leaders in the department, citing the National Defense Strategy and other guidance that identifies the PRC as the pacing challenge.

On the particular question of security assistance, in certain areas we have seen some of that funding balances start to reflect larger numbers for the Indo-Pacific and particularly in FMF. That may not be the case for historical reasons, though we may see that changing as well.

But we are in active discussions, literally this week, within the department about the guidance that is going to dictate some – again, FMF is run out of the State Department, but for the Defense Department around some of our security cooperation initiatives. And where we do have discretionary
spending, we are talking through now about the guidance that is going to dictate that for the next fiscal year and the NDS priorities are the framework for that.

So, I think now that the strategy is in place we’re likely to see that. But I think this question of aligning resources to prioritization is one that we just have to keep asking, keep asking, keep asking. In some cases, it’s reflected. And that’s not just a DOD thing. But I think we’re turning the ship. But as it relates to the question, clearly, have more work to do.

Mr. Poling: Thanks.

Anne-Marie?

Audience Question: (Speaks in foreign language) – Ely.

Professor Anne-Marie Brady from the University of Canterbury and the Wilson Center here in D.C.

Thank you for your talk. It was very interesting. So you mentioned gray zone and I have two questions for you – related questions about that. China is looking to get some kind of military presence in the South Pacific, part of the island chain, and connected into the U.S. defense line.

And so the two specific questions I have for you of areas of concern are, if China pays for and sets up a(n) airstrip on Canton Island will that be a breach of the Treaty of Tarawa if it’s a civilian installation which may later be used for military purposes? And, secondly, it’s coming up to the 80th anniversary of the Battle of Guadalcanal and the U.S. is sending a very high-level delegation to the Solomons to commemorate that, and there has been discussion that U.S. Navy presence there in terms of a vessel has not been welcomed by the Solomons’ government on the basis of advice of Chinese advisors. So could you comment on that, please, on two gray zone situations going on in the South Pacific? Thank you.

Assistant Secretary Ratner: Sure. On the first, I don’t have a specific answer to the legal question so we’ll ask my team to take a look at that. But appreciate the question.

On the Solomons, maybe zoom back for a little bit and then we can get down to the more specific question about the role of the Defense Department in all of this.

I think, obviously, we are concerned about PLA ambitions to have installations globally. We’ve seen some of this, obviously, in Djibouti, where they now have a military base. We’ve seen in Cambodia, and, from my perspective, this effort is intense and focused on the part of the PLA, and it’s
only limited by the supply side and who’s willing to provide locations. So it’s something we are seized of. It’s something we’ve been tracking very closely. Frankly, the Trump administration had put great effort into this topic, and it’s one that the Biden administration has as well.

As it relates to the Pacific islands and Solomon Islands, obviously, a lot of concern about what we saw – (background noise) – lots of alarms going off here. Hopefully, that’s not a warning to me: Stop talking! (Laughter.) You know – (laughs) – you know, a lot of concern, obviously, as there was in New Zealand and Australia about the potential for an installation or a military base in the Solomon Islands. I think that’s – what we have seen since is, I think, a renewed dedication, again, from our partners in New Zealand and Australia on this issue set, as well as from the United States and other parts. And again, there’s been very focused effort inside the administration not just in response to what the PRC is doing, but to try to essentially step up our game, as they say, in the Pacific islands by increasing diplomatic presence, reestablishing diplomatic missions in key areas down in the Pacific islands, enhancing services and economic programs and development programs, and then providing security assistance where appropriate – though, again, we don’t see this as a – as a very focused DOD effort.

So, I think we are encouraged by the way that at least our system has come together around this issue and the fact that we’ve been able to rally and work with other members of the international community, particularly, again, New Zealand, Australia, the Japanese, European partners, and others who have been quite interested in working together on these issues. And, obviously, it’s – it will remain a contested part of the world. Beijing is going to be focused on, I think, trying to establish these installations where it can, and we’re just going to have to keep at it in providing an affirmative agenda and providing value down there, which I think we’ve started to do. And as you mentioned with the Guadalcanal anniversary, expecting Deputy Secretary Sherman down there, potentially the commandant of the Marines, and others to really not only invoke the history, but show the importance of the area for the United States.

So, I would – I would expect this to continue to be a very important focus area. We had Deputy Prime Minister and Defense Minister Marles from Australia visit the Pentagon just within the last couple weeks. This was an area, obviously, he’s spent a lot of time on, and we had a good chance to talk with the Australians about it as well. So I think we see this as a multilateral effort, but one that we’re very much focused on.

Audience: You didn’t answer my question about the U.S. Navy but thank you for your response anyway.
Next question online goes to Christopher Woody with Business Insider. Chris says: Many in Southeast Asia, including Indonesia where General Milley is visiting this week, have been concerned by China’s activity, but are also cautious about confrontation with Beijing. How is the Defense Department navigating that dynamic as it engages with these countries?

So I think that question is at the root of U.S. strategy in the South China Sea, in the Indo-Pacific, and, frankly, globally as it relates to the China challenge because, exactly as the – as the question asked, we are well aware that while countries are concerned about PRC coercion and intimidation and, frankly, concerned about a China-led region, none of them want to see conflict and confrontation – and they understand the costs of that as well – nor do they want to see their own relationships with the People’s Republic of China imperiled given the very real and appropriate economic linkages and historical linkages and cultural linkages and in some instances security linkages as well. So navigating that reality is what makes this region so interesting and so complicated and so diverse and different from a situation, for instance, in Europe, where you have a NATO-like structure that is organized around, for instance, a particular threat related to Russia. That’s not what we have in the Indo-Pacific, nor is what we’re trying to construct. And it is living in that particular reality and navigating that. And so the answer to the question is our efforts are not about trying to pull countries in to some kind of anti-China coalition. We do not ask countries to choose. We respect their ties and relationships with Beijing. What we want to work with them on is their ability to protect their own interests. And we want to work with them on our shared vision for the region. And I think to the extent that we can thread that needle, our defense partnerships can grow quite substantially, as they are.

And I think the other thing I would add is that to partners in the region, whether it’s Indonesia or otherwise, we do understand that it’s important that we are – and it’s important to us, of course – but managing the military-to-military relationship with the PRC as well, trying to build the guardrails that we’re trying to build, trying to establish some of the open lines of communication with Beijing that we are to prevent miscalculation and to be able to manage through crises if and when they do occur. So it’s a very good question. And it’s the complicated day-to-day nature of the diplomacy that we’re doing.

Thank you for doing this. My name is Dong Huiyi (ph), reporter with China – (inaudible) – News Agency of Hong Kong.

And I have a follow-up question on Taiwan. Last week, President Biden said the military thinks that the House Speaker Pelosi’s planned visit to Taiwan is not a good idea right now. How would you evaluate the situation right now
over there? And are you concerned that this visit may cause a crisis in the Taiwan Strait, or even in the South China Sea? And today the spokesperson of the Chinese defense ministry said that the PLA would not stand idly by in this matter. So how would you respond to them? And do you communicate with them in terms of this visit? Thank you.

Assistant Secretary Ratner: Yeah. Well, all I’m going to say on this topic is that I’m not going to talk about potential travel plans by members of Congress. In general, we regularly provide briefings to members of Congress who are considering travel to the region. And Congress is an independent and co-equal branch of the U.S. government. And members make their own decisions about their travel plans. So I’m just going to leave that at that for now.

Mr. Poling: All right. Next up we have Patrick Cronin from Hudson Institute, your former colleague.

Who asks: How has Indonesia adapted to AUKUS? And what else can be done to ensure that the AUKUS defense partnership can strengthen Indonesian and other ASEAN members’ security concerns?

Assistant Secretary Ratner: So, I don’t want to characterize private discussions with Indonesian counterparts of this. Patrick and Greg, you’ve probably had a number of conversations about this, so I’d be interested in your view on this – on this question as well. My general sense, again, without maybe responding specifically to the Indonesia question, is that much of the region is understanding and welcoming of the deterrent capabilities that the AUKUS initiative is going to provide, both in terms of the conventionally armed nuclear-power submarine that the effort is working to help Australia acquire, as well as some of the advanced capabilities that the trilateral partnership is working to develop.

So, I know there’s been a lot of questions. And as the trilateral partnership develops, I think there will be more opportunities for more transparency about exactly what is underway there. This is – although it feels like AUKUS has been with us for a very long time, we are only nine months into the announcement of this effort. We are nine months into an 18-month consultation period, only halfway through, on the question of the submarine development. So a lot of the initial work is underway.

And I think as that starts to congeal and there’s a clearer way forward, the opportunity for transparency will certainly occur. And at that point, I think it’ll be a good time to do consultations with partners throughout the region to help them better understand exactly what’s underway. But to the extent that the overall purpose of it is to contribute to regional security, I think we’ve heard broad support for that.
Mr. Poling: And I’m sure Yohanes has ideas about Indonesia, but my sense is that if you compare the reaction to AUKUS to the reaction to the Darwin Marine deployment a decade ago, it’s a sign of just how much more worried Jakarta is about Beijing and how much closer they are to Washington. The response has been relatively evenhanded this far.

Anthony?


Hi, Ely.

One of the countries that we didn’t touch on in Greg’s kind of whirlwind tour of the region is Thailand. And I’m just curious to hear in more detail from you. You know, we talked about the resurgence in the U.S.-Philippine alliance. Do you feel like there’s some similar momentum in Thailand back towards interest in the U.S. partnership? And how does the future of that alliance fit in amid these increased kind of focus on partners like Vietnam and Singapore?

Assistant Secretary Ratner: Yeah. Well, thanks for the question.

I absolutely do. I mean, again, we were – we went out with the secretary to Shangri-La and had – you know, the secretary’s time is very precious. We had one stop to make before or after on the way out, and he was very determined that we go to Thailand.

And I think we do see, again, to the question regarding Indonesia, we understand the economic and historical and geographic circumstances that govern Thailand’s relationship with the PRC. But we also see a country in Thailand that very much values the U.S. alliance from a capabilities perspective.

As I mentioned, we are going to be starting a new working-group set of discussions on reciprocal access, which is, I think, very interesting and important as we’re looking to diversify our access and posture around the region. And we’ve just had a large infusion of resources to support more military education between the United States and Thailand, which we think has been a really important part of the foundation of our relationship.

So absolutely and have seen a number of senior U.S. officials traveling to Thailand as well. So it is an important part of that constellation. I think we do see very good forward momentum in the alliance.

Mr. Poling: All right, I think we have time for one more question, coming from online. Stephen Austin – I’m sorry – Michael Tkacik – I apologize for the last name if
I butchered it – from Stephen F. Austin State University asks, it seems to me that the PRC has engaged in this behavior since 2014 and earlier. This seems at least as much of a challenge to the rules-based order as unsafe intercepts or preventing resupply. How different or how much of an intensification is really occurring? Or is this more a function of a belated recognition on the part of the U.S. government?

So, this phenomenon that I was describing today is new. You know, we have seen, to go back to – again, many of us have been tracking the South China Sea issue for a decade now. We have seen obviously episodic instances of coercion and harassment, particularly by the coast guard, the maritime militia; at times the PLA Navy, but much less so. Of course, we saw the dredging and the militarization of the islands.

But what we had not seen is direct aggressive unsafe behavior by the PLA against foreign military forces to the degree that it’s happening now. So if you look at the data – and I’m working to declassify this data, and it’ll be very useful for people to understand what the trends look like and have this not be sort of an abstraction when described.

But when you look at the data of unsafe PLA intercepts, it looks like this. It is an absolutely ramp upwards, starting about five years ago and growing by orders of magnitude over the years, to the extent now that, again, looks like a pattern and a policy and not just a decision by an individual pilot. And the types of things that they are doing – this cannot be overemphasized – are incredibly dangerous, engaging in, again, releasing things into the air that are potentially disrupting the engine and the safety of planes that are flying, getting extremely close to U.S. and allied aircraft, performing other types of operations in and around those aircraft that are incredibly unsafe.

And that phenomenon, at the scale it is happening right now, is really new and really worrisome. And it ought to worry folks in the region too. And to the extent that the United States is very focused on maintaining the rules-based order, maintaining the status quo, as we understand it, in the South China Sea and elsewhere in the region, what we see now is a military in the PLA trying to change the status quo through military intimidation and force – not just economic coercion, not just diplomatic coercion, not just white halls and maritime militia, but actually using the PLA Air Force in these dangerous activities. And frankly, the PLA Navy’s probably not far behind, though we haven’t seen it – to the question, we haven’t seen a similar trend on the water yet. But my suspicion would be that’s coming. So this is something that I think everyone in the world, everyone in the region has an interest in and putting a stop to absolutely as quick as we can.

Well, thank you so much, Ely. We’re going to have to put a stop to this session here because Ely has other important things to do today, but we’re
going to come back after about a 10-minute break for our third panel, on partnership and posture. In the meantime, please join me in thanking Dr. Ely Ratner. (Applause.)

(END)