

Stenographic Transcript  
Before the

COMMITTEE ON  
ARMED SERVICES

## **UNITED STATES SENATE**

HEARING TO RECEIVE TESTIMONY ON  
CHINA AND RUSSIA

Tuesday, January 29, 2019

Washington, D.C.

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Tuesday, January 29, 2019

U.S. Senate  
Committee on Armed Services  
Washington, D.C.

The committee met, pursuant to notice, at 10:00 a.m. in Room SD-G50, Dirksen Senate Office Building, Hon. James M. Inhofe, chairman of the committee, presiding.

Committee Members Present: Senators Inhofe [presiding], Wicker, Fischer, Rounds, Ernst, Tillis, Sullivan, Cramer, McSally, Scott, Blackburn, Hawley, Reed, Shaheen, Gillibrand, Blumenthal, Kaine, King, Warren, Peters, Manchin, Duckworth, and Jones.

1           OPENING STATEMENT OF HON. JAMES M. INHOFE, U.S.  
2 SENATOR FROM OKLAHOMA

3           Chairman Inhofe: The hearing will come to order.  
4           The committee meets today to receive testimony on  
5 strategic competition with China and Russia.

6           I would like to welcome our witnesses. We have the  
7 right witnesses this time. We appreciate your attendance.

8           We have Elbridge Colby. He is the former Deputy  
9 Assistant Secretary of Defense for Strategy and Force  
10 Development. He is what I consider to be probably one of  
11 the or maybe the key person in developing the National  
12 Defense Strategy.

13          Ely Ratner, a China expert, co-author of a major  
14 article, "The China Reckoning: How Beijing Defied American  
15 Expectations." It is well worth your time to read that.

16          Damon Wilson is a Russian expert, as well as an expert  
17 on NATO and going all the way into East Europe and the  
18 Balkans.

19          And so I welcome all of you here for this hearing. I  
20 had a chance to talk to the three of you and kind of  
21 explained my concern. One of the problems that I have --  
22 and it is a problem that we all have but we do not talk very  
23 much about it -- and that is the threats that we are facing,  
24 the seriousness of the threats. There is this euphoric  
25 attitude that people have had since World War II that

1 somehow we have the best of everything. We were listing  
2 some of the things -- General Milley talking about how we  
3 are outgunned and outranged with our Chairman of the Joint  
4 Chiefs of Staff, was talking about how our quantitative and  
5 qualitative advantages have eroded. Nuclear modernization  
6 -- we were out of business for a long period of time. All  
7 of a sudden now we have even China with a triad system. It  
8 is working on hypersonics. You know, the average man on the  
9 street does not know what we are talking about, but that is  
10 something that is entirely new. And I am convinced that  
11 both China and Russia are ahead of us.

12 And so I see this hearing as a way to maybe give us  
13 some credibility up here because you are all three  
14 recognized experts in this area.

15 And we are also right now having another good thing.  
16 We have had hearings to this effect to show and demonstrate  
17 very clearly that our people in uniform are willing to talk  
18 about these things that they were not willing to talk about  
19 before.

20 So that which we all remember so well that was so  
21 successful in the Cold War is something that perhaps is not  
22 as successful right now. Peace through strength is really  
23 something we need to be doing and emphasizing and telling  
24 the American people where we are right now.

25 And the reason it is important -- we are going to be

1 looking at the budget that it takes to run this thing. We  
2 know what happened just a few years ago, and we know that we  
3 were down inadequately. You have to get the support of the  
4 American people before you can do a good job of defending  
5 America. And that is what this is all about.

6 So I appreciate very much all of you being here today.

7 Senator Reed?

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1           STATEMENT OF HON. JACK REED, U.S. SENATOR FROM RHODE  
2 ISLAND

3           Senator Reed: Well, thank you very much, Mr. Chairman,  
4 for holding this very important hearing on the strategic  
5 security challenges posed by Russia and China.

6           I also want to join you in welcoming the witnesses who  
7 are distinguished experts. Thank you, gentlemen.

8           Revisionist powers Russia and China are actively  
9 working to undermine the rules-based international order  
10 that has been the cornerstone of peace for decades. As the  
11 recent National Intelligence Strategy states, "Traditional  
12 adversaries will continue to gain and assert influence,  
13 taking advantage of changing conditions, in the  
14 international environment, including the weakening of the  
15 post-World War II international order and dominance of  
16 Western democratic ideals, increasingly isolationist  
17 tendencies in the West, and shifts in the global economy."  
18 Moscow and Beijing are using all tools of national power to  
19 challenge the international order and advance their own  
20 strategic interests at the expense of others.

21           This morning's hearing is an opportunity to hear from  
22 our witnesses regarding their assessments of the emerging  
23 strategic competition with these near-peer rivals and their  
24 recommendations for ensuring that the United States is able  
25 to deter aggression and deploy the right elements of

1 national power, both military and non-military elements, to  
2 prevail in the competition with Russia and China.

3 In the case of Russia, President Putin has rejected  
4 U.S.-led international order that he considers incompatible  
5 with his strategic objective of returning to great power  
6 status. Russia's military modernization, nuclear saber-  
7 rattling, and violations of its arms control and other  
8 international obligations threaten to undermine the  
9 strategic security architecture that has prevented high-end  
10 conflict. Putin also seeks to operate unconstrained in the  
11 "near abroad" countries of the former Soviet Union and has  
12 shown his willingness to use military force to violate the  
13 sovereignty of his neighbors if not deterred.

14 Russia is also conducting a campaign of hybrid warfare  
15 below the level of direct military conflict to harm Western  
16 nations without firing a single shot. Our democracy was  
17 attacked in 2016 and such attacks continue to this day with  
18 increasing sophistication. Russia has used political,  
19 military, diplomatic, economic, informational, cyber, and  
20 other tools of national power to try to divide us from our  
21 allies and paralyze our ability to unite in our common  
22 defense. These Russian operations are no less a threat to  
23 our national security than a military attack would be, yet  
24 we have failed to respond to them with the same level of  
25 seriousness and resolve. I am interested in hearing our

1 witnesses' assessment of the national security threat posed  
2 by Russia's hybrid warfare campaign and their  
3 recommendations for how we should prioritize our resources  
4 to counter Russia's malign aggression.

5       China is engaging in a global economic and military  
6 expansion that will challenge U.S. primacy and influence in  
7 the decades to come. President Xi's determination to  
8 undermine international norms, engage in coercive and  
9 predatory policies toward smaller and weaker countries, and  
10 undermine the national security of the United States and its  
11 allies and partners makes this expansion particularly  
12 concerning. We are now in a long-term strategic competition  
13 with an autocratic regime that has the resources and the  
14 intent to challenge and potentially supplant U.S.  
15 leadership. How we respond to this challenge will be  
16 critical for our national security and the security of our  
17 partners and allies in the region.

18       I am interested in hearing from the witnesses how we  
19 should be meeting this challenge across all domains,  
20 diplomatic, military, economic, and trade. I am especially  
21 concerned about China's Belt and Road Initiative, which has  
22 left several countries, notably Sri Lanka and Malaysia,  
23 severely indebted to China. It is an economic initiative  
24 with significant national security implications for the  
25 United States.



1           In addition, I have grave concerns about the internal  
2 stability of China. President Xi's crackdown of the Uighurs  
3 in the west and bellicose statements about Taiwan present  
4 serious human rights problems for the international  
5 community. As the leader of the free world, the United  
6 States should not shy away from confronting the Chinese  
7 Government for its brutal and systematic crackdown on ethnic  
8 minorities and human rights activists within its own  
9 borders.

10           The National Defense Strategy has laid out, I think, a  
11 compelling argument, and I am glad we have our experts today  
12 to supplement that argument with their detailed and very  
13 wise observations.

14           With that, thank you, Mr. Chairman.

15           Chairman Inhofe: Thank you for the excellent opening  
16 statement.

17           We are going to interrupt this since we now have a  
18 quorum that is present.

19           I ask the committee to consider a list of 385 pending  
20 military nominations. All these nominations have been  
21 before the committee the required length of time.

22           Is there a motion to favorably report this list of 385  
23 pending military nominations?

24           Senator Reed: So moved.

25           Chairman Inhofe: Is there a second to the motion?

1 Senator Wicker: Second.

2 Chairman Inhofe: All in favor, say aye.

3 [Chorus of ayes.]

4 Chairman Inhofe: Opposed, no.

5 [No response.]

6 Chairman Inhofe: The motion carries.

7 All right. We will start, Mr. Colby, with you. And we  
8 want to hear from all three of you, and try to keep your  
9 remarks somewhere around 5 minutes so we will have time. We  
10 have good attendance this morning. We want to have time for  
11 questions. So, Mr. Colby, you are recognized.

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1           STATEMENT OF ELBRIDGE COLBY, DIRECTOR, DEFENSE  
2 PROGRAM, CENTER FOR A NEW AMERICAN SECURITY; AND FORMER  
3 DEPUTY SECRETARY OF DEFENSE FOR STRATEGY AND FORCE  
4 DEVELOPMENT

5           Mr. Colby: Thank you, Mr. Chairman, Ranking Member  
6 Reed, and distinguished members of the committee, for the  
7 opportunity to appear before you. It is a great honor to  
8 testify before this body on a topic of the highest  
9 importance to our nation: the implementation of the 2018  
10 National Defense Strategy.

11           This strategy entails a fundamental shift in the  
12 orientation of our nation's armed forces toward preparing  
13 for war against China or Russia precisely in order to deter  
14 it. This shift is urgently needed as our military  
15 advantages against both have substantially eroded in recent  
16 decades. It is a strategy that reflects not only the right  
17 priorities but also the hard choices needed to realize this  
18 goal and is a testament, in particular, to the leadership of  
19 former Secretary Mattis and Acting Secretary Shanahan.

20           The NDS is predicated on a clear vision, as expressed  
21 in the National Security Strategy. America has an enduring  
22 interest in ensuring that the key regions of the world,  
23 especially Asia and Europe, do not fall under the sway of a  
24 potentially hostile power. Great powers, especially China  
25 and to a lesser degree Russia, are the only states that

1 could realistically establish such hegemony. To prevent  
2 such an outcome, we need a whole-of-government strategy to  
3 sustain favorable regional balances of power through our  
4 alliance system.

5 To make this alliance system work, however, we and our  
6 allies need to be able to effectively defend its members  
7 against plausible Chinese or Russian theories of victory.  
8 This includes the members of that network most vulnerable to  
9 such strategies such as Taiwan and the Baltic States. Thus,  
10 while we will not succeed without an effective whole-of-  
11 government strategy, we will certainly fail without a  
12 sufficiently strong defense, and this is clearly in  
13 question.

14 What are these potential Chinese or Russian theories of  
15 victory? Because of America's greater total power and the  
16 existence of nuclear arsenals on both sides, these states'  
17 most pointedly menacing theory of victory is the fait  
18 accompli. That is, Russia could seek to create propitious  
19 circumstances through disinformation, rapidly overrun the  
20 Baltic States and eastern Poland with its conventional  
21 forces, and then rely on the threat of its nuclear arsenal  
22 to check or neuter our counteroffensive to liberate our NATO  
23 allies. China, meanwhile, could use similar methods to  
24 isolate Taiwan or eventually parts of the Philippines or  
25 Japan, launch an air and sea invasion, and then make an

1 American counteroffensive too costly and risky to  
2 countenance.

3       These are not merely military strategist parlor games.  
4 They are real and gravely serious and will become more  
5 threatening if we fail to adapt. They are particularly real  
6 for states in East and Southeast Asia, as well as in Eastern  
7 Europe, wondering whether it is prudent to stand up to  
8 Chinese and Russian domineering. These countries will look  
9 carefully to see whether affiliating with us will result in  
10 an adequate defense. If they do not see this, they will be  
11 incentivized to cut a deal with Beijing or Moscow in ways  
12 that will make it very hard, if not impossible to maintain  
13 those favorable balances of power.

14       The problem is that our legacy defense approach is not  
15 suited to dealing with these theories of victory. Rather,  
16 our armed forces for the last generation have largely been  
17 formed on what might be called the Desert Storm model. This  
18 involved reacting to an opponent's attack on an ally with a  
19 time-consuming construction of an iron mountain of armed  
20 might. Once that was done, the United States would launch a  
21 withering assault to establish all-domain dominance and only  
22 then eject the enemy from our allies' territory. This model  
23 was tremendously successful against Iraq and also employed  
24 against Serbia, but it is precisely the model on which China  
25 and Russia have so assiduously gone to school in the last 2

1 decades or so.

2       We need a new approach. We need our military to be  
3 able to contest Chinese or Russian forces from the very  
4 beginning of a war, blunting their advances so they cannot  
5 establish the fait accompli, and frustrating their assault  
6 without our forces ever expecting to gain the all-domain  
7 dominance that they could attain against Iraq. With its  
8 invasion blunted or readily reversed, neither China nor  
9 Russia would have a way to end a war favorably. Rather,  
10 Beijing or Moscow would face the awful choice of expanding  
11 the war in ways that play to U.S. and allied advantages or  
12 swallowing the bitter but tolerable pill of settling on  
13 terms the United States could accept. This will make them  
14 far less likely to try it in the first place.

15       As the NDS makes clear, this requires a joint force  
16 that is more lethal, resilient, agile, and ready, meaning  
17 forces that can, at short notice, operate through withering  
18 enemy attacks and still strike effectively at the assaulting  
19 forces of these near-peer adversaries even without full  
20 control of the air, land, sea, space, or electronic domains.  
21 This strategy has very substantial implications for force  
22 structure, employment, and posture, as well as for how our  
23 armed forces interact with our allies and partners. I laid  
24 some of these out, as well as how Congress can contribute to  
25 realizing the strategy, in my written statement.

1           Fundamentally, however, the strategy's logic is very  
2 simple. Our military advantage in key regions has eroded  
3 and will continue to do so absent increased and sustained  
4 attention and resources. If we fail to do this, we  
5 jeopardize the alliance architecture that is crucial for  
6 denying Beijing or Moscow dominance in their regions.

7           Our armed forces must, therefore, above all concentrate  
8 on preparing to fight and defeat China or Russia in  
9 strategically significant plausible scenarios like Taiwan or  
10 the Baltics precisely in order to deter such a war from  
11 happening.

12           Crucially, because this is so demanding, it means doing  
13 less of everything else or doing it much more efficiently.  
14 Everything not directly connected to readying our forces to  
15 fight China or Russia should be considered under a harsh and  
16 skeptical light. Elective wars in the Middle East,  
17 assurance and presence activities, subordinate departmental  
18 plans optimized for the gray zone, continued investment in  
19 suboptimal legacy systems, all of these directly detract  
20 from our ability to head off the most serious threats to our  
21 national interests. If something does not relate to  
22 improving the joint forces' warfighting effectiveness in a  
23 key scenario against China or Russia or more efficient ways  
24 of doing things in places like the Middle East, then it must  
25 be made to meet a very high bar.

1           Given all this, recent indications the Department of  
2 Defense has lagged in implementing the strategy are  
3 especially troubling. The National Defense Strategy  
4 Commission, chartered by Congress, found that there are  
5 confusing and incompatible signals being transmitted within  
6 the Department, resulting in a lack of coherence in  
7 implementing the strategy. There is no time for  
8 misalignment. Our military advantage is eroding against our  
9 most powerful competitors. Nor is there need for confusion.  
10 The strategy lays out a clear path for how to address this  
11 challenge. It is not, nor was it in any way intended to be  
12 the last word on the subject. To the contrary. But it  
13 provides, however, a clear framework within which the  
14 crucial future work needed to realize it should take place.

15           As Chairman of the Joint Chiefs Select General Milley  
16 has eloquently put it, the Army -- and I am confident the  
17 Department -- is aligning itself with Secretary Mattis'  
18 National Defense Strategy and will not walk away from it.

19           The National Defense Strategy is a strategy informed by  
20 our nation's proud past but with its sights set firmly on  
21 the future of preparing for war in order to preserve a  
22 favorable peace and of principled realism so that we might  
23 live in a world of right not might. Now is the time to put  
24 the strategy into effect without delay.

25           I look forward to your questions and thank you for your



1 time and attention.

2 [The prepared statement of Mr. Colby follows:]

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1 Chairman Inhofe: Excellent statement. Thank you very  
2 much.

3 Mr. Ratner?

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1           STATEMENT OF ELY RATNER, EXECUTIVE VICE PRESIDENT AND  
2 DIRECTOR OF STUDIES, CENTER FOR A NEW AMERICAN SECURITY; AND  
3 FORMER DEPUTY NATIONAL SECURITY ADVISOR TO THE VICE  
4 PRESIDENT

5           Dr. Ratner: Mr. Chairman, Ranking Member Reed,  
6 distinguished members of the committee, thank you for the  
7 opportunity to be here today to discuss a topic of vital  
8 importance to the United States.

9           For today's hearing, I was asked to provide a  
10 comprehensive assessment of U.S. strategic competition with  
11 China across all of its manifestations, and my written  
12 testimony includes 20 recommendations for Congress,  
13 including in economic, ideological, and military domains.

14           I would like to use my opening statement, however, to  
15 talk about the big picture because if we aspire to do what  
16 is necessary as a nation to rise to the China challenge, it  
17 is imperative that our leaders and the American people have  
18 a clear understanding of what is at stake. So let me begin  
19 with five top-line observations.

20           First, the United States and China are now locked in a  
21 geopolitical competition that will endure for at least the  
22 next decade. U.S.-China competition is structural and  
23 deepening. What we are experiencing today is not an  
24 episodic downturn in the U.S.-China relationship, nor is the  
25 current rise in tensions primarily due to President Trump or

1 his administration. The United States, the U.S. Congress,  
2 and the American people should be preparing now for long-  
3 term competition with China.

4 Second, the United States, on balance, is currently  
5 losing this competition in ways that increase the likelihood  
6 not just of the erosion of U.S. power, but also the rise of  
7 an illiberal Chinese sphere of influence in Asia and beyond.  
8 The emergence of a China-led order would be deeply  
9 antithetical to U.S. values and interests, and the net  
10 result would be a less secure, less prosperous United States  
11 that is less able to exert power and influence in the world.

12 Third, to avoid these outcomes, the central aim of U.S.  
13 strategy in the near term should be preventing China from  
14 consolidating an expansive and illiberal sphere of  
15 influence. It is essential that the United States stop  
16 China from exercising exclusive and dominant control over  
17 key geographic regions and functional domains.

18 Fourth, the U.S. Government is still not approaching  
19 this competition with anything approximating its importance  
20 for the country's future. While I support the overall  
21 thrust of the Trump administration's China policy, as  
22 articulated in the National Security Strategy and the  
23 National Defense Strategy, it is also the case that many of  
24 the Trump administration's foreign and domestic policies,  
25 for instance, on alliances, international institutions,

1 trade, human rights, and immigration, do not reflect a  
2 government committed to enhancing American competitiveness  
3 or sustaining power and leadership in Asia and the world.  
4 In key areas, I would characterize the Trump  
5 administration's China policy as being confrontational  
6 without being competitive.

7 Fifth, despite current trends, the United States can  
8 still prevent the growth of an illiberal China-led order.  
9 Continued Chinese advantage in the overall competition is by  
10 no means inevitable. The United States can successfully  
11 defend and advance its interests vis-a-vis China if  
12 Washington can muster the right strategy, sustained  
13 attention, and sufficient resources.

14 With that context, I would like to use the balance of  
15 my time, Mr. Chairman, to describe four essential tenets  
16 that should guide U.S. strategy going forward.

17 First, the foundations of American power are strong,  
18 and we should be approaching this competition from a  
19 position of confidence. The United States continues to  
20 possess the attributes that have sustained our international  
21 power and leadership for decades. Our people, demography,  
22 geography, abundant energy resources, dynamic private  
23 sector, powerful alliances and partnerships, leading  
24 universities, democratic values, and innovative spirit give  
25 us everything we need to succeed if only we are willing to

1 get in the game.

2       Second, rising to the China challenge is ultimately  
3 about us, not them. Preventing China from developing an  
4 illiberal sphere of influence does not require mounting a  
5 Cold War-style containment strategy. Instead, the U.S.  
6 Government should be focused on enhancing American  
7 competitiveness to defend and advance U.S. interests in key  
8 geographic regions and functional domains. How the United  
9 States fares in its competition with China will ultimately  
10 depend on America's own competitiveness.

11       Third, we have to compete across all domains of the  
12 competition, including military, economics, diplomacy,  
13 ideology, technology, and information. It would be a  
14 mistake to approach our China policy as siloed and tactical  
15 responses to particular problems. Whether we are talking  
16 about the South China Sea, intellectual property theft, or  
17 human rights, succeeding on any individual issue will  
18 require strength and sophistication across all areas of the  
19 competition.

20       Fourth and finally, maintaining a bipartisan consensus  
21 on China will be essential to America's long-term success.  
22 Fortunately, there appears to be strong and growing  
23 bipartisan support for a more competitive U.S. response. It  
24 is imperative that this bipartisanship endure in the years  
25 ahead. U.S. leaders, including on Capitol Hill, should view

1 bipartisanship as a necessary and core feature of U.S.-China  
2 policy.

3 Mr. Chairman, I look forward to your questions and to  
4 discussing my policy recommendations in more detail. Thank  
5 you again for the opportunity to be here today.

6 [The prepared statement of Dr. Ratner follows:]

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1 Chairman Inhofe: Thank you, Mr. Ratner.

2 Mr. Wilson?

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1           STATEMENT OF DAMON M. WILSON, EXECUTIVE VICE  
2     PRESIDENT, ATLANTIC COUNCIL

3           Mr. Wilson: Chairman Inhofe, Ranking Member Reed, and  
4     distinguished members of the committee, thank you for the  
5     opportunity to testify. I plan to focus on how our allies  
6     fit into our strategy.

7           In an era of great power competition, the United States  
8     should adopt a more permanent deterrence posture and bolster  
9     its alliances as a strategic comparative advantage over our  
10    adversaries. If we are concerned about near-peer  
11    competition, rightly so from Russia and China, the United  
12    States must not only invest in its own capabilities but also  
13    in its global alliance structure.

14          Polarization within our nation and tumultuous relations  
15    within our alliances risk making the United States look  
16    vulnerable to our adversaries. While some of these  
17    divisions are real, the United States and its allies are in  
18    fact more strategically aligned in grand strategy enjoying  
19    the support of Republicans and Democrats than they have  
20    been, I would argue, since perhaps 9/11, if not 1989.

21          Our nation and its closest friends agree that the great  
22    challenge of the 21st century will be the competition  
23    between the free world and authoritarian, corrupt, state-led  
24    capitalism, chief among them China and Russia. The National  
25    Security Strategy and National Defense Strategy articulate

1 this great power competition clearly, but we still have work  
2 to do to implement policies to achieve this strategy.  
3 Specifically, we are not as focused on how to bolster our  
4 alliances as a key component of our strategy to compete  
5 effectively.

6 To better address the Russian threat, the United States  
7 needs to bolster its military presence in Europe to  
8 establish what an Atlantic Council task force on the U.S.  
9 force posture in Europe calls "permanent deterrence,"  
10 especially in the Baltics, Poland, and the Black Sea region.  
11 Our allies need to be part of this force posture with us.  
12 Our policies need to prioritize arms and technology sales  
13 and transfers to our allies, and divisions among us cannot  
14 become opportunities for Russia to weaken NATO cohesion or  
15 resolve.

16 Our task force argues that Europe has once again become  
17 a central point of confrontation between the West and a  
18 revisionist Russia. Under Vladimir Putin, Russia is  
19 determined to roll back the post-Cold War settlement,  
20 undermine the sovereignty of Russia's neighbors, shatter the  
21 alliance, and overturn the U.S.-led rules-based order that  
22 has kept peace. Moscow's invasion and continued occupation  
23 of Georgian and Ukrainian territories, its military build up  
24 in the west, and its hybrid warfare against democratic  
25 societies have made collective defense and deterrence an

1 urgent mission.

2 Today, NATO is in the midst of its greatest adaptation  
3 since the Cold War. And the United States is playing its  
4 part, including through generous funding of the European  
5 Deterrence Initiative.

6 Last July's NATO summit was, at the same time, among  
7 the most acrimonious and the most productive in recent  
8 history, bolstering the alliance's rapid reaction  
9 capabilities and hybrid warfare defense, and promising to  
10 enlarge the alliance into the Balkans. While much more  
11 remains to be done, allies are making strides towards their  
12 defense investment pledges. Since 2016, European allies  
13 have spent an additional \$41 billion in defense. Through  
14 2020, they will spend an extra \$100 billion, and their plans  
15 submitted to NATO call for an additional \$350 billion  
16 through 2024. By 2024, Germany is projected to have the  
17 largest defense budget in Europe.

18 Furthermore, the U.S.-backed Three Seas Initiative is  
19 advancing cross-border infrastructure to wean Central Europe  
20 and Baltic states off of Russian energy dependency while  
21 providing alternatives to Chinese investment, making the  
22 region's economies more resilient.

23 In the case of Russia, there can be no successful  
24 strategy to confront Putin's aggression without a strong  
25 NATO. The questioning of our commitment to the alliance is

1 dangerous and only weakens our position. This body's strong  
2 support for NATO sends an important signal.

3       And for Europe, China is becoming a greater  
4 geopolitical reality as it comes closer via cyberspace,  
5 trade and investment, and now military presence close to  
6 Europe's shores. The United States should confront any  
7 Chinese challenge with Europe, as well as its Asian allies,  
8 by its side.

9       The current tensions between Washington and its allies,  
10 ranging from burden sharing to trade, are real. But these  
11 should not overshadow the shared challenges we face  
12 together.

13       Unenforced errors that unnecessarily divide Washington  
14 from its friends should be avoided, such as the trade  
15 tactics that have now seen Europe and Canada join common  
16 cause with Moscow and Beijing at the World Trade  
17 Organization. The United States should limit its trade  
18 challenges on national security grounds to our adversaries  
19 rather than our allies.

20       The acceptance of Russia and China as the main  
21 geopolitical challenge of the 21st century leads to the  
22 conclusion that U.S. interests are best served when  
23 Washington and its allies act together. The U.S. is much  
24 better positioned if it does not assume the burden of  
25 countering Beijing and Moscow alone. Implementing a

1 National Defense Strategy focused on near-peer competition  
2 with Russia and China requires that we put our alliance at  
3 the core and not the periphery of our strategy.

4 We have already seen what can happen when Moscow and  
5 Beijing engage in bilateral negotiations with their  
6 neighbors, using their power and their leverage to extract  
7 concessions, lock weaker partners into exploitative economic  
8 deals, or even to rewrite borders.

9 The United States leading a global set of alliances can  
10 deter this threat.

11 Thank you for this opportunity.

12 [The prepared statement of Mr. Wilson follows:]

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1 Chairman Inhofe: Well, thank you very much. Those are  
2 excellent opening statements.

3 Mr. Colby, I think you commented a little bit about  
4 this without identifying anybody out there doing it, but I  
5 remember -- I think it was in March -- the RAND Corporation  
6 did, I thought, a very effective article that woke up a lot  
7 of people, saying that if Russia should take on NATO,  
8 including our contribution to NATO, we would probably lose.  
9 That is the type of thing that people need to be talking  
10 about.

11 I know it is a little bit controversial. I had this  
12 discussion with some of the uniformed people who say that we  
13 should not be talking so much about the capabilities of our  
14 opponents. On the other hand, you have got to do that if  
15 you are going to end up getting the resources necessary for  
16 us to combat that. So that is a little bit of a problem  
17 that we have.

18 Let us start with you, Mr. Colby. First of all, I  
19 think you are probably aware that we have kind of adopted  
20 this as our blueprint, which you had a lot to do with, and  
21 we appreciate the good work that you did there.

22 Sometimes the debate about a defense budget is posed as  
23 a choice between an increased budget on one hand and making  
24 tough choices on the other hand. When I listened to all  
25 three of you and the committees that we have had, I think

1 the challenge is so great that we need to everything. I  
2 would like to have your comment about that choice argument  
3 that is being made.

4 Mr. Colby: Yes, sir, Mr. Chairman, I agree with you.  
5 I think we are going to have to maintain an increased, as  
6 necessary, spending just to stay competitive. I mean, if  
7 you look at the scale and scope of the Chinese military  
8 buildup over the last 20-25 years, it has slowed a little  
9 bit, but it is basically almost a 10 percent year on year  
10 increase. Meanwhile, our allies have lagged, which some of  
11 them are starting to improve.

12 But, no, I think we are going to have to make hard  
13 choices and maintain very robust spending just to keep up.

14 Chairman Inhofe: Well, I agree with that. I am  
15 concerned that our message is not getting across.

16 Mr. Ratner, you talked about the South China Sea. We  
17 were in the South China Sea watching as the initial stages  
18 of the building of the islands by China. And our allies  
19 over in that part of the world are very much aware of what  
20 China is doing there. And they have won the argument in my  
21 opinion. I mean, if you look and analyze what they are  
22 doing with the islands, it is like you are preparing for  
23 World War III. And when you are talking to our allies over  
24 there, you wonder whose side they are going to be on.

25 I think it is working in that part of the world and

1 other parts of the world. They are now involved in places  
2 in Africa that they never even thought about before. So I  
3 do not think we are making a lot of headway at that thing.

4       What I would like to do, in terms of educating the  
5 American people, I would like to get from all three of you,  
6 first of all, do you agree with our discussion here that it  
7 is necessary that there needs to be a wakeup call as to the  
8 talent that is out there from our adversaries and, secondly,  
9 what we can do to bring this up to the public's attention.  
10 It is a difficult thing to deal with. Any thoughts on that?

11       Mr. Colby: Yes, Mr. Chairman. I actually completely  
12 agree with you, and I think the benefits of trying to hide  
13 these things is far outweighed by the importance that you  
14 and other Members of Congress and the political leadership  
15 of this country can have in helping the American people  
16 understand the gravity and severity of the threat. I think  
17 there are two things going on here.

18       One is great powers, like particularly China, are the  
19 only countries that could really change the way our whole  
20 world operates and ultimately our country. You know, the  
21 American military could lose a war. That is the reality.  
22 The Chinese and the Russians know that. They have  
23 sophisticated satellites. They have various means of  
24 electronic communication. They pick up a lot of stuff. I  
25 am more concerned that the American people understand that



1 and have the urgency so that we can stay ahead of this  
2 threat which is very urgent.

3 Chairman Inhofe: Yes.

4 Mr. Ratner, what is your feeling about that?

5 Dr. Ratner: Sure. I would just add two comments.

6 The first, I think what is lacking today in American  
7 discourse, including from our leaders, is a clear  
8 articulation of what is at stake. And I think bringing this  
9 all together, not thinking of it as just islands in the  
10 South China Sea or intellectual property theft, but bringing  
11 it together in terms of a comprehensive, in the case of  
12 China, challenge to the international order and the threats  
13 posed to U.S. peace and prosperity associated with a Chinese  
14 sphere of influence is something we need to paint a picture  
15 of, work from the end, look at the end, and work backwards.  
16 That would be the first thing I would say. So I think we  
17 need to be clear about the stakes.

18 And the second thing is, as I mentioned in my  
19 testimony, I think the importance of a bipartisan message on  
20 this could not be more important because I think the  
21 American people can get confused sometimes that what we are  
22 seeing today is a product of the Trump administration, and  
23 having Members of Congress and others going out together,  
24 Republicans and Democrats, with a clear message on this  
25 issue could not be more important to sending a signal that

1 the country as a whole is in it to get this right.

2 Chairman Inhofe: That is good.

3 Mr. Wilson, I am going to do the rest of my questions  
4 for the record to try to keep our timing right. But I will  
5 be asking the same question of all three of you. So that  
6 will be forthcoming.

7 Senator Reed?

8 Senator Reed: Well, thank you very much, Mr. Chairman,  
9 and thank you, gentlemen, for your testimony.

10 Mr. Wilson made a very compelling argument about the  
11 international collaboration and cooperation as essential.  
12 And just, Mr. Colby, your comments too. Do you agree?

13 Mr. Colby: Yes, absolutely, Senator. I am not sure  
14 everything in particular, but nothing pops up to mind as  
15 disagreeing. But absolutely, collaboration is essential and  
16 alliances are essential.

17 Senator Reed: And NATO particularly with respect to  
18 Russia?

19 Mr. Colby: Absolutely.

20 Senator Reed: And, Mr. Ratner, your views too.

21 Dr. Ratner: Yes, fundamental to the China challenge  
22 cooperating with allies and partners.

23 Senator Reed: One of the points in your testimony was  
24 a notion -- and if you could elaborate -- that we have to  
25 make investments to compete with China, not just in the

1 Department of Defense but in many other areas, research and  
2 development, building an economy that can not only compete  
3 but outdistance the Chinese. Can you elaborate on that?  
4 Because I think that is a very important point.

5 Dr. Ratner: Sure, Senator. And it is no accident that  
6 the economic and ideological recommendations in my testimony  
7 come first before the military because I agree with Mr.  
8 Colby that the military is absolutely essential, but it has  
9 to be integrated into a broader strategy.

10 So in terms of domestic policies to enhance American  
11 competitiveness, I would look toward increasing science and  
12 technology research, STEM education among our youth, visa  
13 and immigration policies that are devised to attract and  
14 retain talent in this country as part of a human capital  
15 strategy, enhancing American infrastructure, improving our  
16 health care system, having sound fiscal policies, and  
17 getting our bureaucracy organized to implement this  
18 challenge as well. So I think all of these play an  
19 important role.

20 Senator Reed: And in a sense, we need to make  
21 investments not only in our traditional defense and national  
22 security agencies, but also in many other aspects of  
23 American governance. Is that your position?

24 Dr. Ratner: No doubt. And investments in those other  
25 areas will enhance our military competitiveness as well.

1           Senator Reed: Mr. Colby, do you agree?

2           Mr. Colby: Yes, absolutely, Senator. The only thing I  
3 would say is I think the military is kind of a cornerstone  
4 because I think if the Chinese or the Russians see that they  
5 can use military power -- and that is I think what Senator  
6 Inhofe might have been getting at -- if people feel that  
7 they are going to be subject to military coercion, the rest  
8 is not going to be as helpful. But absolutely, all are  
9 crucial.

10          Senator Reed: And again, Mr. Wilson, you made a very  
11 compelling case for NATO and for engagement. One of the  
12 other aspects I think -- your comments first and then the  
13 others -- is that we seem to be already engaged with the  
14 Russians, I mean, the constant sort of below the radar and  
15 sometimes above the radar, if you will, cyber operations,  
16 political operations, et cetera. It is in some respects the  
17 phase one or the phase zero of the next battle. Can you  
18 comment on that? And then I will, if there is time, ask  
19 your colleagues also.

20          Mr. Wilson: Yes, Senator. I think that is exactly  
21 right, that we are facing both an increasing capability and  
22 intention. If you look at Russian behavior in the invasion  
23 of Georgia versus Ukraine, it shows intention in both, but  
24 the capabilities they have brought to bear certainly  
25 increased. And so what I think we face with an adversary,

1 particularly in the case of Russia, our near-peer  
2 competitors, is there a calculation of what they can get  
3 away with. And therefore, our deterrence posture is both  
4 about -- I used to work for Lord Robertson at NATO, and he  
5 would always say it is about both our capability and our  
6 credibility. And so it is that match on our side. Do we  
7 have the capabilities that are brought to bear to draw them  
8 to conclude that it is not worth it, matched with that sense  
9 of credibility that deterrence is about the psychology of  
10 the adversaries, they believe we have the resolve that we  
11 stand clearly by things like article 5? And I think what we  
12 are seeing is a probing and a testing and a Russian strategy  
13 that is consistent. As they make gains without pushback,  
14 they pursue further gains.

15         Senator Reed: Thank you.

16         And that line, Mr. Colby, your comments about this  
17 hybrid warfare and constant interaction at the cyber level  
18 and other levels with Russia -- and then I will ask quickly,  
19 Mr. Ratner, about China.

20         Mr. Colby: Sure, Senator Reed. I think that is a  
21 crucial point. I mean, obviously, there is an ongoing level  
22 that I think is probably mostly met with by other elements  
23 of national power. I think the most concerning aspect is if  
24 the Russians could use that to shape the narrative in Europe  
25 and here even about their use of military force being

1 advantageous. My favorite example of this -- pick your  
2 poison -- is Fort Sumter. The south having fired on Fort  
3 Sumter first, would the union have had the degree of  
4 resolve? So it is very important that we have a military  
5 posture that is interrelated with our kind of political and  
6 information side, but that does require really a focus on  
7 the military side.

8 Senator Reed: Thank you.

9 And, Mr. Ratner, finally, any comments on China in this  
10 venue?

11 Dr. Ratner: Only that I agree with the point that this  
12 is an important tactic they are using, and our response has  
13 been inadequate to date. And I would be happy to provide a  
14 longer answer about what we should do in response at another  
15 time.

16 Chairman Inhofe: Thank you very much.

17 Thank you, Mr. Chairman. ]

18 Chairman Inhofe: Thank you, Senator Reed.

19 Senator Wicker?

20 Senator Wicker: Thank you very much, Mr. Chairman.

21 This is a vitally important hearing. Thank you for calling  
22 it.

23 Senator Reed, thank you for emphasizing the importance  
24 of NATO. To the extent that your question reemphasizes our  
25 commitment as a Senate and as a Congress to that vital

1 alliance, I want to associate myself with those sentiments.

2 I do want to get back to the China question.

3 Yesterday, the Justice Department unsealed sweeping criminal  
4 charges against Huawei: violation of U.S. sanctions, as  
5 well as outright intellectual property theft. I want to  
6 offer into the record at this point, Mr. Chairman, an op-ed  
7 from today's "Wall Street Journal," "The 5G Promise and the  
8 Huawei Threat," authored by former House Intel chairman Mike  
9 Rogers.

10 Chairman Inhofe: Without objection.

11 [The information follows:]

12 [COMMITTEE INSERT]

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1           Senator Wicker: Chairman Rogers says this in the  
2 second sentence of his op-ed. Huawei's behavior is finally  
3 being recognized for what it is.

4           So help us, Mr. Ratner and Mr. Colby, understand what  
5 China is up to with regard to Huawei and to a lesser extent  
6 ZTE. Mr. Ratner, you mentioned on page 4 of your testimony  
7 a comprehensive strategy that includes a lot of things,  
8 military, economics, diplomacy, ideology, and technology.  
9 Is that what you are talking about here? And, Mr. Colby,  
10 you talk about the enemy's theory of victory is dominance of  
11 this new 5G level of just very advanced technology is going  
12 to be part of China's theory of victory. Mr. Ratner first.

13           Dr. Ratner: Thank you, Senator.

14           I would look at the Huawei issue through four separate  
15 lenses, the first being the legal. Of course, the company  
16 is engaged -- and this is what the indictment was about --  
17 in illegal activities, stealing trade secrets, obstructing a  
18 criminal investigation, evading sanctions and ought to be  
19 dealt with from a law enforcement capacity. That is the  
20 first lens to view this through.

21           The second is through the security lens, which I think  
22 is what you are primarily referencing here --

23           Senator Wicker: Right.

24           Dr. Ratner: -- and the threat it poses to supply  
25 chains, critical infrastructure. That is absolutely real.



1 We know that the Huawei leadership has members of the  
2 Communist Party within it, and the company has long and deep  
3 relationships with both the PLA and the Ministry of State  
4 Security in China and, of course, is subject to Chinese law  
5 and their new national intelligence law which gives the  
6 government the right to use the networks and data as they  
7 wish.

8 Third, I would look at the Huawei issue separate from  
9 its functionality but through the lens of China's unfair  
10 trade and investment practices, which our country still is  
11 on the wrong side of to the extent that we do not have  
12 access to their markets and they have access to ours. And  
13 we ought to think about a principle of reciprocity.

14 And then finally, the overall technology competition.

15 So these are all coming together within the Huawei  
16 issue and they all merit a response. We need defensive  
17 measures, and we need to invest in our own technologies as  
18 well. And we need to be cooperating with allies and  
19 partners. So the technology competition I think stretches  
20 across the military and the economic and requires a  
21 comprehensive response.

22 Senator Wicker: Mr. Colby?

23 Mr. Colby: Thank you, Senator Wicker. And I agree  
24 with Dr. Ratner on this as so many other points.

25 I would say I think it absolutely is part of their

1 overall theory of victory which is to do I think a couple of  
2 things. One is to generate the leverage within various  
3 countries that could be part of this alliance or partnership  
4 architecture that would be designed to check Chinese  
5 aspirations to dominate the region and potentially beyond.  
6 And things like Huawei will give them economic leverage,  
7 informational leverage, I mean, blackmail leverage, bribery  
8 we have seen in places like Sri Lanka. This dissolves or  
9 corrodes the resolve in these countries potentially to stand  
10 up to Chinese potential coercion.

11       And then there is also the sentiment I think that maybe  
12 the world is going China's way, as they used to say about  
13 the Soviets in the 1970s, that maybe we better just go with  
14 the Chinese. And I think that is why these countries, some  
15 of them allies, many of them kind of partners,  
16 nontraditional allies, are really the center of gravity  
17 because we need to work with these countries not in a sort  
18 of charity motivated way, but we need to be able to form a  
19 network that together is sufficiently cohesive to stand up  
20 to these Chinese --

21       Senator Wicker: Is the National Defense Strategy  
22 adequate in discussing this issue?

23       Mr. Colby: I think absolutely, sir. I think the point  
24 can be made more robustly and more eloquently by people like  
25 this body and political leaders so the American people see

1 that these alliances are sort of enlightened self-interest,  
2 not sort of charity. And I think that is a different way  
3 that maybe we can start talking about these alliances, that  
4 it is sort of almost like a business enterprise that we  
5 share these broad interests. But that involves our allies  
6 doing more and contributing more. But really, we are doing  
7 this in our own interest to prevent the Chinese from  
8 dominating East Asia in particular.

9 Senator Wicker: Thank you.

10 Chairman Inhofe: Thank you, Senator Wicker.

11 Senator Shaheen?

12 Senator Shaheen: Thank you, Mr. Chairman.

13 And thank you all very much for being here.

14 Mr. Wilson, I especially appreciated your comments  
15 about NATO and certainly share the views of Senator Wicker  
16 and Senator Reed about the importance.

17 Are you concerned that there have been mixed messages  
18 sent about our support for NATO to our other NATO partners  
19 and the rest of the world?

20 Mr. Wilson: Yes, I am. I think that it is important  
21 that there be, as I said, deterrence being part psychology,  
22 just absolute clarity that there is absolute resolve and  
23 rock solid support for the alliance and its commitments,  
24 article 5.

25 I also think the broader tenor of our debate on burden

1 sharing, which is an important one -- it sometimes helps to  
2 put the center of gravity in a different place. I like to  
3 see how we can think about our alliances and our alliance  
4 structure as a force multiplier for our capabilities, our  
5 interests, and our values and how we are leveraging other  
6 nations' investments and their defense to help us achieve  
7 our strategic objectives. And I think that context of while  
8 keeping absolute pressure on our allies to do more,  
9 appropriately so, understanding that this is a force  
10 multiplier in effect for our tool and remaining rock solid  
11 in our commitment to what article 5 means in terms of the  
12 defense of all of our allies.

13 Senator Shaheen: Thank you. I share that view and  
14 have heard recently from one of our NATO partners who  
15 expressed concern that there was a message being sent by a  
16 recent interview on one of our networks that suggested that  
17 we would support article 5 only if the partner nation was up  
18 to date with their burden sharing responsibilities. Have  
19 you heard that concern from any of our NATO allies, and  
20 would you share the concern that that sends a very bad  
21 message about our commitment to NATO?

22 Mr. Wilson: As I said prior, I think the calculation,  
23 in this case, of Russia is what can we get away with, and if  
24 we see a pathway to be able to actually divide or shatter  
25 this alliance, that is an invitation for their action. And

1 so I think the credibility of the alliance depends on that  
2 clarity of our commitment to it and a consistency in that  
3 messaging. I think that is why this body's message on the  
4 alliance has been so important.

5 Senator Shaheen: Despite whether someone has fulfilled  
6 their commitment to burden sharing or not.

7 Mr. Wilson: That is correct.

8 Senator Shaheen: Thank you.

9 Dr. Ratner, a couple of weeks ago, as I am sure you  
10 remember, China landed on the dark side of the moon. At  
11 that time, our NASA employees were not working. Our  
12 researchers were not working because we were in a government  
13 shutdown. How does that address the credibility and the  
14 strength that we need to be positioning with the rest of the  
15 world when that is what is happening in the United States?

16 Dr. Ratner: Senator, I think that is an excellent  
17 question. Obviously, there were direct economic costs from  
18 the shutdown, and that affects our ability to compete with  
19 China. And I think as you referenced, there are two other  
20 effects in terms of our overall competitiveness.

21 The first relates to our ability to sustain our  
22 alliances and partnerships, and to do that, we need Asia and  
23 the world to have confidence that the United States has the  
24 focus and the resources and, frankly, the competence to  
25 enhance American competitiveness to compete with China. And

1 when our government is shut down, that sows doubts and that  
2 feeds into the calculations of countries as to whether they  
3 want to stand up to China and whether they want to partner  
4 with us.

5       Secondly, to the extent that there is -- and I agree  
6 with Mr. Wilson -- an emergent ideological competition  
7 between the free world and an emergent authoritarianism, we  
8 do not like the juxtaposition, as you described, to be  
9 projecting to the world of our government is shut down while  
10 China is landing on the dark side of the moon. I think we  
11 need to be the shining city on the hill again.

12       Senator Shaheen: Thank you.

13       Mr. Colby, I am not sure that I completely understand  
14 some of the arguments that you are making. You talk about  
15 on page 5 of your testimony that the new warfighting  
16 approach involves U.S. forces resisting Chinese or Russian  
17 attacks from the very beginning of hostilities and to blunt  
18 Beijing or Moscow's assault and then defeat it. I certainly  
19 agree with that sentiment, but what I am having trouble  
20 reconciling is how you go from there to a conclusion that  
21 therefore we should not be focused, as I understood you to  
22 say, on any action that China or Russia may be taking in  
23 other parts of the world where we have an interest.

24       So, for example, you mentioned the Middle East as a  
25 place where we should not be, as I interpreted your remarks,

1 putting undue resources. And yet, if we do not blunt  
2 Russian and Chinese actions in those areas, does it not give  
3 them an opportunity to enhance their ability to compete with  
4 the United States in other parts of the world?

5 Mr. Colby: Ma'am, thank you for the question.

6 I think from a strategic perspective, East Asia and  
7 Southeast Asia and Europe are the decisive theaters. Things  
8 are ultimately decided there. For the Chinese to project  
9 power without having resolved a favorable situation in the  
10 Western Pacific and East Asia, they would essentially  
11 project power into the Middle East at our sufferance. They  
12 would be essentially using their capital but leaving  
13 themselves vulnerable to our counterattack.

14 The problem is that Asia is the richest part of the  
15 world, and Europe is the second probably richest part of the  
16 world. And China is the most plausible potential kind of  
17 hegemon. And the way they can do that is they can pick off  
18 the small states, starting with Taiwan and then moving to  
19 the Philippines and Vietnam, et cetera. They do not  
20 necessarily have to fight a war. They can use things like  
21 Huawei. They can use 5G. They can use corruption. And  
22 then in the back of everybody's mind is if I fight them, I  
23 know I am going to lose.

24 And what I am really getting at is the Chinese or the  
25 Russians -- their incentive is not to start a massive World

1 War III with the Americans. Their incentive is to start a  
2 small war and then say, look, if you are going to fight  
3 back, this is going to get very risky. And by the way, we  
4 have ways of hurting you at home. Sure, nuclear weapons, by  
5 the way, are out there, but so is cyber attack. So is  
6 precision conventional strikes. And are the American people  
7 ready for that?

8         And I think that again gets back to the chairman's  
9 point about really sort of educating I think -- educating  
10 sounds patronizing, but illuminating to the American people  
11 just how serious these stakes are because if the Chinese  
12 take over Asia and take over not Genghis Kahn style, but  
13 basically they are the ones who set the rules of the road,  
14 to Dr. Ratner's point, that is ultimately going to have a  
15 very, very serious effect on our lives. And I think the  
16 election interference that we suffered in 2016 could very  
17 much pale in significance to what we could see in a world  
18 where Asia is dominated by China.

19         Senator Shaheen: Well, I am out of time. And I  
20 certainly appreciate what you are saying. I just think  
21 there are some flaws in your strategy if we think that we  
22 should withdraw from every other part of the world other  
23 than Europe and Asia in a way that gives opportunity to  
24 Russia and China for whatever they might want to do there.

25         Mr. Colby: Could I just clarify quickly, ma'am? The



1 strategy does not call for withdrawing. It calls for the  
2 more efficient use. So we have been using B-1's and F-22's  
3 in the air over Afghanistan and places like that. That has  
4 a very, very real opportunity cost for how we are doing.  
5 And that is why we could lose. The place we could really  
6 lose, that is where we need to put our resources is the  
7 argument and the strategy.

8 Senator Shaheen: Thank you.

9 Chairman Inhofe: Thank you, Senator Shaheen.

10 Senator Rounds?

11 Senator Rounds: Thank you, Mr. Chairman. Let me begin  
12 just by saying thank you for putting together this  
13 particular hearing. I think it is critical that we be able  
14 to share in open session with the American people just how  
15 serious this is.

16 And I would like your comments on this, gentlemen.  
17 Number one, it is not so much that China and Russia today  
18 are more than near-peer to us with regard to our nuclear  
19 capabilities or our space capabilities, but rather their  
20 current trajectory is such that their development is on a  
21 faster pace in those strategic areas. And I think this is  
22 the part which the American people will want us to be  
23 working on now to make investments so that 3 years, 5 years,  
24 and 10 years down the road we do not put the next generation  
25 of leaders in a position where they are wondering why we did

1 not see this coming.

2       And I would like your thoughts. It used to be air,  
3 land, and sea that we talked about as the domains in which  
4 we needed to be dominant. But today there is two more, both  
5 space and cyberspace. And it would appear to me that our  
6 near-peer competitors, China and Russia in particular, have  
7 taken it upon themselves to, in a way, shortcut dominance by  
8 becoming very, very good and working in areas of cyber and  
9 in space that can hinder our ability to be dominating on  
10 air, land, and sea.

11       Mr. Colby, would you care to comment on that?

12       Mr. Colby: Yes. Thank you, Senator. And I certainly  
13 agree with your sentiment.

14       I think one thing is important. The Russians and the  
15 Chinese are quite different. I mean, fundamentally China is  
16 an economy -- for the first time in our history, we will be  
17 facing a competitor of comparable size and economic  
18 sophistication to ourselves. It was not true of Nazi  
19 Germany. It was not true of the Kaisers. It was not true  
20 of the Soviet Union. It is not true of contemporary Russia.  
21 Contemporary Russia and likely future Russia poses a very  
22 severe but focused threat. I think it is using primarily  
23 asymmetric and time-distance advantages in Eastern Europe,  
24 coupled with its very robust strategic forces.

25       The Chinese have started to do that, but they are

1 beginning to develop actual peer -- for instance, for a  
2 while they were doing mostly counter-space. Now they are  
3 launching satellites at a bristling rate. They are  
4 developing nuclear submarines to go far abroad. They are  
5 developing aircraft carriers. We are going to be dealing  
6 with a peer competitor.

7       What I would say about cyber and space, everything is a  
8 contested domain. I would say it is not so much how we do  
9 in a given domain like hypersonics or space. It is really  
10 about these scenarios because that is what we are going to  
11 be focused on. That is what the Chinese are going to be  
12 focused on. That is what if you are in Hanoi or Manila or  
13 Tokyo, you are thinking how does this war end if I stick my  
14 neck out with the Americans. Whatever the force is that we  
15 need for that, that is the standard I think we need to go  
16 towards.

17       Senator Rounds: Thank you.

18       Mr. Ratner?

19       Dr. Ratner: I would agree with Mr. Colby and maybe  
20 just build on it a little bit with some of the fine work  
21 that he did in the National Defense Strategy, which is we  
22 need to look at -- and we are doing this at our home  
23 institution of the Center for a New American Security, doing  
24 work on what is the future of American war going to look  
25 like. What is going to be the American way of war? And to

1 start with the scenarios embedded in the strategy and then  
2 work toward what is our warfighting approach, what is our  
3 force structure going to look like, our force employment,  
4 our posture, how are we going to integrate with alliances.  
5 All of these things are in need of reform and a hard new  
6 look, but it starts I think with the plausible scenarios.

7 Senator Rounds: Thank you.

8 Mr. Wilson?

9 Mr. Wilson: I would just add that I think your point  
10 on the trajectory is spot on. I agree with Mr. Colby that  
11 if you think about the challenge that we face from Russia  
12 today it is from an economy less the size than Italy, than  
13 the Netherlands. What is remarkable is the remarkable  
14 military modernization that an authoritarian centrally  
15 controlled system has been able to develop to really enhance  
16 the capabilities that do pose, I think, a severe problem in  
17 targeted areas because of the demonstrated willingness to  
18 use them. It is on a different scale from China, but that  
19 trajectory has been very rapid in the Russian military  
20 modernization program.

21 Senator Rounds: Thank you.

22 If we entered into any sort of a major conflict, can  
23 any of you imagine a scenario in which we would not be at  
24 war in space?

25 Mr. Colby: No. I think for a long time, Senator,

1 people thought that space might be a sanctuary, including  
2 people who were responsible for the space command. I think  
3 if you got into that kind of war, there would probably be  
4 certain kinds of limitations. Those would be themselves  
5 contested, but space would certainly be a contested domain.  
6 It is so vital for warfighting in this era.

7 Senator Rounds: Mr. Ratner?

8 Dr. Ratner: I agree.

9 Senator Rounds: Mr. Wilson?

10 Mr. Wilson: I agree, but again, I do think it is what  
11 can the adversary get away with. And so those efforts for  
12 Russia or even China to be able to essentially have a  
13 confrontation with us that is not a direct confrontation I  
14 think is where we are most vulnerable.

15 Senator Rounds: Thank you.

16 Thank you, Mr. Chairman.

17 Chairman Inhofe: Thank you, Senator Rounds.

18 Senator Peters?

19 Senator Peters: Thank you, Mr. Chairman.

20 And thank you, gentlemen, for a very fascinating  
21 discussion about these topics. I appreciate your work on  
22 it.

23 I want to talk specifically about technological  
24 advances and pick up on Senator Rounds' discussion about  
25 space and cyber in particular in an area that I think folks

1 are categorizing as a major arms race, and that is in  
2 artificial intelligence and machine learning which, as you  
3 know, will be transformative for warfare in ways that we  
4 probably cannot fully appreciate at this point. And it is  
5 moving very, very quickly.

6 There have been suggestions that the United States is  
7 actually falling behind in AI in terms of our relative  
8 position with China and that we lack really a coherent  
9 strategy to deal with that.

10 So, gentlemen, certainly Mr. Colby, Mr. Ratner, I would  
11 appreciate your comments as to how do you see the United  
12 States' approach to AI particularly relative to China, but  
13 Russia is working on these projects as well. What are we  
14 getting right? What do we need to improve?

15 Mr. Colby: Well, thank you very much, Senator Peters.  
16 And I would really commend the work of our colleague, Paul  
17 Scharre, who I think is a leading scholar on these. And I  
18 would also commend Congress' creation of the AI Commission,  
19 which is being led by Eric Schmidt and Bob Work, both of  
20 whom were involved in developing the National Defense  
21 Strategy.

22 So the strategy is really not taking our technological  
23 edge for granted. And I think AI may be the crucial piece  
24 of the puzzle. You know, it is hard to say.

25 I do not have defined views yet on what exactly we need

1 to do, but I think we need to look at this in a competitive  
2 way, leverage the advantages in our system, the fact that we  
3 have competition, and that there are going to be  
4 imperfections that are arising out of an authoritarian,  
5 state-controlled, mercantilist politicized system, as well  
6 as that of our allies. And that is a point I think maybe we  
7 can delve into a little bit later.

8 But, look, I mean, one of the advantages here is that  
9 we have highly technologically capable allies in places like  
10 Japan, Korea, partners like Taiwan, Europe, et cetera. So  
11 we should be seeking to, where possible, work collectively.  
12 I think the era of unipolarity is over. We can still serve  
13 the advantages and goals that we have sought to achieve  
14 throughout our history, but certainly since World War II,  
15 but we are going to have to do it in a different way. And  
16 part of that is going to have to be a more equitable  
17 relationship with our allies. That is going to involve  
18 their doing more, and it is also going to involve  
19 potentially our giving up some of our autonomy in decision-  
20 making.

21 Dr. Ratner: Senator, it is a really important  
22 question. I would also commend the creation of the National  
23 Security Commission for Artificial Intelligence. I think  
24 that is a huge, important first step. And my understanding  
25 is they will potentially have their first report out next

1 month. And I would hope Congress would take their  
2 recommendations seriously.

3       There are three areas that we need to focus on as it  
4 relates to artificial intelligence. I think the most  
5 important is the human capital question and ensuring that we  
6 have the talent pipeline and immigration policies to attract  
7 and retain the brightest minds in the world, including at  
8 our universities.

9       We also need to think hard about data security. The  
10 Chinese data inside their country is not particularly  
11 strong, and that is something they are going to need to  
12 advance their artificial intelligence. And that is one of  
13 the reasons why they are trying to appropriate and steal as  
14 much data overseas as they can. So we ought to be working  
15 inside our own country and with allies and partners on data  
16 privacy and data security.

17       And then we have to think about how to integrate  
18 artificial intelligence for the purposes of this committee  
19 into our defense and military apparatus. And I think the  
20 creation of the Joint Artificial Intelligence Center to  
21 coordinate some of these activities is important. And I  
22 think the work that the Defense Innovation Unit is doing out  
23 in California is also important.

24       So I think we are getting our act together, and this is  
25 really important but we are going to have to maintain focus



1 here.

2 Senator Peters: Mr. Wilson?

3 Mr. Wilson: If I may just add, I think it is important  
4 on the cyber front to recognize that I think we do have peer  
5 competition, particularly with Russia in this case.

6 And on the greater technological challenge, I think for  
7 us and for this body to help frame an understanding that  
8 this great technological evolution that we are going through  
9 has profound implications on whether free democratic  
10 societies really get there first or the authoritarians. And  
11 that is the same as we think historically about  
12 technological developments, the nuclear weapons. Who got  
13 there first had profound geopolitical implications.

14 The strength that we bring to the table will be our  
15 private sector ingenuity, although the Chinese are quickly  
16 catching up to that. The weakness that we bring is a  
17 national coherence and a strategy to help coalesce that into  
18 something for national purposes.

19 Senator Peters: Thank you, gentlemen.

20 Chairman Inhofe: Thank you, Senator Peters.

21 Senator Cramer?

22 Senator Cramer: Thank you, Mr. Chairman.

23 And thank you, witnesses, for finally a public  
24 discussion about it. I think this is long overdue. I mean,  
25 there have been some public discussions but not quite as

1 blunt, maybe even as scary as we are having right now. And  
2 I think it is important. And it is important to me as a  
3 policymaker because I like to be able to talk about it in  
4 ways that spread the influence a little bit, and you have  
5 been helpful.

6 What I would like to have you each comment on is what  
7 is our biggest challenge going forward domestically,  
8 politically. Is the biggest issue in front of us financial  
9 investment? I appreciate Mr. Colby's reference to being  
10 more efficient in other places. I think there are  
11 efficiencies that can go around that could get us to do more  
12 and do better with what we have. Or is it attitude? Or is  
13 it really a culture institutionally? And that is what I  
14 fear.

15 In other words, as policymakers and as people of  
16 influence, whether it is in passing a law or encouraging the  
17 institutions, what do you think can be done to speed up this  
18 process of modernization? What has made us so risk averse?  
19 I see almost a paralysis in our entire government. It did  
20 not manifest itself in the worst sense with this issue. But  
21 I would just like to hear from each of you if you have ideas  
22 of what we can do to encourage the bureaucracy a bit.

23 Mr. Colby: Well, thank you, Senator.

24 I mean, I guess maybe I sound a little bit like a  
25 broken record. I have given this a lot of thought. And

1 ultimately it does come down to me to an appreciation of  
2 threat. And I want to be very clear here that I am not sort  
3 of trying to paint some sort of lurid, kind of colorful  
4 picture. But I think it is also the appreciation of the  
5 contingency of the world that we have known for the last  
6 generation or even since the Second World War. I often  
7 think it is a parallel a little bit to the financial crisis  
8 of 2008 that you could -- I mean, 75 years since the last  
9 great depression. Right? So people basically wrote it down  
10 to effectively zero.

11 And I think there is a natural tendency for people to  
12 basically say a world of great power competition in which  
13 somebody really antithetical to us could actually take over  
14 is something I do not really believe. In the Defense  
15 Department, it is a little bit of, yeah, people say we would  
16 have trouble, but we would not actually lose. And I think  
17 the reality is we could actually lose, and as Dr. Ratner has  
18 rightly said, if we do not compete effectively and better,  
19 we could lose the grand competition to China in particular.  
20 We do not have to because we have immense reservoirs of  
21 national power, which almost paradoxically make us less  
22 anxious. You know, it is good to be an American.

23 But I think to me that is why this committee's role,  
24 this hearing, the role of Members of the Senate and the  
25 House can be so important in saying, look, we are not saying

1 the sky is falling in yet, but if we do not take account of  
2 it, we are basically going to be at the sufferance of the  
3 Chinese over time.

4 Dr. Ratner: I would agree with all that.

5 I think we are, many, still stuck in an early post-Cold  
6 War ideological paradigm where we believe the world is  
7 naturally and inevitably heading toward greater freedom and  
8 democracy and open markets in the end of history paradigm.  
9 And clearly we are learning today that is not the case. So  
10 it is taking a rethink about sort of our fundamental  
11 assumptions about the future of international politics.

12 I do think, Senator, as I said earlier, that we need a  
13 clear articulation of what is at stake here. And there are  
14 a lot of voices saying a lot of different things, and that  
15 is why this hearing today is so important to say them  
16 clearly and paint a vision of what, in my instance, a  
17 Chinese sphere of influence would actually look like and  
18 what it would mean for the American people, to be clear of  
19 that.

20 And then finally to your question about, yes, we need  
21 institutional reform, but I hope we do not need a crisis.  
22 And I think one thing that all the Members here in Congress  
23 could do is to sew together I think the message of American  
24 competitiveness and great power competition with the message  
25 of American renewal and strength, and then if those two come

1 together, then we will do what we need to do to compete  
2 effectively.

3 Mr. Wilson: Thank you for that question, Senator.

4 I would add to this the framework that we are  
5 essentially in a great battle of ideas. We have renewed on  
6 a competitive stage ideologically which we had not been used  
7 to. And I think part of what is important here is  
8 confidence in our system, self-correction in our system, and  
9 demonstrating that our democratic institutions, while always  
10 messy, are still the best means to deliver prosperity and  
11 security for our citizens and for us to have confidence in  
12 that, for the American people to have confidence in that,  
13 and for our adversaries to actually be envious of that to  
14 show that this system works. At the end of the day, the  
15 best antidote to some of the hybrid strategies we have faced  
16 are the resilience and confidence in our own democratic  
17 processes and institutions and making them work.

18 Senator Cramer: Thank you.

19 Chairman Inhofe: Thank you, Senator Cramer.

20 Senator Duckworth?

21 Senator Duckworth: Actually, Mr. Chairman, my  
22 colleague from West Virginia is on a time crunch. If it is  
23 all right with you, I would like to let him go first.

24 Chairman Inhofe: That is fine with me.

25 Senator Manchin: Thank you, Senator Duckworth. I

1 appreciate it.

2 Thank you all for being here.

3 Just an observation. Basically what we have been told  
4 and what we believe is that the advancements that China has  
5 been able to make on such a rapid scale and also Russia too  
6 has been done because of the cyber, if you will, cyber  
7 hacking, the espionage that goes on for them to elevate  
8 themselves so quickly. If we were better at protecting our  
9 cyber and our intelligence and did a better job -- and we  
10 have seen this coming for some time. If we were able to be  
11 secured right now, would that slow them down? Would they be  
12 unable to have the rapid advancements? Because China has  
13 openly stated it wants to be a global front runner in  
14 artificial intelligence by 2030. It stated it wants to make  
15 30 percent of its military equipment automated by 2025. So  
16 I would say the dangers are great for that to happen. What  
17 is the best way to slow that down or prevent that from  
18 happening?

19 Mr. Colby: Well, Senator, I completely agree with you.  
20 I fear the horse may somewhat be out of the barn in the  
21 sense that the Chinese have already stolen a ton and also  
22 are developing their own indigenous capabilities to do  
23 things. But anything helps in a competition like this.  
24 Even relatively modest increments help a lot.

25 So Acting Secretary Shanahan I know is consumed with

1 things like cyber hygiene, getting our industrial base to  
2 take good care. And I think in a sense our whole cyber  
3 architecture -- and it is not just cyber, it is also human  
4 intelligence. It is also the sense of the threat, the sense  
5 that this is something that the Chinese are trying to do.  
6 But, you know, maybe we built our cyber architecture in a  
7 world characterized by an end-of-history thinking instead of  
8 saying that there are potential hostile state actors out  
9 there that we need to take account of.

10 Dr. Ratner: Senator, I would definitely agree with the  
11 point that we do need more defensive measures in the form of  
12 investment reviews and export controls and law enforcement.  
13 But it is also the case that I think the caricature of China  
14 only stealing its way to innovation is an outdated view. I  
15 think that was the case for about a decade. But as Mr.  
16 Colby mentioned, there is more indigenous innovation there.  
17 But we do need the defensive measures. We also need to be  
18 cooperating with our allies and partners on this because if  
19 we have effective defenses ourselves and our other advanced  
20 economies do not, then China can go shopping there quite  
21 quickly.

22 And then finally, of course, the most important thing  
23 is investing in our own competitiveness. So this is not  
24 just about defense.

25 Mr. Wilson: I would simply add to underscore that

1 point that as we have become more aware and acted more  
2 quickly on this in the United States, we need to be as  
3 cognizant of working with our allies and partners to advance  
4 their efforts on this front as well. The European Union has  
5 been slow, only more recently beginning to adopt CFIUS-like  
6 but not quite procedures. We have seen German technology  
7 companies that have been acquired through Chinese  
8 investments. And I think this is part of something that we  
9 can lead other societies and our allies and partners to help  
10 them be as cognizant as we are now.

11 Senator Manchin: It has been reported since 2012 that  
12 Russia has been actively developing military technologies  
13 that may violate the Intermediate-Range Nuclear Forces  
14 Treaty. What do you see as the benefit for the United  
15 States remaining in an Intermediate Nuclear Force Treaty  
16 even as Russia actively is attempting to circumvent the  
17 treaty?

18 Mr. Colby: Senator, I believe that it makes sense for  
19 the United States at a minimum to renegotiate the treaty  
20 and, if that is not possible, to withdraw. Actually the  
21 military utility is primarily dealing with China where  
22 conventional intermediate-range missiles would help in an  
23 increasingly competitive military balance. I do not think  
24 that conventional range INF systems are actually that  
25 necessary. In the European theater, there what we primarily



1 need are posture enhancements and prepositioning and  
2 exercising of our forces and greater exertions by our allies  
3 like the Germans. But I think the administration's bringing  
4 this and really forcing the issue is commendable. I hope  
5 there is a way to get to some kind of new agreement with the  
6 Russians if they show themselves sufficiently reliable.

7 Senator Manchin: With time running out, I have one  
8 question, and the two that have not answered maybe can.

9 Which country faces independently the greatest threat  
10 to the United States? China or Russia? We will start at  
11 the end.

12 Mr. Wilson: I think over the long term, the answer is  
13 no doubt China. I believe in the short term, it is Russia  
14 because of the intention and the capability to act, which we  
15 have seen demonstrated.

16 On the INF issue, even the Russians have been pointing  
17 to the Chinese as a rationale for their concerns about what  
18 they are doing. I think the burden now becomes with the 6-  
19 month clock starting. Can we use this to extract and  
20 leverage some type of agreement, some type of measures at a  
21 minimum on transparency through this process?

22 Senator Manchin: Dr. Ratner?

23 Dr. Ratner: I will just say quickly on the INF, I do  
24 think it is worth looking hard at modifying the treaty  
25 before withdrawing. I think it does have potential military

1 utility in the Pacific for the reasons Mr. Colby mentioned,  
2 as well as the potential to cause a cost imposition on the  
3 Chinese and force them to spend their money on expensive  
4 defensive measures rather than weapons to kill Americans and  
5 attack American bases.

6 Senator Manchin: Which country?

7 Dr. Ratner: Which country of the two faces the largest  
8 threat from the United States?

9 Senator Manchin: Yes.

10 Dr. Ratner: What I would do here, sir, is I think  
11 differentiate between the Chinese Communist Party and the  
12 country of China. I think the Chinese Communist Party faces  
13 a threat from a United States that is competitive in the  
14 21st century.

15 Senator Manchin: Mr. Colby?

16 Mr. Colby: Certainly China I think currently and over  
17 the long term. But I agree with Mr. Wilson's point that  
18 actually Russia has not only the capability and potentially  
19 the degree of alienation to do something about it, but since  
20 it is probably in decline, its window may be closing. So we  
21 definitely need to take measures to deter that.

22 Senator Manchin: Thank you.

23 Thank you, Mr. Chairman.

24 Chairman Inhofe: Thank you, Senator Manchin.

25 By the way, that comment is very timely in that I

1 believe it is Saturday our 60 days are up. And so we better  
2 be thinking about that.

3 Senator Hawley?

4 Senator Hawley: Thank you, Mr. Chairman.

5 And thank you, gentlemen, for being here today. Your  
6 testimony has been very informative.

7 Mr. Colby, can I just start with you? I was struck by  
8 a number of things in your prepared testimony, including  
9 your discussion about the need to reposture our forces in  
10 both Europe and Asia to deal with this new great power  
11 competition.

12 But let me ask you about another type of reposturing.  
13 You say in your prepared testimony at the bottom of page 8  
14 and the top of page 9 -- I thought this was very striking --  
15 with regard to our relationships with allies and partners,  
16 we simply cannot do this, meaning everything outlined in the  
17 new and National Defense Strategy -- we simply cannot do  
18 this all by ourselves. And then you go on. We need our  
19 allies and our partners to contribute real military  
20 capability to deterring China and Russia.

21 Now, we have talked a little bit today and other  
22 members have asked you about what I might term our legacy  
23 alliance structures like NATO, legacy because they come to  
24 us from a different era. As we think about the new era of  
25 great power competition, can you just flesh out a little bit

1 what you are alluding to here about the necessary  
2 reposturing in our alliance structures in order to meet  
3 these new challenges?

4 Mr. Colby: Well, thank you, Senator. Actually I have  
5 been looking for an opportunity to talk about this because I  
6 think you hit the nail on the head. I mean, two points.

7 One is, I think as you said, the era of unipolarity is  
8 over. In the 1990s and the 2000s, the United States was so  
9 much more powerful than any potential adversary that  
10 effectively the United States military could perform any  
11 missions essentially by itself. You can ask them  
12 yourselves, but if you would give Bill Cohen or Don Rumsfeld  
13 a truth serum, they would say, well, allies are nice to have  
14 for the flags, but realistically the American military  
15 generally prefers to operate alone. That is no longer true  
16 not only in the most stressing scenarios, say the Baltics  
17 where we really would need, say, Polish and German  
18 assistance, but actually in the totality of circumstances  
19 because I think to Senator Shaheen's point, this is not a  
20 strategy that says, hey, Iran is not a problem, North Korea  
21 is not a problem, terrorists are not a problem. To the  
22 contrary. But the most stressing scenarios, the ones that  
23 are most important for the United States to focus on, are in  
24 the central theater and at the high level of warfare. So we  
25 need the French to do things in Mali and so forth. And that

1 means giving up a bit of our decision-making or our  
2 influence and having a bit more of an equitable  
3 relationship. It also means more permissive arms transfer  
4 and intelligence sharing provisions.

5 At the same time, our allies must do more. It is  
6 unacceptable for us to be spending 3 to 4 percent of our  
7 national gross domestic product and a place like Germany or  
8 Japan to be spending 1 percent. We work very closely with  
9 the Germans and the Japanese. They have a very acute  
10 strategic perception of what is going on. So they need to  
11 match it with an adequate national commitment that reflects  
12 the severity of the challenge.

13 I would also say, Senator, that our alliance  
14 architecture -- we tend to think about alliance with a  
15 capital A, like NATO. Our alliance architecture -- we  
16 should preserve things like our U.S.-Japan alliance, of  
17 course, U.S.-Philippines, NATO, et cetera. But I think we  
18 are increasingly going to be need to be thinking small A,  
19 which sometimes people tend to refer to as partners. But  
20 our relationship with India to many people would already be  
21 an alliance. We are not going to take care -- we are not  
22 going to pledge to defend India in the way that we did Japan  
23 or Germany. Well, actually Germany was very involved in  
24 defending itself. But Japan, for instance, after World War  
25 II. They are going to defend themselves, but we share

1 interests in blocking a Chinese aspiration for hegemony. So  
2 we are going to need to be more plastic and strategic in how  
3 we go about considering these new partnerships.

4 What I would just say on that is we need to prioritize  
5 the strategic dimension. We need to agglomerate enough  
6 geopolitical and military power to check the Chinese. And  
7 that means sometimes not getting everything we want out of  
8 the relationship, whether that be ideological or economic or  
9 what have you. And that might stick in our craw sometimes,  
10 but if we do not get the power relationship right, we will  
11 not have the free and open order.

12 Senator Hawley: Can you just say briefly just a bit  
13 more when it comes to the Asian theater? In the European  
14 theater, we have NATO. But talk about these new  
15 partnerships and the sort of plasticity that might be  
16 required particularly in Asia.

17 Mr. Colby: Sure. Well, I think it is no accident that  
18 if you looked at Secretary Mattis' travel schedule, he was  
19 in Southeast Asia and South Asia all the time. He was in  
20 Vietnam, which we fought a war with that did not go so well  
21 for us. He was in Malaysia, and the current defense  
22 leadership is there. And I think that is exactly right.  
23 You know, we are not John Foster Dulles going around trying  
24 to sign everybody up for an Asian NATO. That is not going  
25 to work for a variety of reasons.

1           But I think we need to really deepen our relationships  
2 in a way that is politically sensitive over time because  
3 that is essentially the most -- it is the soft theater for  
4 the Chinese to assert their power. They know the Japanese  
5 are a hard target. They are going to put pressure. To some  
6 extent South Asia. These are the places where they can make  
7 a lot of hay and make a lot of movement. And if they can  
8 basically convince Manila, for instance, where there is  
9 concern not just with Duterte but with others in the  
10 Philippine defense establishment about American reliability,  
11 then they can say, look, you have got to come with us  
12 because even if you prefer the Americans, the world is going  
13 our way and you do not want to be left exposed before us  
14 when we have the chance to penalize you.

15           Senator Hawley: Thank you.

16           Mr. Ratner, can I just quickly ask you, switching to  
17 China and some of your prepared remarks and remarks today?  
18 You talk about the need to embrace not just confrontation  
19 but also competitiveness with China. You also point out  
20 that China has embraced a model of high tech  
21 authoritarianism, which seems exactly right to me.

22           We are all familiar or hopefully familiar with the fact  
23 that China is requiring these technology transfer agreements  
24 for companies, U.S. companies, doing business there. You  
25 know, just looking at some headlines from this past year,

1 Apple has now signed onto these technology transfer  
2 agreements, putting sensitive encryption keys in China;  
3 Facebook giving data access to Chinese firms that have been  
4 flagged by U.S. intelligence; Google patent agreements with  
5 Chinese firms.

6 Should we be concerned about these technology transfer  
7 requirements on the Chinese side and should we perhaps  
8 consider preventing these in the law?

9 Dr. Ratner: Senator, it is an important question. I  
10 think the answer is on a case-by-case basis. But I do think  
11 that the way forward here is not to wag our finger and ask  
12 these companies to act in the national interest, but to set  
13 boundaries on their behavior. And if there are instances  
14 where these companies are transferring technology that have  
15 important security or future technological implications for  
16 American competitiveness, then certainly the U.S. Government  
17 should consider new export controls.

18 Senator Hawley: Great.

19 Thank you, Mr. Chairman.

20 Chairman Inhofe: Thank you, Senator Hawley.

21 Now Senator Duckworth.

22 Senator Duckworth: Thank you, Mr. Chairman.

23 Mr. Colby, I cannot help but notice that much of the  
24 discussion surrounding the National Defense Strategy and  
25 great power competition discusses increased investments in



1 tactical aircraft, missiles, armored vehicles, other large  
2 weapons platforms. What I have not heard much about are  
3 investments in transportation and logistics systems that can  
4 operate in a contested environment to support these weapons  
5 platforms. For example, the number of U.S.-flagged ships  
6 has gone down significantly.

7       What is your assessment of the current state of U.S.  
8 military transportation and logistics systems to support  
9 great power competition? And do we have what it takes to be  
10 able to, as you mentioned, agilely move our forces to where  
11 we need to go and sustain them in order to react more  
12 quickly?

13       Mr. Colby: Ma'am, that is a great question. I would  
14 say it is very problematic. Actually in the defense  
15 strategy, logistics is highlighted, as is information as an  
16 independent warfighting domain. In a sense, the strategy is  
17 trying to take the focus away from how many BCTs do you  
18 have, how many capital ships, et cetera and saying what are  
19 the forces that you need all through the chain from A to Z  
20 that will allow you to complete the mission. So I think  
21 logistics is crucial, including civilian logistics.

22       I think the basic logic there should be that we need  
23 our forces and our logistics chain to be able to operate  
24 under a plausible Chinese or Russian sustained attack, that  
25 you are never going to have the total sanctuary that we

1 enjoyed in the unipolar era. Now, that does not mean that  
2 everything has to be perfectly secure. Every satellite we  
3 put into space does not have to survive, but as an  
4 architecture it needs to operate.

5 And the other key thing and I think a really core piece  
6 of the logic here is we want our architecture to be able to  
7 work in a way that for the Chinese or the Russians to attack  
8 it, they will have to escalate and expand the war in ways  
9 that are bad for them.

10 Senator Duckworth: So in your opinion what are some of  
11 the investments that the Department can make to ensure this  
12 logistical readiness so that our military will be able to  
13 provide the warfighters in the field with the appropriate  
14 resources to execute the National Defense Strategy? You  
15 talk about this logistical architecture. What do we need to  
16 do to build this logistical architecture to where we need it  
17 to be?

18 Mr. Colby: Well, I am not sure what exactly it will  
19 entail in terms of investments. I would imagine it is going  
20 to be kind of a soup to nuts thing. A couple of points that  
21 I would say are we would want exercising, realistic  
22 exercising, I mean, in a sense something like the Operation  
23 Reforger model of the 1980s, which is basically how are you  
24 getting from the United States to the conflict zone abroad  
25 while under attack. That will tell us a lot about what we

1 need and where our vulnerabilities are. I would also say  
2 selective investments in things like cruise and ballistic  
3 missile defense specifically designed, imparts crucial nodes  
4 in our logistics architecture both in the United States and  
5 abroad that, again, are not going to be able to give us  
6 perfect security. But if the Russians have to launch 100  
7 missiles to take out Ramstein rather than two, that is going  
8 to be very important for Germany's political decision-  
9 making.

10 Senator Duckworth: Thank you.

11 This is both for you and also for Dr. Ratner. Should  
12 we be doing something about the Chinese's low-end  
13 capabilities such as their coast guard vessels, their  
14 fishing fleets that have been known to interfere with  
15 maritime-enabled traffic? It is not all just their  
16 military, but they have all of these other low-end network  
17 of things that are out there.

18 Dr. Ratner: That is exactly right, and in fact, they  
19 have a maritime militia that has knitted together fisheries  
20 and coast guard with the PLA. I do think we should approach  
21 these vessels and forces based upon their behavior and not  
22 the color of their hull. So if there are coast guard ships  
23 engaging in coercive military activity, particularly if the  
24 PLA is parked over the horizon, I do not think we should  
25 treat them like law enforcement vessels. We should treat

1 them like military vessels.

2       And the other thing that we can do in this space that  
3 we have not done nearly enough of is information warfare and  
4 strategic messaging where we have an immense amount of  
5 intelligence that is not particularly sensitive, that does  
6 not require unknown sources and methods about the Chinese  
7 coast guard and other forms of illegal and coercive activity  
8 in the South China Sea and elsewhere, and we ought to be  
9 splashing that across newspapers all across the region every  
10 day of the week. From my experience in government, it was  
11 incredibly hard to unlock this intelligence to even share it  
12 with close partners, and we ought to have much faster and  
13 more widespread declassification authority on this  
14 information.

15       Mr. Wilson: Senator, if I just might pick up your  
16 first question, if I might.

17       Senator Duckworth: Yes.

18       Mr. Wilson: Our strategy so often depends on  
19 reinforcement, particularly in Europe. And we have seen  
20 demonstrated through many exercises through the alliance  
21 some of the unanticipated difficulties we have had in moving  
22 forces across borders in the European domain to prepare for  
23 the Russian challenge. It is partly why we saw the NATO  
24 summit establish a new logistics command to be based in  
25 Germany, why we have underway a military mobility initiative

1 that really requires working with the European Union on how  
2 to facilitate movement of our armed forces across  
3 territories, and why what we are doing with this Three Seas  
4 Initiative in Central Europe is so important because we lack  
5 in many places the cross-border infrastructure required for  
6 this type of mobility. And I would factor that into the  
7 strategy.

8 Senator Duckworth: Thank you.

9 Thank you, Mr. Chairman.

10 Chairman Inhofe: Thank you, Senator Duckworth.

11 Senator McSally?

12 Senator McSally: Thank you, Mr. Chairman.

13 Thank you, gentlemen, for your testimony today. It has  
14 been a good discussion.

15 I want to pick up on the -- Russia generally we see --  
16 I think you all agree -- is on the decline where China is on  
17 the rise. Yet, Russia poses threats in their decline in how  
18 they are acting and their adventurism militaristically and  
19 just trying to impact our influence around the world.

20 What other things -- you have mentioned many so far.  
21 What other things can we do with all elements of our  
22 national power to mitigate the threat as Russia is in the  
23 decline or accelerate it, to accelerate the decline in a  
24 way, whether that is energy policy or other things that we  
25 could do on top of what you have already talked about? If

1 we can manage this as best as we can maybe over the next  
2 decade or so, perhaps that threat is further diminished than  
3 it is now, and we look at China as the longer-term  
4 challenge. So what other ideas do you have related to that,  
5 if that is even an accurate way to be thinking about it?

6 Mr. Wilson: Thank you, Senator. I think that is a  
7 very important question, a very important way to think about  
8 it.

9 Russia's strategy is out to blunt sort of U.S. strength  
10 but to do so in a way where China risks displacing us, the  
11 Russians are looking to disrupt us. It is actually a much  
12 lower bar. It is easier to accomplish. It is the games  
13 they play in the Balkans and other areas. They are not  
14 building. They are disrupting. And so they need cheap wins  
15 essentially to trip us up.

16 They cannot compete economically with us. This is part  
17 of the loss during the Cold War. How do they keep up on the  
18 military modernization? And I think that is why the  
19 sanctions regimes that we have in place because of their  
20 behavior are so important. Putin's conclusion after the  
21 Georgian invasion that he could get away with it without  
22 consequence is part of what we have been dealing with. And  
23 I think this multilateral sanctions regime with our European  
24 allies and Asian allies actually is quite important to help  
25 ensure that they do not have the ability to compete with us

1 as long as this is the type of their behavior.

2 The energy security issue is fundamental. Russia  
3 wields energy as a way to influence, coerce decisions from  
4 its neighbors. There has been significant progress, but  
5 unfortunately, it has not been rapid enough. But we are  
6 seeing progress through many of Central Europe, still much  
7 more of a problem along Russia's periphery and its  
8 neighbors. And I think our pressure and working with the  
9 European Union and others as a first order priority is  
10 important. Efforts like Nord Stream today actually  
11 undermine what should be a coherent Western strategy on  
12 diversifying our European energy supplies.

13 And finally, I think a coherent effort where we are  
14 thinking about our defense strategy and engaging with allies  
15 and partners where we are bolstering their capabilities. So  
16 it is not just about our -- I think we do need a permanent,  
17 continuous modest presence in the Baltic States for  
18 deterrent purposes. But it is about an intentionality of  
19 whether it is Sweden, Finland, the Baltic States, Georgia,  
20 Ukraine building a strong set of capabilities that those  
21 countries have on Russia's perimeter.

22 Senator McSally: As a deterrent. Great. Thanks.

23 Mr. Colby?

24 Mr. Colby: Yes. Thank you, Senator.

25 One thing I would really say is that we really do not

1 want to drive -- well, we do not want to increase the  
2 incentives for the Russians and Chinese to come together.  
3 And recent reports indicate that they are coming more  
4 together. The Russians are actually moving. The  
5 conventional wisdom which it said, oh, they are actually  
6 relatively distant is starting to fall apart. So this is a  
7 very grave situation. We have very, very serious  
8 differences with the Russians, obviously.

9 My sense is from a geopolitical perspective we have  
10 specific deterrent requirements vis-a-vis the Russians which  
11 relate in particular to our eastern NATO allies. We should  
12 focus most of our effort, at least in the military sphere  
13 and the kind of security sphere, on defending those allies  
14 and a credible method to do so. And I lay out a lot of this  
15 in detail.

16 One thing that I would raise for the committee's  
17 attention is the CAATSA provisions. I am not familiar with  
18 the entire bill, but the provisions that penalize places  
19 like India, Vietnam, Indonesia are really, really, really  
20 harmful and counterproductive for us. I totally support  
21 deterring and penalizing, as appropriate, Russia, but we  
22 need to do it in a way that is consistent with our strategy  
23 vis-a-vis China and that is counterproductive.

24 Senator McSally: Great. Thanks. I am running out of  
25 time.



1 I do have a follow-up question unrelated on Venezuela.  
2 So the influence of both China and Russia is apparent in  
3 helping to destabilize the situation there, and it is  
4 unfolding every single day. Do any of you have any comments  
5 on their influence there and how we prevent that in the  
6 future and help manage the situation right now?

7 Dr. Ratner: Well, only that I think it is a harbinger  
8 of what China-led order would look like if they had a much  
9 broader sphere of influence in terms of protecting and  
10 defending non-democratic regimes and also impeding the  
11 ability of the international community to galvanize to be  
12 able to respond. So if we do not get our act together in  
13 Asia, we are going to see this movie over and over and over  
14 again throughout the developing world.

15 Senator McSally: Thanks. I am out of time. I yield  
16 back.

17 Chairman Inhofe: Thank you, Senator McSally.

18 Senator Warren?

19 Senator Warren: Well, thank you, Mr. Chairman, and  
20 thank you to our witnesses for being here.

21 So we are here today to talk about the strategic  
22 challenges presented by Russia and China, and that is  
23 important. But we just concluded the longest government  
24 shutdown in American history because President Trump wants  
25 to build a monument to division on our southern border.

1           Now, this shutdown had terrible consequences not just  
2 for families but for our economy as a whole. The White  
3 House's own internal models reportedly showed that the  
4 shutdown reduced our economic growth. The President's own  
5 chief economist warned last week that if the shutdown  
6 continued, our economic growth in the first quarter of this  
7 year could be very close to zero. We cannot afford to shoot  
8 ourselves in the foot with dumb political stunts like  
9 government shutdowns if we want to remain competitive.

10           So let me start by asking Dr. Ratner. Do you think the  
11 government shutdown that risks grinding our economic growth  
12 to a halt makes us more competitive with China or less  
13 competitive with China?

14           Dr. Ratner: Senator, earlier Senator Shaheen asked the  
15 same question. I think my answer was clearly there are  
16 direct economic costs which hurt our competitiveness with  
17 China, and this also has negative effects on our alliances  
18 and partnerships, given perceptions of dysfunction of  
19 American democracy, and it hurts us in the ideological  
20 battle against an emergent form of authoritarianism.

21           Senator Warren: So let me just go a little bit more on  
22 this. I serve on the Banking Committee, and in 2017, we  
23 heard testimony from James Lewis, a former senior Commerce  
24 Department official responsible for national security and  
25 China. He told us that our underinvestment -- and here I

1 want to focus on scientific research. He said  
2 underinvestment in scientific research, quote, creates a  
3 self-imposed disadvantage in military and economic  
4 competition with China. He also said that maintaining our  
5 competitiveness requires, quote, investment both by  
6 encouraging private sector investment and by government  
7 spending in those areas like basic research where private  
8 sector spending is likely to be insufficient.

9 Dr. Ratner, do you agree?

10 Dr. Ratner: I do agree, Senator. And I would add to  
11 that that I think not only do we need to invest more in  
12 research, but we need to invest more in STEM education and  
13 have strategic visa and immigration policies that attract  
14 and retain the best talent from around the world.

15 Senator Warren: And can I ask you? I know that  
16 Senator Reed mentioned this, but I just want to emphasize  
17 and ask you to maybe put a little more meat on the bones on  
18 this. What do we need to be doing domestically to enhance  
19 our competitiveness in this area with China?

20 Dr. Ratner: Senator, I said in my opening statement  
21 that ultimately how America fares in the strategic  
22 competition with China is going to be about us, not about  
23 them. It is going to be about American competitiveness. It  
24 is, of course, going to have a foreign policy component, but  
25 it is going to have a domestic policy component as well that

1 includes the type of research and education and immigration  
2 and visa initiatives that I just spoke to, as well as  
3 enhancing American infrastructure, having a robust health  
4 care system, fixing our fiscal policy, and making a whole  
5 set of bureaucratic reforms that get us ready for this  
6 competition. So clearly getting our own house in order but  
7 being our strongest selves is task number one.

8       Senator Warren: Thank you. I agree. I worry that we  
9 view competition with China too often just through a  
10 military lens. In order to project our power abroad, we  
11 must be strong here at home. So strong, sustained  
12 investments in education, in scientific research are not  
13 only related to our strength abroad. They are truly the  
14 foundation of it.

15       So thank you very much, Mr. Ratner, and thank you all  
16 for being here.

17       Thank you, Mr. Chairman.

18       Chairman Inhofe: Thank you, Senator Warren.

19       Senator Blackburn?

20       Senator Blackburn: Thank you, Mr. Chairman.

21       And thank you all so much for your time and your  
22 testimony and talking with us about this today.

23       When I was in the House, I spent a good bit of my time  
24 working on issues that pertain to the virtual space. And I  
25 think we all appreciate and recognize that with China

1 American displacement is indeed one of their goals. And  
2 they are approaching what they do as not only through their  
3 traditional military lens but also technology and fighting a  
4 virtual war or a war in the virtual space that we are being  
5 hit with every single day.

6 One of the things we have really not touched on today  
7 that, Mr. Ratner, I want to come to you and have you talk a  
8 little bit about it because I think it is so instructive as  
9 we look at how China and Russia are organized, authoritarian  
10 states, different ideology, integration, we silo private  
11 sector, government sector. There it is all one platform.

12 So I want you to talk about scale because as we look at  
13 fighting 21st century warfare, fighting in the virtual  
14 space, I think scale is going to be important for us as we  
15 adapt, as we move forward. So I will come to you, and then,  
16 Mr. Wilson, if you add to that. Mr. Colby, too.

17 Dr. Ratner: Well, Senator, I do think -- I guess I  
18 have a couple reactions.

19 First, I do think the authoritarian, state-led model is  
20 at the core of this competition, and many of the  
21 contradictions between the Chinese Government and the United  
22 States stems precisely from that and from the interests of  
23 the Chinese Communist Party. So I do think that is an  
24 important factor.

25 In terms of scale, I think we ought not overestimate

1 the success of that model, and our own success is not going  
2 to be in replicating it. In fact, we ought to not violate  
3 our own tenets about what we believe in terms of market  
4 mechanisms and democracy so as to chase after a China model  
5 because they have enormous resources, but they have enormous  
6 inefficiencies, some of which are coming home to roost now  
7 and many of which we are going to see over the next decade  
8 or so.

9       So I think my response to the question of how do we  
10 look at their model against ours is certainly we need to  
11 make some of the investments, and there is a role for  
12 government here in terms of investing in science and  
13 technology, some of the issues we talked about earlier.  
14 There are opportunities for the private sector and the  
15 government to integrate better, and there is a lot of work  
16 to do on that front. But I do not think the answer is --  
17 and I do not think this is what you are suggesting -- to  
18 adopt China's model. I do not think that is how we achieve  
19 scale. I think we need better integration.

20       Senator Blackburn: No. I am not suggesting that at  
21 all. Quite the contrary. But I think as you look at  
22 artificial intelligence, as you look at the expansion of 5G  
23 and the commercialization of 5G, and look at how China is  
24 developing this partnership with Russia, and scalability is  
25 important to them because they want to set the standards and

1   displace us in that realm. So it is an awareness that we  
2   should have as to what they are seeking to do.

3           I agree and have supported the premise for years that  
4   we should not use technology from Huawei or ZTE because of  
5   the embedding of spyware and malware.

6           Dr. Ratner: And, Senator, I would just say I think to  
7   the extent that the Belt and Road Initiative is part of  
8   China's strategy to gain that kind of scale, what has gotten  
9   most of the attention to date are the bridges and the ports.  
10   But it is the digital Silk Road that we ought to be really  
11   worried about and focused on, and we ought to be competing  
12   in the developing world to ensure that China does not  
13   control the communications and data throughout the world.

14           Senator Blackburn: Yes.

15           Mr. Wilson and Mr. Colby to answer.

16           Mr. Wilson: Thank you, Senator, for that question.

17           I think your point on scale is very appropriate because  
18   it is a sense of scale in which the trajectory is  
19   intimidating where China could go on scale. That is why we  
20   are concerned about how they can use big data AI or how they  
21   can become peer competitors, how, as Mr. Colby said, you can  
22   imagine a scenario where we actually potentially could lose,  
23   and as you I think just rightly very importantly pointed  
24   out, scale providing a potential power to set global  
25   standards whether on trade practices or other norms or even

1 ultimately military interoperability.

2 I think that is why it comes back to us having  
3 confidence in our model and understanding that we win  
4 through the power of our ideas, that we are competing for  
5 influence, that we are in a very competitive space around  
6 ideas and ideology, and to demonstrate the vibrancy of a  
7 free market, democratic system as the best delivery vehicle  
8 for our citizens I think ultimately is part of the key  
9 success story of how we mitigate and neutralize the sense of  
10 scale that China can leverage over time.

11 Senator Blackburn: Nothing to add, Mr. Colby?

12 I yield back.

13 Chairman Inhofe: Thank you.

14 Senator Kaine?

15 Senator Kaine: Thank you, Mr. Chair, and thanks to the  
16 witnesses.

17 I want to ask you about NATO and about Space Force. So  
18 let me begin with NATO.

19 The 70th anniversary is April. The President's  
20 comments or reports about thinking about withdrawing from  
21 NATO have raised great concerns. Those have been addressed.

22 But they have also raised an interesting question which  
23 is the Constitution says that the Senate must ratify  
24 treaties, but the Constitution is silent about the U.S.  
25 withdrawing from treaties. And as a general matter of



1 constitutional -- on a matter like this, if the Constitution  
2 is silent, it creates an ambiguity, but an ambiguity can be  
3 resolved by statutory action.

4 I have introduced a bill, together with eight  
5 colleagues, four Democrats, four Republicans, largely  
6 members of this committee and the Foreign Relations  
7 Committee, to do two things: one, to say that a President  
8 cannot withdraw from NATO without either a two-thirds vote  
9 in the Senate or an act of Congress -- that would be both  
10 houses subject to veto and override -- to try to clarify  
11 that a treaty entered into with this treaty ratification  
12 could not be unilaterally abandoned by the President.

13 The second piece would be if a President decided to do  
14 that unilaterally, there would be no funds available to be  
15 spent for the withdrawal of U.S. troops who are deployed  
16 with NATO, et cetera.

17 Do you think a provision like that, if passed in a  
18 bipartisan way, would send a positive message to both allies  
19 and adversaries?

20 Mr. Wilson: Senator Kaine, thank you for that  
21 question. Thank you for your leadership on the alliance as  
22 well.

23 I do. I think the clear signal coming from Congress of  
24 rock solid support -- we have seen votes in the House and  
25 the Senate on various issues related to the alliance over

1 the past 2 years with astounding majorities. And it has  
2 sent a very important signal I think to all of our allies  
3 and to the world.

4 The premise of this is that NATO is for our interests,  
5 remembering that the first time article 5 was invoked was  
6 for allies to come to our defense.

7 Senator Kaine: After 9/11.

8 Mr. Wilson: In every operation we have been in since,  
9 we have had allies by our side.

10 It was at the acrimonious Brussels summit where the  
11 presence of Senator Tillis and Senator Shaheen sent a very  
12 clear message to our allies about the strong support.

13 So I support these discussions. I support this  
14 measure.

15 I think it is important that we manage the debate in  
16 our country responsibly, however, so that we do not give a  
17 sense of the credibility of the proposition that this is a  
18 serious issue of American withdrawal from the Alliance.

19 Senator Kaine: Could I just quickly ask, Mr. Colby and  
20 Mr. Ratner? Would you also agree that it would be a  
21 positive message to allies and adversaries to pass this NATO  
22 provision?

23 Mr. Colby: Well, Senator, I do not know enough. I do  
24 not have enough to say about the constitutional aspects.  
25 But I certainly think withdrawing from NATO would be a grave

1 mistake of historic proportions, and anything of that  
2 gravity should only be done, I would think as a matter of  
3 prudence and good judgment, in consultation with the other  
4 parts of the body.

5         Senator Kaine: And in fact, just because you said it  
6 that well, let me ask is there any treaty that the U.S. now  
7 part of that you think is as monumental or consequential as  
8 NATO?

9         Mr. Colby: Probably not, not even the UN maybe. I do  
10 not know.

11         Senator Kaine: Right. There are all kinds of  
12 treaties, but if this is the most momentous and  
13 consequential treaty that the U.S. is in and it was ratified  
14 by a two-thirds vote of the Senate, to have sort of an  
15 ambiguity and have a possibility that a President may  
16 withdraw when a Congress wants to stay in, that would be  
17 pretty destabilizing. The idea on something of that  
18 magnitude, whether we are in or whether we are out, it would  
19 be a good thing if there were political consensus between  
20 the Article I and II branches about that. Would you not  
21 agree?

22         Mr. Colby: I would just say, Senator, that I think I  
23 would agree that having a consensus is good. I also think  
24 it is crucial to have, as I was trying to have with Senator  
25 Hawley, a new discussion about burden sharing that actually

1 harkens back to some of the roles -- I guess it was the  
2 Foreign Relations Committee with the Mansfield Amendment.  
3 There needs to be a serious conversation with the NATO  
4 allies about this, but we should be committed to NATO.

5 Senator Kaine: Mr. Ratner, quickly before I get to  
6 Space Force.

7 Dr. Ratner: I would support that effort from Congress,  
8 sir.

9 Senator Kaine: Great. Thank you.

10 Mr. Chair, it would be my hope -- I hope we might take  
11 this up as part of the NDAA discussion because I think  
12 especially in this 70th anniversary year of NATO, it would  
13 be really good to make sure that what we do moving forward,  
14 moving backward, getting out, is done as a consensus between  
15 the Article I and II branches and that unilateral action I  
16 think could be very dangerous.

17 Space Force. We have not had a presentation in this  
18 committee by the Pentagon and making their pitch about the  
19 Space Force idea. I am an agnostic. I am very open to it.  
20 We see the Chinese landing on the dark side of the moon.  
21 Maybe we need to do something different.

22 Based on what you know right now, do you think the  
23 administration's Space Force idea is a good one or a bad  
24 one, or is it kind of too early to say?

25 Mr. Colby: Senator, I am kind of with you. I am

1 agnostic on it on principle, but I would say it is too early  
2 to say. I mean, part of me says, oh, God, another  
3 bureaucracy. Just what we need. But then very serious  
4 people on space have consistently said that space is being  
5 neglected. And to Senator Duckworth's point, it is one of  
6 those areas that is a little bit more back-officey that is  
7 actually vital for the warfighting effort. So I think I  
8 would really look forward to the Department's presentation  
9 saying this is not just going to be another bureaucracy, but  
10 it is actually going to increase focus in an intelligent,  
11 cohesive way that is consistent with the National Defense  
12 Strategy.

13 Senator Kaine: I am over time. But good, bad, or too  
14 early to say? Can you just quickly?

15 Dr. Ratner: I would agree exactly with what Mr. Colby  
16 said.

17 Senator Kaine: Great. Thanks.

18 Thanks, Mr. Chair.

19 Chairman Inhofe: Thank you, Senator Kaine.

20 Senator Tillis?

21 Senator Tillis: Thank you, Mr. Chair.

22 Actually I thought Senator Kaine's questions were very  
23 good and very important.

24 I happen to be, Mr. Wilson, in Brussels while the NATO  
25 summit was going just about to get in front of a group of

1 people to talk about the importance of the Alliance when the  
2 President I think expressed frustration that some people  
3 logically assume that we are only 1 day away or 24 hours  
4 away from withdrawing from the Alliance. Look, General  
5 Mattis famously said the only thing worse than going to war  
6 with allies is going to war without allies. I do not think  
7 that there is a person with stars on their shoulders in any  
8 line of service that thinks that withdrawing from the NATO  
9 Alliance is a good idea, and I believe that the President  
10 would heed their advice.

11 My concern is mainly making sure that the NATO  
12 partners, the NATO allies recognize we understand the  
13 importance of it. I think, Mr. Colby, you said it would be  
14 a grave mistake of historical proportions. I believe that  
15 that is true. And what we want to do in the work that I  
16 have done with Senator Shaheen is continue to reinforce the  
17 message.

18 By the same token, if you are particularly facing down  
19 the threat of Russia, in addition to, Mr. Colby, everything  
20 you put in your written testimony and in your opening  
21 statement, the thing that really matches up to make that an  
22 unlikely conflict is a very strong NATO alliance where the  
23 NATO allies and partners are investing their fair share,  
24 making sure they are ready, they are capable and  
25 interoperable while we are working on all the other things

1 that we need to do.

2 But, Mr. Wilson, I do appreciate your comment about the  
3 allies, and I think that we just have to continue to  
4 reinforce that message. I do not think anybody here on the  
5 panel -- I think they would all share Mr. Colby's view of  
6 the dire consequences not only in Europe, but really around  
7 the world. You all agree with that. Right? Yes.

8 Now, Mr. Colby, you said something in your opening  
9 statement and your written testimony that I am trying to  
10 figure out. On the one hand, you say we have got to muster  
11 more resources. We have to match the challenge. We are  
12 capable of doing it, but we are either losing right now or  
13 losing ground at least.

14 You also alluded to the concept of -- I think you  
15 called them -- elective activities in the Middle East. We  
16 also know that in the Middle East, in Africa, South America,  
17 that both Russia and China are playing there.

18 So what does a cessation of activities in the Middle  
19 East look like? Is it a withdrawal or just a different kind  
20 of engagement? Because if we create a vacuum there, the two  
21 adversaries that we are focused on today will absolutely  
22 take advantage of it in my view.

23 Mr. Colby: Thanks for the opportunity, Senator.

24 I think the main point here is what do we want our  
25 military to focus on. And the point is that in the most

1 strategically significant, plausible scenarios in the  
2 central theaters, we are in a position where we increasingly  
3 could lose a war. What the Chinese and the Russians are up  
4 to, what certainly Al Qaeda is up to, and others are up to  
5 in the Middle East, in Africa, et cetera are important.  
6 What the strategy is saying is the military should focus on  
7 making sure that it is prepared to fight and win the  
8 nation's war along with our allies and partners.

9       It is not a withdrawal strategy. It is saying we are  
10 going to be in the Middle East over the long haul in fact,  
11 but we need to do it more efficiently. So things like light  
12 attack aircraft instead of B-1, things SFAB, Army advise and  
13 assist units. These are ways of allowing essentially a  
14 high-low mix of the force, most of the force focused on the  
15 high end, going to Top Gun, going to Red Flag, going to NTC,  
16 but then portions of the force, including unmanned and  
17 working with allies and partners to help out and keep  
18 stability in those areas.

19       I think the main point, though, is that we should not  
20 get distracted by what the Russians or the Chinese are doing  
21 in these secondary theaters because, as I said to Senator  
22 Shaheen earlier, that is secondary. I mean, secondary is  
23 still important. But if the Chinese can basically suborn  
24 Taiwan, which I think is a possibility -- I mean, I really  
25 want to try to ring the alarm bell on Taiwan because I think



1 something could happen in the near future if we are not  
2 careful about it. Everybody in Asia is going to look at  
3 that. Nothing that serious is going to happen from what the  
4 Chinese are doing, say, in Latin America. So I think that  
5 is where our focus needs to be.

6 Senator Tillis: Got you.

7 Mr. Ratner, I think in your opening comments and your  
8 written testimony, you talked about the concept of competing  
9 with versus challenging China. I agree with that to a  
10 certain extent. I have worked in the high tech sector most  
11 of my career and am very familiar. I have actually got a  
12 company down in North Carolina that has a facility now that  
13 the Chinese have stood up in China that are Carolina Pipe  
14 and Foundry. It literally looks like you transported  
15 yourself to Charlotte, but it is in China.

16 I think, on the one hand, we want to compete, but in  
17 order to compete and compete on a level playing field, we  
18 have to challenge. And I think it is working that balance,  
19 particularly with intellectual property, particularly with  
20 competition in the global space. So we will go back to your  
21 testimony but would like some more thoughts on how you  
22 really flesh that out.

23 But I do think that some of the President's pressure on  
24 China to challenge them, to make it very clear that we  
25 understand the financial underpinnings of their economy and

1 that without a good relationship with the United States,  
2 then their 50-year plan probably is not going to work out.  
3 We have got to strike a balance there. So I look forward to  
4 continued discussion beyond the limits of the time we have  
5 here.

6 Dr. Ratner: Senator, I will just say briefly I do not  
7 disagree with you. So I would be happy to clarify my  
8 remarks. The statement I made was about being  
9 confrontational without being competitive, not challenging  
10 China.

11 Senator Tillis: Thank you.

12 Chairman Inhofe: Thank you, Senator Tillis.

13 Senator Jones?

14 Senator Jones: Mr. Chairman, if it please, with your  
15 permission, I would like to defer to Senator King. He has  
16 got an important presidential nominee coming in.

17 Chairman Inhofe: Very good.

18 Senator King: Thank you, Mr. Chairman.

19 To follow up on the question -- and I do not think this  
20 is something we are going to do in 5 minutes. You all may  
21 not be aware, but we have these little digital clocks up  
22 here.

23 But there is a fundamental question that I have asked  
24 several times at this committee, once of Henry Kissinger, as  
25 a matter of fact. What does China want? In other words, we

1 are building up our military. They are building up their  
2 military on the assumption that we are both defending  
3 against the other. And my question is, are they looking for  
4 economic hegemony in the world, in the region? Are they  
5 looking for territorial conquest?

6 I mean, I think of China as differently motivated than  
7 Russia, for example. Can one of you give me a minute or so  
8 on what China wants and then perhaps follow up? I would  
9 love to see some scholarly work on this because I think we  
10 need to understand our potential adversary's motivations in  
11 order to formulate a strategy. If it is simply economic  
12 competition, let us talk about intellectual property and all  
13 those things. Mr. Ratner, do you want to tackle that?

14 Dr. Ratner: Sure. In short, I think what China wants  
15 is to make the world safe for authoritarianism and to ensure  
16 the stability of the Chinese Communist Party. And because  
17 they view the U.S.-led order as antithetical to their  
18 interests, their economic interests and their security  
19 interests and their political interests, they are looking to  
20 back the U.S. military out of the region. They are looking  
21 to undermine the ability of --

22 Senator King: Are they looking to invade Hawaii or  
23 California? I mean, do they have territorial ambitions, or  
24 do they just want us to tend to our region and they tend to  
25 their region?

1           Dr. Ratner: They certainly have territorial ambitions  
2 in the South and East China Sea.

3           I think I would say, Senator, is they do not have a  
4 strategy in a vault like we do in terms of these very  
5 detailed, forward-looking grand strategies, but where we  
6 ought to look is what the interests of the leadership are,  
7 but also what the interests of the Communist Party are. And  
8 the interests of the Communist Party are to have a region of  
9 Asia and beyond that is not free, in which the United States  
10 is excluded from the economics and trade of the region and  
11 technology standards, in which institutions are inert, in  
12 which democracy and freedom is not advancing, in which the  
13 U.S. military is not able to operate, and in which U.S.  
14 alliances and partnerships erode over time. So it is an  
15 illiberal sphere of influence that will expand and, if left  
16 unfettered, will undermine severely U.S. interests and peace  
17 and prosperity.

18           Senator King: Well, I think the other piece is they  
19 currently have not the will but the will can always be a  
20 change of regime 5 minutes away.

21           I want to move on. I realize this is a provocative  
22 question, and I hope you all will think about some writing  
23 on this. You know, that is the title of the article, "What  
24 Does China Want?"

25           You talked about NATO, and I think you covered that

1 very thoroughly in the answers to Senator Kaine's questions.  
2 Is there anything that Vladimir Putin would like better than  
3 the U.S. withdrawing from NATO? Mr. Wilson?

4 Mr. Wilson: I think his goal of restoring the prestige  
5 of the former Soviet Union comes hand in glove with seeing  
6 the destruction of the alliance.

7 Senator King: The two are related. Somebody said you  
8 cannot understand Putin unless you understand Frederick the  
9 Great. There is Russian history involved here.

10 Mr. Colby, do you want to comment on that question?

11 Mr. Colby: Yes. I think the Russians seem to want to  
12 divide and ultimately probably get rid of NATO.

13 I would just say, Senator, I think on the earlier  
14 question on China, very briefly.

15 Senator King: I could tell you were aching.

16 Mr. Colby: I know. I know. Actually I am working on  
17 a book on this.

18 But I think fundamentally you do not have to have that  
19 aggressive a conception of the Chinese leadership to be very  
20 worried because it is totally in their interest to secure  
21 hegemony, not territorial control but basically sway, get to  
22 the side -- the internal policies of the regional countries.  
23 That is the largest economic bloc in the world. Do the  
24 American people think they are going to be immune from that  
25 kind of influence?

1           Senator King: Did we make a mistake by withdrawing  
2 from the TPP?

3           Mr. Colby: Well, I supported the TPP at the time.

4           Senator King: Because we have ceded that regional --

5           Mr. Colby: I think we absolutely need to have an  
6 economic strategy, as Dr. Ratner has eloquently put it, that  
7 is integrated. What the right trade agreement looks like I  
8 do not know, but we definitely need something.

9           Senator King: Final point, and this is not Russia or  
10 China, but it is so topical I have to ask. Venezuela. This  
11 morning in an Intelligence Committee hearing, where I was  
12 before I came here, Senator Rubio listed refugee flow, human  
13 rights violations, corruption, alliance with adversaries.  
14 My problem is you could read that list along a lot of  
15 countries in the world. How do we define our vital  
16 interests in terms of intervening in another country no  
17 matter how bad the leader is? We have not had good luck  
18 with that.

19           Mr. Colby: I think you are absolutely right, Senator.  
20 And I think the main thing is maintaining favorable regional  
21 balances of power in the key regions of the world, which are  
22 Asia and Europe. Venezuela is a human tragedy and it is  
23 important for our interests, but it should not, as Senator  
24 Rubio I think said, be something of primary focus for our  
25 military forces, at least at this stage.

1           Senator King: Mr. Wilson?

2           Mr. Wilson: I agree that the focus is not military,  
3 but I do think the scale of the crisis unfolding in  
4 Venezuela is often underestimated. This is, I think, a  
5 first tier international crisis, and a strategy that is  
6 focused on how do you bolster the strong regional alliances  
7 and a lot of the democratic states that willing to stand and  
8 help support the Venezuelan people, democratic forces in  
9 Venezuela, and for us to have a very keen sense that China,  
10 Russia, Cuba have been looking at how to use Venezuela as a  
11 base for their operations in this hemisphere. And that is  
12 something I think we have to stay on top of.

13           Senator King: Of course, ironically one of the results  
14 of our obviously and openly coming out against Maduro would  
15 be to strengthen Maduro. He could say this is 100 years of  
16 American imperialism. So it is a very difficult situation.  
17 I appreciate your thoughts and thanks for joining us today.

18           Thank you, Mr. Chairman.

19           Chairman Inhofe: Thank you, Senator King.

20           Senator Sullivan?

21           Senator Sullivan: Thank you, Mr. Chairman.

22           And, gentlemen, thank you for -- this has turned into a  
23 really good hearing -- all of your public service to our  
24 country. I know all of you have served in different  
25 capacities, and I appreciate that as well.

1 I want to continue this discussion on allies. Would  
2 you not all agree that probably the most important strategic  
3 advantage is that we have in the world that we are an ally  
4 rich nation and our adversaries and potential adversaries  
5 are ally poor? Not a lot of countries looking to join the  
6 Iran team or the North Korea team or the Russia team or, for  
7 that matter, even the China team unless their arms are  
8 twisted. Is that not correct?

9 I think Senator Kaine's line of questioning was really  
10 important. But in my discussions with the President -- I do  
11 not see him -- you know, the "New York Times" like to  
12 breathlessly report unnamed sources on the impending pullout  
13 of NATO. I do not believe that is happening. It is a  
14 problem, though, when you have countries like Germany that  
15 consistently spend about 1 percent of their GDP. I do not  
16 even know if they are hitting 1 percent now. Is that not a  
17 problem, Ambassador Wilson?

18 Mr. Wilson: It is a problem.

19 Senator Sullivan: What do we do about this? So the  
20 President is trying to press them. I do not think he -- or  
21 certainly there is not going to be support on pulling out of  
22 NATO. But at the same time, they are a very powerful  
23 country economically. They compete really hard against us,  
24 and they do not pull their weight. Is that not part of the  
25 problem?



1           Mr. Wilson:  Senator Sullivan, a couple points in  
2 response to that.  Thank you.

3           First, you are right.  This is an alliance that, as the  
4 National Defense Strategy puts, is built on free will and  
5 shared responsibility, a fundamental difference.  It is an  
6 incredible alliance structure not based on coercion and  
7 intimidation, but essentially inspiration.  And I think that  
8 is an important strategic asset.

9           Second, the point of our clarity of resolve behind the  
10 alliance is so that we do not have our allies involved in  
11 hedging.  And right now, there is an unhealthy debate,  
12 frankly, in Europe of whether we can count on the United  
13 States.  I think it is a waste of time.  The discussions in  
14 Europe about strategic autonomy is completely misplaced  
15 because it applies autonomy from the United States.

16           Senator Sullivan:  I am going to let you finish.  But  
17 there is this notion that again comes up in the papers.  But  
18 in terms of actions -- actions -- that we, this Congress and  
19 this administration, have taken with regard to Putin -- let  
20 me just -- Javelin missile system to Ukraine.  Pretty  
21 important.  Right?

22           Mr. Wilson:  Absolutely.

23           Senator Sullivan:  The previous administration would  
24 not do that.  The previous President was essentially afraid  
25 to do that.  We did that.

1 A lot more troops in the Baltics and Poland. Correct?

2 Mr. Wilson: That is correct.

3 Senator Sullivan: Does Putin not understand, you know,  
4 101st Airborne on the ground and armor on the ground more  
5 than rhetoric?

6 Mr. Wilson: I think there is no doubt that we have  
7 done more to bolster the alliance in recent years.

8 Senator Sullivan: With actions.

9 Mr. Wilson: Yes, with actions, with actions.

10 Deterrence is credibility and capability, and we are  
11 moving on that capability side. We have to keep that  
12 credibility piece connected.

13 Senator Sullivan: And are our European allies  
14 recognizing that? They recognize that the Ukrainians can  
15 now take out T-72 tanks in eastern Ukraine when a couple  
16 years ago they did not have that capacity. Or that we have  
17 troops in Poland or that we have troops in the Baltics? Is  
18 that recognized?

19 Mr. Wilson: It is. Yes, it is.

20 Senator Sullivan: What more do we need to do? And  
21 this is just for all of the panelists because is there not a  
22 strategic competition for allies right now, and would Russia  
23 not love to splinter our NATO alliances? And would China  
24 not love to splinter our Japan, Australia, Korean alliances  
25 and troop deployments there? And what should we be

1 thinking, and what should this administration be doing more  
2 with regard to making sure that we double down on this  
3 strategic advantage, deepening current alliances and  
4 broadening alliances to other countries for both our  
5 competition with Russia and China?

6 Mr. Wilson: I think that is exactly right. That  
7 premise is exactly right, Senator.

8 As I see it, we need an intentional strategy on how --  
9 we are not just thinking about U.S. presence, which matters,  
10 but a U.S. strategy to bolster the capability and defenses  
11 of our allies, particularly those that are most capable and  
12 those that are closest to Russia.

13 This is where I think our pressure has had some effect.  
14 We see \$40 million more on the table this year. Germany is  
15 one of the key challenges. It now has set a pathway to  
16 achieve 1.5 percent, not the 2 percent threshold.

17 Senator Sullivan: By when?

18 Mr. Wilson: By 2020 -- by 2024.

19 Senator Sullivan: Is that not a problem?

20 Mr. Colby: I think it is 2021 actually.

21 Mr. Wilson: Yes, 2021.

22 Mr. Colby: Can I just jump in?

23 I think we need to be very clear that our burden  
24 sharing strategy has failed over the last generation, and it  
25 is absolutely unacceptable for our allies not to be carrying

1 their weight. And the Trump administration has, as you  
2 said, done more for European defense than anybody in a long  
3 time and has made more progress on burden sharing. There is  
4 a lot more to go. Things can be done better.

5 I think, Senator, to your point, the National Defense  
6 Strategy was actually very consciously sketched out with  
7 this in mind, which is we got to get somewhere between,  
8 obviously, abandonment and basically giving the Europeans  
9 and the Asians the impression that we are going to be able  
10 to do everything. And what it is saying is we are  
11 committed, but we cannot do everything. It is a credible  
12 signal of our limited ability to do everything. And so they  
13 need to step up.

14 If they really want to be independent, if you are  
15 Japan, for instance, and you have had 1 percent -- look, we  
16 have been trying to get the Japanese to do more on defense  
17 spending since the 1950s. And in Germany, we had huge  
18 debates. I mean, the balance of payments crisis, and the  
19 Congress was very involved in that. We are going to need to  
20 be tough on them. And the Germans cannot go to places like  
21 Davos and the Munich security conference and say we are the  
22 moral leaders of Europe without spending what is required of  
23 them. Now, they are making progress. But I think this body  
24 and others do need to maintain pressure even as we maintain  
25 the fundamental commitment. And that is going just have to

1 be a balancing act that policymakers are going to have to  
2 deal with.

3 Senator Sullivan: I am finished unless Mr. Ratner  
4 wants to mention China.

5 Dr. Ratner: I would be happy to respond if I had  
6 another 60 seconds, Mr. Chairman.

7 Chairman Inhofe: Yes, I know you would.

8 [Laughter.]

9 Chairman Inhofe: Thank you, Senator.

10 Senator Blumenthal? Oh, I am sorry. Senator Jones.

11 Senator Jones: Thank you, Mr. Chairman.

12 And thank each of you for your service and also for  
13 being here today.

14 Mr. Ratner, I would like to follow up and it is kind of  
15 on an area that has not really been touched on, but you  
16 touched on it primarily in your written statement. And that  
17 is the idea about tariffs and how that is affecting our  
18 standing, particularly where we are with China. You talked  
19 about the harms caused by the administration's section 301  
20 tariffs and section 232 tariffs, and I could not agree with  
21 you more on that.

22 I have, last Congress, introduced a bill with Senator  
23 Alexander and others. I think Senator Blackburn is joining  
24 us on that, the Automotive Jobs Act, which really focuses on  
25 the automobile industry, but also a bill, the Trade Security

1 Act, with Senator Portman and Senator Ernst that would  
2 really take the national security designation away from  
3 Commerce and put it with people who really know what they  
4 are talking about over at the Department of Defense.

5 I was struck with Senator Sullivan's comments about we  
6 are an ally rich nation and we are competing for allies.  
7 And I think you alluded to this. We are kind of kicking our  
8 allies in the shins a little bit as we are focused on our  
9 trade and our tariffs with China.

10 And I would like for you, if you would, just elaborate  
11 a little bit on the negative consequences that you are  
12 seeing from the trade war, the trade strategy, for lack of a  
13 better term, that we see coming with the administration  
14 right now.

15 Dr. Ratner: Sure, Senator. Thank you.

16 As I said in my written testimony, I do think the way  
17 in which the Trump administration has applied tariffs  
18 against our allies and partners has been extremely harmful  
19 for a couple reasons. One, it has limited their political  
20 space to cooperate with us on other aspects of the China  
21 challenge and, in addition, has created an international  
22 narrative around American protectionism that is not  
23 differentiated between the illegal and unfair trade  
24 practices of the Chinese which should be our focus and  
25 around which we should be mobilizing our partners in the

1 international community, differentiated from some of the  
2 lower level disagreements we have with allies and partners.

3 So the fact that the administration led with the 232  
4 tariffs I think was unwise compared to a strategy that was  
5 very focused on China specifically.

6 Senator Jones: Do you think we should try to move that  
7 designation of national security out of Commerce and over to  
8 Defense, or have you even had a chance to look at the bill  
9 that we introduced?

10 Dr. Ratner: I have, Senator. In fact, in my  
11 recommendations, I would encourage Congress to constrain the  
12 ability of the administration in a variety of ways from  
13 having this authority on -- particularly against U.S.  
14 security partners to use the national security authority for  
15 tariffs.

16 Senator Jones: You mentioned targeted tariffs and  
17 other tools for curbing China's illegal behavior. Can you  
18 give me some specifics about what that might look like?

19 Dr. Ratner: Sure. I think the Trump administration  
20 says they have done their best to target the tariffs at  
21 issues associated with some of their subsidies and Made in  
22 China 2025 Plan. I think the reality is they are much more  
23 indiscriminate than that. And I would certainly support  
24 tariffs against Chinese companies that are particularly  
25 benefiting from their unfair practices and some of their

1 subsidies in a way that harm American interests.

2 So I think there is a space for tariffs particularly  
3 against the state-owned enterprises but indiscriminately I  
4 think is a less effective tool than targeted tariffs, as  
5 well as law enforcement measures and export controls and  
6 investment restrictions and the full suite of other  
7 defensive measures we have to deal with China's behavior.

8 Senator Jones: Thank you.

9 Mr. Colby, along the same lines, is Russia trying to --  
10 are they looking at this? Are they exploiting these  
11 divisions particularly by acting more aggressively abroad  
12 such as in the Baltic States?

13 Mr. Colby: Well, I defer to Mr. Wilson. I think he  
14 knows a lot about that.

15 I would say that the Russians are looking to exploit  
16 divisions within the alliance and the potential for them to  
17 use coercive measures, including military measures, that  
18 would play upon a lack of resolve and cohesion among the  
19 allies.

20 Senator Jones: Mr. Wilson, do you want to respond?

21 Mr. Wilson: I would just add that very much a Russian  
22 strategy is divide and conquer, where can they coerce  
23 decisions favorable to them through intimidation and  
24 coercion.

25 The Baltic States actually have quite strong resolve



1 across all of their political parties to manage this  
2 challenge. Where they see them being more effective is  
3 where they can peel off parties, peel off forces, influence  
4 the debate within countries, and we see that playing out  
5 very actively in a place like Ukraine today.

6 Senator Jones: Well, thank you all for being here.

7 Thank you, Mr. Chairman.

8 Chairman Inhofe: Thank you, Senator Jones.

9 Senator Blumenthal?

10 Senator Blumenthal: Thank you, Mr. Chairman.

11 Thank you all for being here today.

12 I want to ask a kind of bigger picture question. I am  
13 struck being on this committee by how new forms of  
14 technology, whether it is hypersonic missiles or cyber, seem  
15 to be making some of our conventional weapons platforms more  
16 vulnerable, for example, aircraft carriers. They cost \$12  
17 billion, \$13 billion or more. That is what the latest one  
18 costs. But I think there is growing evidence that they may  
19 be more susceptible to attack in various ways or disruption  
20 as contrasted with submarines that are still strong,  
21 stealthy, reliable not only as a means of nuclear deterrence  
22 but also the Virginia class fast attack is a very versatile  
23 and important force.

24 So I wonder if you could -- and I am struck by your  
25 mention, Mr. Colby, about theories of victory that our

1 adversaries may have. To what extent are our weapons  
2 platforms becoming more vulnerable? I am not going to say  
3 obsolete, but more vulnerable as a result of those new  
4 technologies.

5 Mr. Colby: Well, thank you, Senator. I think the  
6 Chinese and the Russians have both spent the last 10 to 20  
7 years specifically trying to do that.

8 Essentially much of the force we have today is what you  
9 could think of as a middle weight force. It was designed to  
10 fight two simultaneous wars against a Middle East state and  
11 basically North Korea. And that assumed that something like  
12 an aircraft carrier could get close and pound the enemy or  
13 that we could operate from very concentrated nodal bases in  
14 the Pacific.

15 We now have to go back to a situation, as we did during  
16 the Cold War, when we would expect our forces to be under  
17 attack. The fact that our forces are becoming more  
18 vulnerable is not -- I mean, it is inevitable. Space  
19 satellites are going to be vulnerable. The carrier is going  
20 to be more vulnerable to things like anti-ship ballistic  
21 missiles.

22 So the key question is, what do you do with it and how  
23 do you balance it against buys with things like submarines?

24 As you know, the industrial base on our submarines is  
25 constrained. Unfortunately, it is decisions dating back to

1 the early 1990s, which we now rue. I think a lot of what we  
2 need to be doing is certainly trying to keep as many  
3 submarines as possible in the fleet, maximizing magazine  
4 capability, including through, say, prepositioning, as well  
5 as developing things like unmanned underwater systems and  
6 the like and bringing our allies. The Japanese national  
7 defense planning guidelines that they just released are very  
8 commendable, focused on blocking potential adversary attacks  
9 on their islands and so forth. So that is a lot of the  
10 things we can do.

11 Senator Blumenthal: Any of the other -- any of you  
12 have thoughts about that topic?

13 Dr. Ratner: No. Just that I agree. And there are, of  
14 course, powerful bureaucratic and political interests in  
15 maintaining our existing force, and the effort to see the  
16 kind of substantial reform that is called for in the  
17 National Defense Strategy is going to require real  
18 leadership. So I think intellectually people agree with  
19 this argument, but getting from here to there is the  
20 challenge before us.

21 Mr. Colby: Senator, if I could just say -- I am not  
22 sure you were here, but I think this, once more, gets back  
23 to the point of the threat, to Dr. Ratner's point about  
24 bureaucratic and organizational and political interests.  
25 These are life in the big city.

1           But I think the point is if people truly understand and  
2 appreciate the degree and severity of the threat, it will be  
3 harder to make the sort of legacy-style arguments. You  
4 know, the carrier has a bright future if you look at things  
5 like longer-range unmanned aviation and these kinds of  
6 things. But that itself is a hard slog.

7           Senator Blumenthal: You are ditto.

8           Mr. Wilson: I defer to my colleagues on this.

9           Senator Blumenthal: Thank you very much, Mr. Chairman.  
10 Thank you all.

11          Chairman Inhofe: Thank you very much.

12          First of all, we appreciate very much -- this has been  
13 a real education I know for me and some of the others here.  
14 I appreciate it very much. It was not intended to go this  
15 long, but that was the level of interest in hearing from you  
16 folks and we appreciate it very much.

17          With that, we are adjourned.

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

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