TO RECEIVE TESTIMONY ON POLICY AND STRATEGY IN THE ASIA-PACIFIC

Tuesday, April 25, 2017

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

The committee met, pursuant to notice, at 9:32 a.m. in Room SD-G50, Dirksen Senate Office Building, Hon. John McCain, chairman of the committee, presiding.

OPENING STATEMENT OF HON. JOHN MCCAIN, U.S. SENATOR FROM ARIZONA

Chairman McCain: Good morning. The Senate Armed Services Committee meets this morning to receive testimony on U.S. policy and strategy in the Asia-Pacific region.

I am pleased to welcome today our panel of expert witnesses, all with deep knowledge and experience in the region: Victor Cha, who is the senior adviser and Korea Chair at the Center for Strategic and International Studies; Aaron Friedberg, who is professor of politics and international affairs at Princeton University; Kelly Magsamen, former Principal Deputy Assistant Secretary of Defense for Asian and Pacific Security Affairs; and Ashley Tellis, senior fellow and Tata Chair for Strategic Affairs at the Carnegie Endowment For International Peace, an old friend of the committee.

America’s interests in the Asia-Pacific region are deep and enduring. That is why, for the past 70 years, we have worked with our allies and partners to uphold a rules-based order based on principles of free peoples and free markets, open seas and open skies, the rule of law, and the peaceful resolution of disputes.

These ideas have produced unprecedented peace and prosperity in the Asia-Pacific. But now, the challenges to this rules-based order are mounting, as they threaten not
just the nations of the Asia-Pacific region, but the United
States as well.

The most immediate challenge is the situation on the
Korean Peninsula. Kim Jong Un's regime has thrown its full
weight behind its quest for nuclear weapons and the means to
deliver them. And unfortunately, the regime is making real
progress. A North Korean missile with a nuclear payload
capable of striking an American city is no longer a distant
hypothetical, but an imminent danger -- one that poses a
real and rising risk of conflict.

I look forward hearing from our witnesses today about
U.S. policy options on the Korean Peninsula. For years, the
United States has looked to China, North Korea's long-term
patron and sole strategic ally, to bring the regime to the
negotiating table and achieve progress toward a
denuclearized Korean Peninsula. We have done so for the
simple reason that China is the only country with the
influence to curb the North Korea's destabilizing behavior.
But China has repeatedly refused to exercise that influence.

Instead, China has chosen to bully South Korea for
exercising its sovereign right to defend itself from the
escalating North Korean threat.

In response to the alliance decision to deploy the
THAAD missile defense system to the Korean Peninsula, China
has waged a campaign of economic retaliation against South
Korea, which has inflicted real damage.

The twisted reality is that China is doing all of this
to stop the deployment of a defensive system, which is only
necessary because of China has aided and abetted North Korea
for decades.

I welcome the Trump administration's outreach to China
on the issue of North Korea. But as these discussions
continue, the United States should be clear that while we
earnestly seek China's cooperation on North Korea, we do not
seek such cooperation at the expense of our vital interests.
We must not and will not bargain over our alliances with
Japan and South Korea, nor over fundamental principles such
as freedom of the seas.

As its behavior towards South Korea indicates over the
last several years, China has acted less and less like a
responsible stakeholder of the rules-based order in the
region and more like a bully. Its rapid military
modernization, provocations in the East China Sea, and
continued militarization activities in the South China Sea
signal an increasingly assertive pattern of behavior.

Despite U.S. efforts to rebalance to the Asia-Pacific,
U.S. policy has failed to adapt to the scale and velocity of
China's challenge to the rules-based order. That failure
has called into question the credibility of America's
security commitments in the region.
The new administration has an important opportunity to chart a different and better course. For example, I believe there is strong merit for an Asia-Pacific Stability Initiative, which is similar to the European deterrence initiative pursued over the last few years.

This initiative would enhance Pacific Command's credible combat power through targeted funding to realign U.S. military force posture in the region, improve operationally relevant infrastructure, fund additional exercises, pre-position equipment and munitions, and build capacity with our allies and partners. These are important steps that should be taken as part of a new, comprehensive strategy in the Asia-Pacific that incorporates all elements of national power.

I hope our witnesses will describe their ideas about what an APSI should fund and how they would articulate an interagency strategy for the Asia-Pacific.

I thank all of the witnesses for being here today, and I look forward to your testimony.

Senator Reed?
STATEMENT OF HON. JACK REED, U.S. SENATOR FROM RHODE ISLAND

Senator Reed: Thank you, Mr. Chairman, for calling this very important hearing. And thank you to all the witnesses for agreeing to testify this morning.

This hearing could not come at a more critical time as the North Korea regime has engaged in an aggressive schedule of tests for its nuclear and missile programs.

I look forward to hearing from our witnesses on whether they believe China can and will exert sufficient pressure on the regime to denuclearize the peninsula. If not, what are the alternatives? Is a military strike something we should consider, given the uncertainty regarding the possible scope and nature of retaliation from the regime?

I would also like to hear whether there are feasible military options on the table and how we should coordinate those options with our allies in the region. We have also heard concern from our allies and partners in the region that the administration has not yet articulated a comprehensive Asia-Pacific strategy.

For example, what is administration's maritime strategy to deal with excessive unlawful maritime claims? How will it balance our military presence with economic engagement to counter the narrative that China is the economic partner of choice? And most important, how will it balance cooperation
and competition with China, especially given the importance of China's cooperation on issues ranging from North Korea to terrorism?

Mr. Chairman, again, thank you for holding this important hearing. I look forward to hearing the testimony of the witnesses on all of these issues and more. Thank you.

Chairman McCain: Before I call on the witnesses, we have a housekeeping item. I would like to -- what is that? All right, we just lost one, so we will wait.

Dr. Cha, welcome.
STATEMENT OF VICTOR D. CHA, PH.D., SENIOR ADVISER AND KOREA CHAIR, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES

Dr. Cha: Thank you, Chairman McCain, Ranking Member Reed, and distinguished members of the committee.

There used to be a time when North Korea and their actions were considered isolated acts by a lonely dictator who was harmless and just looking for some attention with really bad hair. I do not think people think that way anymore.

Between 1994 and 2008, North Korea did 16 ballistic missile tests and one nuclear test. Since January of 2009, they have done 71 missile tests, including four nuclear tests. The leader in North Korea has made no effort to have dialogue with any other country in the region, not just the United States, but that includes China, South Korea, Russia—absolutely no interest in talking.

All of this translates to one of the most challenging strategic environments for the United States and its allies, and a very dark strategic cloud that is starting to dominate the skyline with regard to East Asia.

Having said that, I think there is a silver lining to every dark cloud. In this case, I think there are four that could help to inform an Asia-Pacific Security Initiative, as the chairman mentioned.

First, the North Korean threat provides opportunity for
a closer coordination of policy between the next government in South Korea, which will be elected May 9th, and Washington. A new South Korean Government cannot afford ideological indulgences in a renewed engagement or sunshine policy.

It would be unwise, for example, for a new South Korea President on May 10th, presumably in the aftermath of more North Korean provocations and possibly a sixth nuclear test, to declare that he or she is reopening the Kaesong Industrial complex. This would only serve to further marginalize South Korea's strategic position, as the new government would lose step with the United States, Japan, and even China.

The U.S. is not averse to inter-Korean engagement. However, for it to be effective, such engagement must be used strategically and coordinated with an overall U.S.-ROK strategy for negotiations and denuclearization.

The second silver lining has to do with trilateral coordination. The United States should welcome an early meeting with the U.S. President and South Korea and Japan, presumably before President Trump's scheduled trip to the region in the fall. The goal of alliance coordination should be a collective security statement among the three allies, the United States, Japan, Korea, that an attack on one constitutes an attack against all.
The third silver lining relates to China. Beijing is unlikely to let off on the economic pressure on South Korea over the THAAD defense system for I think at least another one or two financial quarters. This will hurt South Korean businesses and tourism even more, but it should also spark serious strategic thinking in the United States and South Korea about reducing the ROK's economic dependence on China.

Given the energy revolution in the United States and the removal of export restrictions, the two allies should think seriously about new bilateral energy partnerships that could reduce South Korean energy dependence on China in the Middle East.

Washington and Seoul's policy-planning offices can work together to map out a South Korean strategy for engaging India as well as ASEAN countries. These new engagements should not be a temporary measure but should be a serious effort at creating new markets for U.S. allies, products, production chains, and investment.

The Chinese have proven with their coercion over the THAAD issue that South Korea's future welfare cannot be left in Chinese hands.

Finally, the United States should encourage the new government in South Korea to take a stronger stand in supporting public goods off the Korean Peninsula in neighboring waters. In particular, as part of a new
engagement strategy with ASEAN, the U.S., with the support of South Korea, could show stronger will to discourage further militarization of the South China Sea. This would win partners among ASEAN countries and be a distinctly positive platform for the United States and its allies in the region.

Thank you very much.

[The prepared statement of Dr. Cha follows:]
Chairman McCain: Thank you.

Dr. Friedberg, before we go to you, we do have a quorum now present.

I ask the committee consider a list of 5,550 pending military nominations.

All these nominations have been before the committee the required length of time.

Is there a motion in favor of reporting these 5,550 military nominations to the Senate?

Senator Reed: So moved.

Chairman McCain: Is there a second?

All in favor, say aye.

The motion carries.

Dr. Friedberg, welcome.
STATEMENT OF AARON L. FRIEDBERG, PH.D., PROFESSOR OF
POLITICS AND INTERNATIONAL AFFAIRS, PRINCETON UNIVERSITY

Dr. Friedberg: Senator McCain, Senator Reed, thank you
very much, members of the committee. I appreciate very much
the opportunity to express my views on these important
subjects.

In the time available, I would like to try to make
three main points.

First, as Senator McCain I think has already indicated,
I do not think the United States currently has a coherent,
integrated national strategy for the Asia-Pacific region,
and, in particular, it lacks a strategy for dealing with an
increasingly powerful and assertive China. What we have
instead are the remnants of a strategy first put in place
over 2 decades ago, some aspirational goals and a set of
policies and programs intended to achieve them that are now
in varying states of disrepair, and which are, in any event,
largely disconnected from one another.

Second, China does have such a strategy, not only for
the Asia-Pacific but for the continental domain along its
land frontiers. The goal of Beijing's strategy, as has
become increasingly clear in the last few years, is to
create a regional Eurasian order that is very different from
the one we have been trying to build since the end of the
Cold War.
Third, just because Beijing has a strategy does not mean it will succeed. China has many weaknesses and liabilities. We and our allies have many strengths. But I do think we have reached the point where it is essential that we reexamine our goals, review our strategy, and adjust our policies accordingly.

The start of a new administration would naturally be the time to attempt such a review. It simply becomes more difficult as time goes on and more issues accumulate.

Let me try to expand on each of those points.

When the Cold War ended, the United States set out to expand the geographic scope of the Western liberal economic and institutional order by integrating the pieces of the former Soviet Union and the former Soviet empire, and by accelerating the integration of China, a process that had begun a few years before. As regards to China, the United States pursued a two-pronged strategy, on the one hand seeking to engage China across all domains, economic in particular, but diplomatic and others, and at the same time, working with our allies and partners in maintaining our own forces in the region to preserve a balance of power that was favorable to our interests and to the security of our allies.

The goals of that policy were to preserve stability, to deter the possibility of aggression while waiting for
engagement to work its magic. The U.S. hoped, in effect, to
tame and ultimately to transform China, to encourage its
leaders to see their interests as lying in the preservation
of that order and to set in motion processes that would
lead, eventually, to the economic and political
liberalization of that country.

As in European, so also in Asia, our ultimate aim was
to build a region whole and free, an open, liberal region in
an open and liberal world.

Since the turn of the century, it has become
increasingly apparent that this approach has not worked, at
least not yet. Engagement has not achieved its intended
results. China is obviously far stronger, far richer, but
it is more repressive domestically than at any time since
the cultural revolution. It continues to rely heavily on
mercantilist economic policies and impose costs on other
countries, including ours. And its external behavior has
become increasingly assertive, even aggressive, most
notably, but not entirely, in the maritime domain.

Meanwhile, engagement not working, balancing has become
more difficult for us and for our allies because of the
growth of China's military capabilities.

So, second, what accounts for this recent shift in
Chinese behavior? The short answer to that question is that
Beijing's increased assertiveness is driven by a mix of
optimism and even arrogance, on the one hand, and also deep insecurity.

For roughly the first 15 years or so after the end of the Cold War, China's rulers followed the wisdom of Deng Xiaoping, who advised in 1991 that China should hide its capabilities and bide its time, avoid confrontation, build up all the elements of its national power, and advance cautiously toward, eventually, achieving a position reestablishing China as a preponderant power in the region.

Things began to change in 2008 with the onset of the financial crisis, and these changes have accelerated and become institutionalized since 2013 with the accession of Xi Jinping to top positions in the party and the state.

Basically, the financial crisis caused Chinese strategists to conclude that the United States was declining more rapidly than had been expected and that China was, therefore, able to rise more quickly than had been hoped. It was time, then, for China to step up to become clearer in defining its core interests and more assertive in pursuing them.

At the same time, however, the crisis also deepened the Chinese leadership's underlying concerns about their prospects for sustaining economic growth and preserving social stability.

So China is behaving more assertively both because its
leaders want to seize the opportunities presented to them by what they see as a more favorable external situation and because they feel the need to bolster their legitimacy and to rally domestic support by courting controlled confrontations with others whom they can present as hostile foreign forces, including Japan and the United States.

The Chinese actions are not limited to pursuing its claims and trying to extend its zone of effective control in the maritime domain. Along its land frontiers, Beijing has also unveiled a hugely ambitious set of infrastructure development plans, the so-called One Belt, One Road initiative, which aims to transform the economic and strategic geography of much of Eurasia.

China's leaders have begun to articulate their vision for a new Eurasian order, a system of infrastructure networks, regional free trade areas, new rules written in Beijing, and mechanisms for political consultation, all with China at the center and the United States pushed to the periphery, if not out of the region altogether. In this vision, U.S. alliances would either be dissolved or drained of their significance, maritime democracies would be divided from one another and relatively weak, and China, meanwhile, would be surrounded on the continent by friendly and subservient authoritarian regimes.

So if in the 20th century, the United States tried to
make the world safe for democracy, in the 21st, China is
trying to make the world safe for authoritarianism, or at
least it is trying to make Asia safe for continued Communist
Party rule of China.

And they are using and trying to coordinate all the
instruments of policy to achieve these ends -- military
domain, building up of conventional and so-called anti-
access/area denial capabilities. And they are modernizing
their nuclear forces in order to deter possible U.S.
intervention and to raise questions about the continued
viability of our security guarantees, and also developing
other instruments -- lawfare, little blue men maritime
militia, island construction -- to advance toward their
goals, create facts without provoking confrontation.

Economically, they have been using the growing
gravitational pull of their economy to draw others toward
them. And also, they have been increasingly open in using
economic threats and punishments to try to shape the
behavior of others in the region, including U.S. allies, as
Dr. Cha mentioned, Korea and also the Philippines.

And China has been engaging in what Chinese strategists
refer to as political warfare, attempts to shape the
perceptions of both leaders and elites and publics by
conveying the message that China's growing wealth and power
present an opportunity rather than a threat to its
neighbors, while raising questions about the continued reliability and leadership capacity of the United States.

I think it is important to note also that China is waging political warfare against us, holding out the prospect of cooperation on trade and on North Korea, which I think is now going to be again a part of that process, even as they work to undermine and weaken our position in the long run.

Finally, and very briefly, how should the United States respond? As I stated at the outset, I think the time has come for a fundamental reexamination of our strategy toward China and toward the Asia-Pacific and, indeed, the entire Eurasian domain more broadly. A serious effort along these lines would look at all the various instruments of power, the various aspects of our policy, which I think now are largely fragmented and dealt with separately, and consider the ways in which they might be better integrated. It would also weigh the possible costs and benefits and risks of alternative strategies.

A useful model here would be the so-called Solarium Project, a review of possible approaches for dealing with the Soviet Union that was undertaken in 1953 during the early months of the Eisenhower administration. To my knowledge, in the last 25 years, there has been no such exercise regarding our policies towards Asia and towards
China. So we are effectively running on the fumes of a strategy that was put into place a quarter century ago.

Obviously, Congress cannot do such an assessment itself, but it might wish to concern mandating such a review as it did in requiring a general statement of National Security Strategy in 1986 and the Quadrennial Defense Review in 1997.

I am afraid my clock is not working, so I am sure that I have already gone over time. I cannot claim to have conducted such an exercise myself, but I would like to close with just a few thoughts about some of the issues that it might address and perhaps some of the conclusions toward it which might lead.

The first and most basic is, what is it that we are trying to achieve? If an Asia whole and free is out of reach, at least for now, and if a region reshaped according to Beijing's vision would be threatening to our interests and to our values, as I think it would be, how should we define our strategic goals?

Part of the answer here I think is likely to be that we will need to rededicate ourselves to defending those parts of the Asian regional system that remain open and liberal, including our allies, the rules with which they abide, and the commons that connect them.

It is sometimes said that in order to accommodate
China's rising power and avoid conflict, we will need to compromise. That is certainly true. But there are some issues where it will not be possible to split the difference. We need to be clear about what those are.

In the economic domain, if we do not want others to be drawn increasingly into a Chinese co-prosperity sphere, we need to provide them with the greatest possible opportunity to remain engaged in mutually beneficial trade and investment with us and with one another.

Whatever its economic merits, TPP had significant strategic benefits in this regard. And it is not clear, at this point, what, if anything, will take its place.

In regard to military strategy, for good reason, a great deal of energy has been devoted recently to figuring out how to respond to these Chinese initiatives in the so-called gray zone. As important as this problem is, it seems to me that it is subordinate to the larger question of how we and our allies can counter China's evolving anti-access/area denial strategy.

We are in kind of an odd position now of having raised this issue in a very visible way back in 2011, with the creation of the Air Sea Battle Office, and then seeming to back away from it. While there is obviously a limit to what we can and should say in public, we are at a point I think where we need to be able to explain to our allies, our
possible adversaries, and ourselves how would we fight and
win a war in Asia, should that ever become necessary.

Finally, there is this delicate issue of political
warfare. As Senator Reed mentioned, what is our counter to
the narrative that the Chinese are pushing across much of
Asia in which we are portrayed as internally divided, as
unable to solve our domestic problems, as inward-turning,
unreliable, and potentially dangerous, while China presents
itself as the wave of the future -- economically dynamic,
efficient, unthreatening, nonjudgmental, loaded with cash,
and eager to do business.

In this regard, it seems to me that it would be a
serious mistake, strategic as well as moral, to drop the
subjects of human rights and universal values from our
discussions with and about China. Our commitment to these
values and our demonstrated willingness to defend them are
still among our greatest assets. And being seen to abandon
them in the face of China's growing wealth and power will
embolden Beijing and other authoritarian regimes, and
discourage our allies and demoralize those people in China
and around the world who often at great personal risk
continue to advocate for freedom.

Thank you very much.

[The prepared statement of Dr. Friedberg follows:]
Chairman McCain: Ms. Magsamen?
STATEMENT OF KELLY E. MAGSAMEN, FORMER PRINCIPAL DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR ASIAN AND PACIFIC SECURITY AFFAIRS, OFFICE OF THE SECRETARY OF DEFENSE

Ms. Magsamen: Chairman McCain, Ranking Member Reed, other distinguished committee members, thank you for convening this important and very timely hearing today.

I want to commend the committee for its steadfast bipartisan leadership on all matters of peace and security in the Asia-Pacific, that is extremely important, as well as your steadfast commitment to our men and women in uniform and the civilians who serve alongside them. So thank you.

Also, thank you to my fellow panelists here whose counsel I drew upon quite a bit while I was in government. I think you are going to hear a lot of similarity in our testimony today. Let me try to quickly summarize my testimony that I have submitted for the record.

Bottom line, up front, while some may prefer to discard the rhetoric of the rebalance, we need to follow through on its strategic intent, because if we do not, American primacy in the most consequential region in the world is at risk. I will go one step further by saying mere continuity of American effort is not going to be enough to stem the tide.

We need to encourage the new administration to present an affirmative vision and strategy for the region, as the other panelists have discussed, and to avoid ad hoc
approaches. This needs to start with a clear-eyed view of our interests and the necessity of preserving our position through any means necessary to advance our interests.

So with that theme in mind, I would like to highlight what I see as the top three challenges and opportunities facing the United States in the Asia-Pacific. Of course, the first most urgent challenge is North Korea and its relentless pursuit of its ballistic missile program and nuclear program, a challenge that has vexed multiple administrations, including the Obama administration most recently.

The bottom line here is that we need a new playbook. First, we need to increase the pressure on North Korea as a necessary predicate to any other option. China is central to that, but we cannot rely only on Chinese pressure. We also need to be realistic. Kim Jong Un is not going to unilaterally disarm because of international pressure. Pressure alone is not going to solve the problem.

Second, military options should remain on the table, but they are extremely high-risk and should be a last resort. We should not kid ourselves here. A conflict on the peninsula would be unlike anything we have seen in decades. North Korea is not a Syria. It is not an Iraq. The consequences could be extremely high.

So where does that leave us? After and only after a
sustained period of significant pressure and deep coordination with our allies, we need to ready a diplomatic play.

For diplomacy to succeed, however, its goal has to be achievable. So this will not be popular, but denuclearization is unlikely at this point, at least in the near term and at least under this regime.

So we need to have some realism and develop some diplomatic creativity. We, in close coordination with our allies, should develop a diplomatic road map with outcomes short of denuclearization that would still effectively limit the threat in a meaningful and verifiable way.

Finally, we really need to turn up our defense game. We need to accelerate improvements in regional missile defense of our allies as well as our homeland so that we are better prepared in the event diplomacy fails or even if it succeeds.

This brings me to the second challenge, and this is the most consequential challenge, as others have discussed -- China. To be clear, China's strategic intent is to chip away at decades of American security and economic primacy in Asia. Some are going to get squeamish over the idea of U.S.-China great power competition. But to ignore the fact that China is already in competition with us would be tantamount to strategic malpractice.
So I agree with Aaron on his comments earlier about the need for a big look at our China strategy. I do not mean to suggest that we should enter a new cold war with China, nor can we cast aside areas of cooperation that benefit our interests. But we need to be clear-eyed about our long-term interests in preserving the American position, and that should be our north star.

To do so, the United States needs to invest in our comparative strengths and, by extension, our credibility. We need to get our own house in order to address the pure scale, as the chairman mentioned, of this challenge -- necessary budget investments, human capital investments, which is something that is not talked about enough, and overall strategy.

And we need to move to the next phase of increasing U.S. presence, posture, and capabilities in the region. That next phase is going to be a lot harder.

In this regard, I would like to thank you, Chairman McCain, for your idea and proposal on the Asia-Pacific Stability Initiative, which I hope the Trump administration will support. It will not only improve our ability to fight and win wars, it will improve our ability to keep the peace.

This brings me to the third challenge, an enduring and persistence one, which is terrorism in the region. I think in the emergence of ISIL, the terrorist threat in South and
Southeast Asia is evolving, and bottom line here is we need to get ahead of it. We have time to get ahead of it, so we need to take more preventive action on terrorism in South and Southeast Asia.

Let me talk briefly about opportunities, which tend to get lost in all of the noise.

First, I would say the biggest strategic opportunity is India. And here, the United States and India increasingly share a common strategic outlook on the Asia-Pacific, especially a mutual concern over Chinese military modernization and adventurism.

But the question here is, can we reach a new level of cooperation to place limits on Chinese ambition? I believe it is possible but only if the United States and India together persist in overcoming the suspicions of the past and build stronger habits of actual cooperation. And this is going to require the U.S. and Indian systems, which are not naturally compatible, to demonstrate mutual flexibility as well as ambition.

The second opportunity, which is a near-term and high-reward opportunity, is Southeast Asia. As the chairman knows, the demand signal in Southeast Asia for U.S. defense engagement is on the rise. And we need to meet it.

While we can do more through defense engagement, we also need to do more on diplomatic, economic, commercial,
private sector engagement in Southeast Asia. Whether it is in Vietnam or Burma or Sri Lanka, there are countless opportunities for the United States to build strategic depth in Southeast Asia.

ASEAN also needs to be central to our strategy, and I would recommend Secretary Mattis continue efforts of his last two predecessors to host the ASEAN Defense Ministers in the United States at the earliest opportunity.

Finally, this committee's leadership on Southeast Asia has been essential. Whether it was by your engagement every year at the Shangri-La Dialogue, which is an important expression of American bipartisan commitment to the Asia-Pacific, or whether it is following through with action as in the case of the Southeast Asian Maritime Security Initiative, a much-needed, timely American effort to fill a critical capacity gap.

Finally, the big one, the long-term strategy, the real opportunity for the United States. To retain our primacy, the United States needs to weave together its disparate security and economic efforts into a broader strategy. We need to fashion a networked security architecture with allies and partners to help all of us do more over greater distances with greater economy of effort, undergirded by a shared set of principles in support of a rules-based order.

We need to present a vision for an equivalent economic
architecture that promotes sustainable and inclusive economic growth and opportunity for all countries, including the United States.

In the absence of meaningful American economic statecraft in the region, China is filling the void. That has dangerous implications for our relationships, setting up false choices for our allies between their security and their prosperity. Besides these strategic implications, the lack of a serious U.S. economic initiative in Asia will leave average Americans at a long-term economic disadvantage.

So in sum, the challenges of opportunities for the United States are significant. But without urgent American leadership and the requisite whole-of-government investment, the United States will not be able to rise to them, and decades of relative peace and prosperity that American leadership has enabled are at risk.

Thank you, and I look forward to your questions.

[The prepared statement of Ms. Magsamen follows:]
Chairman McCain: Dr. Tellis?
STATEMENT OF ASHLEY J. TELLIS, PH.D., SENIOR FELLOW,  
CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE

Dr. Tellis: Thank you, Senator McCain. Good morning.
Thank you, Ranking Member Reed, and members of the committee, for inviting me to testify this morning on the challenges facing the United States in the Indo-Pacific.
I have submitted a longer statement. I would be grateful if that is entered into the record.

Chairman McCain: Without objection.

Dr. Tellis: In my opening remarks this morning, I want to highlight five themes drawn from my written statement.

First, the challenges posed by North Korea and China obviously remain the most dangerous problems facing the United States in the Indo-Pacific. The challenges emanating from North Korea and obviously real, dangerous, and in the near term. The challenges emanating from China are long-term, enduring, and aimed fundamentally at decoupling the United States from its Asian partners.

In my remarks this morning, I want to focus primarily on China, and I want to thank my colleagues, Victor Cha and Kelly Magsamen, for spending time on speaking about the issues relating to North Korea.

The first point I want to make in this connection is that as we think about China as a strategic competitor, it is important not to think of China as merely a regional
power, but increasingly as a global challenger to the United States.

China is already a great power in Pacific Asia. It is increasingly active militarily in the Indian Ocean. It is seeking facilities in the Mediterranean and along the African coasts. And within a couple of decades, the size of Chinese naval capabilities will begin to rival those of our own. And it is likely that China will begin to maintain a presence both in the Atlantic and in the Arctic Oceans as well.

So we have to think of China in a new way, not just simply as an Asian power but as a global power.

The second point I want to make is that it becomes increasingly important for the United States as it deals with the emerging Chinese challenge to reaffirm its own commitment to maintaining its traditional preeminence both globally and in the Indo-Pacific.

The U.S. commitment to this preeminence is now uncertain in Asia. The Asian states are uncertain about whether Washington can be counted on to balance against China's quest for regional hegemony, and whether Washington can be lured away from the attractions of condominium with China, a condominium which might threaten the security of our friends.

The President, therefore, should use the opportunity
offered by his appearance at the East Asia summit to clearly affirm America's commitment to maintaining its global primacy. But words alone are not enough. I think it would be very helpful for the administration to support your initiative, Senator McCain, with respect to the Asia-Pacific Stability Initiative, in fact, urging funding at levels that approximate those offered for the European Reassurance Initiative.

Third, the resources that I believe should be allocated to the Indo-Pacific should focus increasingly on restoring the effectiveness of U.S. power projection, because that capability has been undermined considerably by China's recent investments in anti-access and area denial.

In the near term, this will require shifting additional combat power to the theater, remedying shortfalls in critical munitions, expanding logistics capabilities, increasing joint exercises in training, and improving force resiliency by enabling a more dispersed deployment posture.

But the longer term is just as crucial, and the demands of the longer term cannot be avoided indefinitely. Here I believe bipartisan support will be necessary for developing and rapidly integrating various revolutionary technologies into the joint force, technologies that will emphasize stealth, long-range, and unmanned capabilities as well as doubling down on our advantages in undersea warfare.
Fourth, building better capabilities alone will not suffice for effective power projection if the United States lacks the will to protect the international regime that serves our strategic interests. An important element of that regime, protecting the freedom of navigation, is now at serious risk because of China's activities in the South China Sea.

It is time for Washington to push back on these efforts by undertaking regular freedom of navigation operations in much the same way as we do sensitive recognizance operations in the Indo-Pacific today. These operations should be regular, unpublicized, undertaken at the discretion at PACOM, and should not be constrained by the promise of Chinese good behavior on other issues.

Fifth and finally, we will not be able to tame Chinese power in the Indo-Pacific without strengthening our friends and alliance partners, a point made quite clearly by Kelly in her remarks before me. There are diverse initiatives that are required for success on this account. I will just flag a few.

The United States should first begin to seriously think about working with its partners to replicate China's own anti-access and area denial capabilities, in effect, replicating many A2/AD bubbles throughout the Indo-Pacific, to constrain China's freedom of maneuver around the
littorals.

The United States cannot afford to put off the aid and enhanced training to Taiwan for very much longer, just as we ought to urge Taipei to move expeditiously with respect to increasing its own military spending and reforming its own concepts of military operations. As a matter of national policy, we should affirm our strong support for trilateral cooperation between Japan, India, and Australia, whether or not the United States is party to these activities.

As Kelly emphasized, we should not give up on the nations of Southeast Asia either. They are currently at the receiving end of Chinese assertiveness, and, therefore, our theater engagement plan is something that we need to reinvest in because it gives us the opportunity to provide critical reassurance to the smaller Southeast Asian states in ways that will limit the potential for Chinese intimidation.

Finally, we need to reinvigorate the balancing of China by doubling down on our strategic partnership with India. This is no longer simply a political necessity. It is an urgent operational necessity as well. As Chinese military activities in the Indian Ocean begin to gather steam. The partnership with India becomes even more important because of the limits it can impose on China's freedom faction in the Indian Ocean and thereby limiting the burdens on U.S.
forward defense in other parts of the Indo-Pacific.

In short, managing the rise of Chinese military power will be the most difficult challenge that the United States faces in the Indo-Pacific over the longer term. Managing that challenge will be demanding, but we have no choice but to be resolute in doing so, because our security, our international standing, and the wellbeing of our allies is at stake.

Thank you very much for inviting me this morning, and I look forward to answering your questions.

[The prepared statement of Dr. Tellis follows:]
Chairman McCain: Thank you very much, Dr. Tellis.

Would the witnesses agree that the abandonment of TPP was one of the biggest mistakes we have made?

Dr. Cha?

Dr. Cha: Yes, I saw TPP as not just being a trade agreement but having broader strategic implications. It is one of the three legs that United States stands on in Asia, in addition to our military presence and our values. So it is quite unfortunate, yes.

Chairman McCain: Dr. Friedberg?

Dr. Friedberg: I agree. In addition to the harmful effects of not going forward with the agreement, the signal that it sent I think was deeply damaging. So the fact that we placed such emphasis on it, talked about it, tried to persuade others to do it, encouraged others, including I think in particular our friends and allies in Japan to go out on limbs themselves to try to persuade their legislatures to accept this agreement, and then pulled the rug out, it really was a perfect storm, it seems to me, and very damaging. And it is going to take a while, I think, to work our way back from that setback.

Ms. Magsamen: Yes, because a Sinocentric economic order in Asia is not in our interests, so, yes, I agree it was a disaster.

It is also, actually, having practical effects on our
security. It is making it harder for us to engage with
countries about access agreements, because the Chinese are
in there essentially lining pockets and promising lots of
investments in infrastructure, et cetera. So it is making
our job on the defense side a lot harder.

Dr. Tellis: I agree completely with my fellow
panelists. Withdrawal from TPP was both unfortunate and
dangerous. I would flag three reasons for this.

First, the business of Asia is business. If we cannot
engage in matters that are really important the to Asian
states, enhancing their own prosperity, our inability to
enhance their security will also be diminished. That is
point number one.

Point number two, we really cannot cede to the Chinese
the ability to create new rules for trade in Asia. TPP
offered us the opportunity to create gold standard rules,
and we have now divested ourselves of that opportunity.

Three, between TPP and TPEP, there was every promise
that we could add close to 1 percent to U.S. GDP growth
through trade. Even if you believe in America first, you do
need to find ways of enhancing our global growth, and trade
offers a great opportunity.

Chairman McCain: Right now, we have increasing
tensions, as we all know, between us and North Korea, with
the most unstable ruler that they have had. And the testing
of nuclear weapons, I think as Dr. Cha pointed out, and
missile capability, has dramatically escalated.

Yet, at the same time, we have North Korean artillery
in place, at a degree where at least they could launch one
attack that would strike Seoul, a city of 25 million people,
as I recall. And obviously, the key to some of this is
China. And China had taken some very small steps as far as
coal is concerned, but they have never taken any real steps
to restrain North Korean activity.

So it seems to me that we are probably in one of the
most challenging situations since the Cuban Missile Crisis,
in some respects, certainly not exact parallels, but maybe
it rhymes a bit.

Dr. Cha?

Dr. Cha: I think that is a very accurate assessment of
the situation. There is nothing that I see that suggests
that North Korea is going to slow down the pace of its
testing. In fact, I think it is going to increase, given
the elections in South Korea.

And China still subsidizes, even if they cut coal, they
still subsidize 85 percent of North Korea's external trade.
So China is definitely part of the solution in trying to
stop North Korea, but it is also part of the problem, as you
suggest, in that they are not willing to really put the sort
of pressure that will impose economic costs on North Korea
for going down this path.

    Dr. Friedberg: China has been playing a game with us for at least 15 years on this issue. When we get especially concerned about what the North Koreans are doing, and we go to the Chinese and we ask them for their help, what they have done in the past is to apply limited increments of pressure. They did it in 2003 to get the North Koreans to agree to sit down in what became the Six Party talks. But at the same time, almost simultaneously, as Victor suggests, they are enabling the North Korean regime to continue by allowing continued economic exchange across their border.

    The Chinese have also allowed -- or the Chinese authorities have at least looked aside as Chinese-based companies have exported to North Korea components that were essential to the development of their ballistic missiles and probably other parts of their special weapons programs.

    I am not at all optimistic that the Chinese are going to play a different game with us now than they did in the past.

    One thing I would add, though, aside from military pressure, which for reasons that you suggest, Senator McCain, are I think of questionable plausibility, there are ways in which we could increase economic pressure on the North Korea regime, particularly by imposing further economic sanctions and especially financial sanctions. We
did that in the Bush administration. I think it was actually something that caused a good deal of pain. We backed away from it for various reasons. I think it was a mistake to have done that.

One of the reasons, in my understanding, that we have not been willing to push on this harder is that it probably would involve sanctioning entities that are based in China. And I think we have been reluctant to do that because of our concerns about upsetting the relationship with China.

I think if we are going to be serious about this, we probably are going to have to go down that road.

Chairman McCain: The military option being extremely challenging.

Dr. Friedberg: Yes. I was in government in 2003-2005. At that time, my understanding was it really was not -- there was no way of dealing with the conventional counter-deterrent that the North Koreans had. I do not have any reason to think that it has better. Moreover, the nuclear targets themselves have become more numerous.

North Koreans are starting to develop mobile ballistic missiles. The problem of preempting or attacking in a preventive way and destroying North Korean nuclear capability is only getting worse, I would think. And nothing really has been done to deal with the conventional threat to South Korea.
Chairman McCain: Ms. Magsamen?

Ms. Magsamen: I agree on the China front. I think there are going to be limits to what they are going to be willing to do. Their biggest fear, of course, is destabilizing the peninsula.

Now is the time to try to make China understand that the status quo is worse for them than all other scenarios. And to do that, I think we need to hold their interests at risk. And what I mean by that is somewhat of what Dr. Friedberg said, which is we really need to think hard about secondary sanctions on Chinese banks.

I actually think we should to go out and do it now. I do not think we should actually wait. I do not think that holding it in abeyance is actually going to induce Chinese cooperation. So now is the time to demonstrate to China that we are serious in that regard.

Chairman McCain: By the way, I agree with the witnesses about the importance of the U.S.-India relationship, which is something that I think has enormous potential as well.

Dr. Tellis?

Dr. Tellis: I concur with what has been said before on the challenges with North Korea. I think China has to make a strategic decision. If the current status quo serves its interests, and it seems to, because it immunizes China from
the threat of chaos, it provides a buffer between the U.S.
military presence and the Chinese border, so if this status
quo continues to advance Chinese interests, there is a small
likelihood that they will be more helpful to us with respect
to managing North Korea.

So the issue for decision in China is whether the Trump
administration's increased pressure might change the game
sufficiently that the threat of war becomes real enough for
China to move. And to that degree, I think creating this
head of steam, which the administration seems to be making
an effort toward, would actually be helpful, because it
might motivate the Chinese to cross lines they have not
crossed before.

Senator Reed: Thank you very much, Mr. Chairman.
Thank you for your excellent testimony.

Dr. Cha, just a quick point. You suggest that, at the
conclusion of the election, whoever emerges victorious will
take a harder line on the North Koreans. They will not open
up the facility across the border, et cetera. Is that
matched by the rhetoric? Some impressions we are getting
are that it is a race to who is the most sensitive to the
issues, not the most bellicose.

Dr. Cha: Thank you for the question.

I think certainly the political spectrum has shifted in
Korea during this 7-month impeachment crisis further to the
left, or left of center, if you will. The leading
candidates all seem to espouse views that call for more
engagement with North Korea.
   But I think that often what is said in campaigns is
very different from when the individual takes office on the
first day.

Senator Reed: You have noticed?

Dr. Cha: And I think in the case of South Korea, they
will find that they will be in a position where their
primary ally, the United States, is not of similar mind,
neither is the partner across the sea, Japan. Arguably,
China is not in that position as well.

And so while I do not think engagement is necessarily
completely wrong with North Korea, but now is not the time.
When I was in government, we were dealing with a progressive
government in South Korea. We fully respected the fact that
they were interested in engaging North Korea, but there was
a right time for it, and a wrong time for it, not just by
U.S. policy preference but by what would be deemed effective
engagement. And I think the previous government understood
that, I would imagine that the next government in South
Korea would as well.

Senator Reed: Let me ask you all a question, beginning
with Dr. Tellis. There is deep skepticism that the Chinese
will apply economic pressure of a significant degree to
compel changes in behavior. A variation on that is that, even if they did, do you believe that the North Korean regime would abandon their missile programs and their nuclear programs?

Dr. Tellis: I do not believe that to be the case. I believe the North Korean regime will continue to persist with its nuclear program because it sees that as indispensable to its own survival. And I also do not believe that China will exert the kind of pressure required to force the North Korean regime to make those kinds of fundamental changes.

Senator Reed: So that leaves us at what point in the future?

Dr. Tellis: We essentially have to prepare for a North Korean capability that will ultimately reach the United States. And if it comes to that point, we have only one of two choices. We continue to hope in the reliability of deterrence, which is dangerous because of the unpredictability of this regime, or we will be forced into military actions, which will be extremely costly and painful.

Senator Reed: Ms. Magsamen?

Ms. Magsamen: No, I do not think Kim Jong Un is going to voluntarily give up his nuclear weapons, even with significant Chinese pressure. I also agree that the Chinese
are not going to go as far as we need them to go to make that strategic choice.

Where that leaves us is essentially what I said earlier, which is, after increasing the pressure, running the China play, we do need to think carefully about whether or not we should proceed with a diplomatic effort to limit the program as best we can, because I think we are going to face a very stark choice at some point in the future, probably in the next 5 years, about an ICBM reaching the United States.

That is going to present some pretty stark choices, so I think our challenge now is to find a way to avoid having to make that choice at the end.

Senator Reed: Dr. Friedberg, please?

Dr. Friedberg: I do not think, first, that the Chinese will apply all the pressure that they could conceivably apply. In part, for that reason, I do not think that it is likely that the North Korean regime would agree to give up their programs. It seems to me that some years ago, it might have been possible to put the leadership in a position where we could make them an offer where they could not refuse, where they really felt that their own personal survival was at stake. I think we are past that point.

So I agree with both my colleagues on two points. One, the question now it seems to me is, are there things we can
do, working with China, perhaps, to try to slow down the
progress of the North Korean program? So if they do not
test as often as they have tested, presumably that will make
it more difficult for them, eventually, to field reliable
capability, testing both weapons and missiles.

It is not inconceivable, I think, that the Chinese
might join with us in applying sufficient pressure to try to
slow that down. I think that is the best we can hope for.

Then the question is, how do we prepare to defend
against this? There is, in the long run, I hesitate to use
this term because it has fallen into disfavor for good and
bad reasons, but the ultimate solution to this problem is
regime change.

Unless and until there is a change in the character in
the North Korean regime, and certainly the identity of the
current leadership, there is absolutely no prospect that I
can see that this problem will get better. I do not think
there is any active way in which we can promote that, but we
ought to think about what conditions might lead, eventually,
to that kind of change.

Senator Reed: Dr. Cha, finally.

Dr. Cha: I agree with my colleagues. I do not think
Chinese pressure will necessarily stop North Korea's
program. But I think what Chinese pressure can do is force
the North Koreans back to the negotiating table.
The theory of the case of that that is, I think in 2003, when China temporarily cut off oil, the North Koreans agreed to the Six Party talks. And then again in 2007, when the Treasury Department undertook actions that led to a seizure of North Korean assets in a bank in China, that clearly put a lot of pressure on the regime, and they came back to implement an agreement. So I think there is precedent there.

I entirely agree with my colleagues that I am not sure how much China is willing to put that kind of pressure on North Korea, but one could argue that the situation is a little bit different now because the Chinese are desperate for some sort of diplomacy to take place. They really do not understand what President Trump might do, and they feel they have no control over North Korea, so they may be more receptive than they were in the past.

Senator Reed: Thank you.

Thank you very much, Mr. Chairman.

Chairman McCain: Senator Inhofe?

Senator Inhofe: Thank you, Mr. Chairman.

First of all, these hearings are very significant. We get people like you, and there is no more qualified panel we could have to advise us and to reflect on it. But also, these are public meetings, and I see the other value is informing the public of things that we assume up here they
already know about. I would like to concentrate on just North Korea, because I have always had this bias that this is really where the serious problem is.

We are talking about two things here. We are talking about their development and the technology over a period of time, developing a bomb, a weapon, and then secondly, a delivery system. Just real quickly, let me run over that.

In the delivery system, North Korea, it goes all the way back to the 1970s. In the 1970s, they had the Scud B, and everybody remembers that. They forgot that for a couple decades.

Along came 1990, their first No-dong missile. The test fire range 1,300 kilometers. Then a few years later, in 2006, the Taepodong-2 long-range missile had the capability of traveling 1,500 miles. Then firing of the Taepodong missile, which they said was satellite-launched.

December 2012, North Korea launches a rocket that puts their first satellite into space. We have watched their progress all the way through to 2016, when North Korea launches a solid fuel ballistic missile from a submarine.

Then lastly, Kim Jong Un declares that North Korea is in its final stage in preparation to test an intercontinental ballistic missile.

You see what they have done in that period of time. I have to almost conclude that the guy really means it when he
comes out with a statement.

But then going back to the bomb, in 2006, we had one, an explosion, that was 1 kiloton. In 2009, that was up to 2 kilotons. In 2013, it went to a third nuclear test. It was an atomic bomb with an estimated explosion of 6.27 kilotons. And then, finally, September 9, 2016, is the fifth and latest nuclear test. It registered 5.3 in magnitude, with an explosive yield estimated between 10 and 30 kilotons, which is about the same as it was in Hiroshima, in Nagasaki, and 10 times stronger than what North Korea was able to do 10 years before.

So you have gone, over that period of time -- when we talk to the military, and we will have them in on Thursday, I understand, I know that they will say that the two big problems that distinguish the threat that comes from North Korea from other threats is that, first of all, you are talking about a mentally deranged guy who is making the decisions, and, secondly, this country has been more consistent in both developing its weapon and the delivery system. And you come to the conclusion that, as I have come to, that I believe that there is an argument that it can pose the greatest threat to the United States.

And I would like to get a response, if you would, Dr. Cha, to, first of all, are we accurate in terms of that technological development over that period of time? And
does that relate to the threat?

Dr. Cha: Thank you, Senator.

I think what you just described is entirely accurate in terms of a systematic plan by the North Koreans over the past decades to develop a capability that seeks to threaten the U.S. homeland. I think there is no doubt about it, that that is what they are after.

As I mentioned earlier, they have done 71 of these tests since 2009, which is a step increase from what we have seen in the past. They have done seven tests since the election of our current President. They have over 700 Scud missiles, 200 to 300 No-dong missiles. And the pace of their development and history of their development shows that they want to be able not to just field one missile that can potentially range the United States, but a whole slew of them.

So this is a very proximate threat. You are absolutely right, Senator.

Senator Inhofe: Any other comments on that?

Is it completely unreasonable that, as a result of this, we can consider North Korea as the greatest threat facing the United States?

Dr. Friedberg?

Dr. Friedberg: I think it certainly is the most imminent. I do not know that it is the greatest in terms of
its magnitude in the long run, as Dr. Tellis said. I think China presents a greater challenge. But, certainly, it is the most imminent.

One thing to add, just to make the picture even worse, it is conceivable that the North Korean leadership may believe not only as they acquire these capabilities that they are going to be able to extort more economic goods from the world, and not only that they are going to deter action against them, but that they might believe at some point they really had an option for reuniting the peninsula. They might believe that Japan would be deterred by the threat of attack on bases on its soil from allowing the United States to use it as their rear area to support operations on the peninsula. They might believe that the United States would be deterred from coming to the --

Senator Inhofe: My time has expired, but the military also says that it is the unpredictability that we have there. Everything else is pretty predictable. We all look back wistfully at the days, some do, anyway, I do, at the Cold War when things were predictable. We knew what they had. They knew what we had. Mutually assured destruction meant something. It does not mean anything anymore.

Unpredictability is what the military is going to tell us on Thursday is the major problem that they have with North Korea.
Thank you, Mr. Chairman.

Chairman McCain: Senator Nelson?

Senator Nelson: Thank you, Mr. Chairman.

So given all of that discussion, and given that the neighboring problem, China, continues to be very aggressive, so you are advising us as policymakers, as people who pass appropriations bills, what to do, so what to do to deter North Korea and further Chinese aggressiveness?

Ms. Magsamen: So this gets back to a point earlier. We really need to double down on our regional ballistic missiles defense. THAAD on the peninsula was an important step, but there is more to be done. I think, for example, we can consider putting THAAD in Japan. I think there are additional deterrents, things we can also do with the Japanese and the Koreans together, whether it is more operational cooperation in the air and on the sea. We should consider a whole range of options, even including potentially strengthening our extended deterrence commitments to the Koreans by potentially rotating dual-capable aircraft to the peninsula, which would be a big move.

So there are additional things I think we can do on the deterrence side and the posture side that would be particularly relevant and applicable to the threat.

Senator Nelson: But you do not think that that would
deter the North Korean leader, do you, from continuing this
development of nuclear weapons, missiles, and then marrying
a nuclear weapon to a long-range ICBM?

Ms. Magsamen: No, Senator, I do not, but I do think it
would help reassure our allies and also put us in a better
position in the event diplomacy fails.

Senator Nelson: And do any of you have any reason to
think that diplomacy would succeed with this North Korean
leader?

Dr. Tellis: Even if it does not, we cannot do anything
else without exhausting the alternatives offered by
diplomacy, because dealing with North Korea, at the end of
the day, will require a coalition effort, and we have to
satisfy the expectations of our coalition partners that we
have made every effort in the interim to deal with the
challenge. So we have to think of it in terms of a
multistep game.

As Dr. Cha highlighted, the immediate objective should
be to get the North Korean regime back to the negotiation
table. The ultimate objective must be to hope that there
will be evolutionary change in the regime. But between
those two bookends, we have to think seriously about what is
required for deterrence, what is required for defense, and
what is required for denial.

Senator Nelson: Anybody else?
Dr. Cha: Senator, the only thing I would add to the list that Kelly enumerated is that I think those sorts of posture moves and strengthening of deterrence in defense, they are good for our allies. They certainly increase the cost for China of allowing the situation to continue as it is and might make them more receptive to putting pressure on the regime.

In the end, the problem we have is that North Korea feels no pain for the direction they are going. Their people are feeling pain, but they do not care about their people. So the immediate tactical effort is to try to get the regime to feel the pain, and that requires China to stop subsidizing 85 percent of North Korea's external trade as well as some of their leadership funding.

So that is the proximate tactical goal to try to at least get some leverage on the issue, because, right now, we have none.

Senator Nelson: Describe the aftermath if we saw that he was readying an ICBM that could reach the U.S., Alaska, Hawaii, and we decided to preemptively take out the assets that we knew where they were, which is more difficult because they are now moveable. Describe the aftermath of what would happen. And what would be their retaliation?

Dr. Friedberg: Well, we do not know for sure, but I think the assumption for several decades has been that they
would begin with a massive artillery barrage against Seoul, which is within range across the demilitarized zone. The North Koreans have for years exercised and tested special operations forces, chemical and biological weapons. The fear would be that they would unleash all of this. I do not know that they would, necessarily, because the next step would be the annihilation of the North Korean regime. But the fear is that that is their capability and they might.

Just a note on that, I am not a psychiatrist, so I would not want to judge the current leader's sanity or lack of sanity, but it does seem to me that North Korean leaders have been rational in their behavior. It sometimes appears odd, and it is very threatening, but is purposeful, and it has been consistent.

And I think for that reason, it is important also to remain focused on what it is that would probably deter them, which is the threat of personal annihilation. So the threat of we and our South Korean allies would, if we needed to, and could destroy the regime and destroy the leadership. I think that is a message that they understand.

Ms. Magsamen: Just to add to the question on the aftermath, we have 28,500 U.S. troops on the peninsula. That is just the troops. That is not their families. So there are thousands, hundreds of thousands of dependents, in
addition to the Koreans. Japan is within range, so I think Japan would take a hit, potentially.

There would be significant economic impact, frankly, to war on the peninsula, which I do not think anyone is talking about.

And the regional actors, like the Chinese, would move in. They would not sit on the sidelines and watch the United States try to rearrange the peninsula in their favor. They would certainly try to intervene at some point. That could also have catastrophic consequences.

So in terms of the aftermath of a U.S. strike, there are particularly high costs.

Dr. Tellis: If I may just add to that, obviously, the most confident thing we can say is that we do not know how the regime would respond. But I think it would depend on whether they saw the strike as a discrete effort made at resolving a specific problem or whether that is a leading edge of a larger effort at replacing the regime itself.

If it was seen as a discrete effort aimed at resolving a specific program, one can hope that their response would be more restrained. But if it is seen as the leading edge of an effort to replace the regime, then I think all hell breaks loose.

At this point, whichever the choices are, I agree with Ms. Magsamen completely, the Chinese cannot afford to sit on
the sidelines, because it undermines their core interests of
preventing the rise of chaos on their frontiers and keeping
the United States and its military forces as far away as
possible from their borders.

Those two variables change dramatically if the United
States engages in military action in the peninsula.

Dr. Cha: Senator, just to add to this very quickly,
all I will say is that I think it is absolutely true that
the North Korean dictator's number one goal is survival. If
the United States were to carry out a strike, the North
Koreans may feel like the only way to survive is to respond,
retaliate, as my colleagues have suggested, what would
follow from that.

The other way to think about it is that if they do not
respond, that could also threaten the survival of the
leadership and the regime.

And I am still looking for the intelligence analysts
who can tell me which of these things the North Korean
leader will do, because I have not been able to find one
yet.

Chairman McCain: Senator Wicker?

Senator Wicker: But Senator Nelson described a
situation in which our government is almost certain that a
strike is imminent. And in that case, and I will start with
Dr. Tellis, if our response was a discrete strike to prevent
that, might it not be worth it?

Dr. Tellis: First, I do not know the basis for the judgment that there is a danger that is imminent. But if we assume the premise of your question, it may be worth it if we can be assured two things. One, that the North Korean response will be limited and that the effects of our strikes will be permanent. That is, we will be able to cap the North Korean capability at some level and not go beyond. And, two, that the Chinese will actually intervene in ways to force the North Koreans to reach some sort of a diplomatic understanding.

And I am not confident that either of those two conditions would actually be obtained.

Senator Wicker: Rather than have all of you respond to that, I will take that answer.

Dr. Friedberg, you say the United States does not have a coherent integrated national strategy for the Asia-Pacific. Instead, all we have are the remnants of a 2-decades-old strategy. Yet, the Defense Department's 2012 strategic guidance says we will, out of necessity, rebalance toward the Asia-Pacific region, and the QDR 2 years earlier said essentially the same thing.

Was rebalance to Asia-Pacific words only?

Dr. Friedberg: Well, with deference to my colleague who worked hard on making it happen, I do not think it was
words only, but the ratio of words to deeds I think was not what it should have been. We talked a lot. We did some things. We did not do nearly enough for a variety of reasons.

I think the previous administration was preoccupied, it became preoccupied with other problems in the Middle East, with Russia, continuing constraints on defense spending.

Senator Wicker: Some issues arose outside Asia-Pacific.

Dr. Friedberg: Yes.

Senator Wicker: To our surprise.

Dr. Friedberg: Yes. And this continuing budget constraint.

So I think, for a variety of reasons, not enough was done.

I agree that the general concept, the idea that we need to focus more of our resources on the Asia-Pacific, was the right one. Many of the things that the previous administration started I think were worthy. But for various reasons, they did not or were not able to follow through adequately.

Senator Wicker: Let me shift, then, back to North Korea. There has been mention of regime change. I would like any of you to comment about the scenario in which that might happen.
Also, Dr. Tellis mentioned evolutionary change within the regime. I suppose you could say at the end of the Cold War, there was certainly an evolutionary change in Moscow, which gave us hope for a little while.

But what do we know about the decision-making process within the regime in North Korea? And who has a good understanding, if not the United States, about the decision-making team surrounding Kim Jong Un?

And I will start with you, Dr. Friedberg.

Dr. Friedberg: I do not think our knowledge is very good. I think the assumption of most people is that the decision-making is concentrated very heavily in the hands of the current leader and maybe a small circle around of people around him.

As far as this evolutionary versus revolutionary, in the latter part of the Kim Jong Il regime, and I think at the very beginning of the Kim Jong Un regime, there were people who hoped that there might be a greater willingness to open up. The Chinese I think had some hopes that they might be able to persuade the North Korean leadership to follow a path more similar to their own, retaining tight political control, but opening up economically.

I think the Chinese may also have had some hopes that there were people around the new leader who they could influence. Many of those people have been executed by Kim
Jong Un, I think precisely because he feared that they were Chinese agents of influence.

So the prospects for evolutionary change seem grim, in part for the reason that Dr. Cha mentioned. I think this has been a mistaken assumption at times that people in the outside world have made, that if we offered the right kind of inducements to the regime, in particular if we offered economic inducements, the opportunity to join the world, to improve the livelihood of North Korean citizens, and so on, we could somehow influence their policies.

The problem is the leadership does not care about those things and does not value those things and sees openings as threatening.

So I do not see much prospect for evolutionary change of this particular leader.

Senator Wicker: Any other panelists have observations about the decision-making team?

Dr. Cha: I think right now it is almost wholly in the hands of this one individual. I think there were others in the past who were around him, but, as Aaron said, they have been systematically executed.

The level of purging inside the system is unprecedented, not just at the highest levels but also at the military army chief of staff, deputy chief of staff level. There has been unprecedented fluidity there as well.
So all of this suggests that there is significant churn inside the system and that the leadership is facing certain challenges, and he is dealing with them in one way, which is just to purge everybody.

The Chinese would have had the best insight into what is going on inside of North Korea, but I think that after the leader executed his uncle, the Chinese have lost really all windows into North Korea.

And I think it is a mistake. I mean, we often hear in the press about how the Chinese are upset with the North Koreans; that is why there are no high-level meetings. We actually did a study on this, looking at all Chinese-North Korean exchanges going back to Kim Il Sung and Mao. The difference today is that there are no exchanges, but it is because the North Koreans do not want to talk to the Chinese. They are not interested in talking to the Chinese, to the United States, or to anybody else. And that is what is so worrying about the current situation.

Chairman McCain: Senator Shaheen?

Senator Shaheen: Thank you, Mr. Chairman.

And thank you all very much for being here.

You have all pointed out that China does not want to see instability on the Korean Peninsula, that it is not in their interest.

And, Dr. Cha, you pointed out that China is not willing
to take action -- I think maybe everybody has made that point -- against North Korea. Do you then agree with Dr. Tellis that the more uncertain they are about the potential for President Trump and the United States to engage in war on the peninsula, the more likely they would be to weigh in and to try to help address the North Korean situation?

Dr. Cha: Yes, Senator. I mean, an argument could be made, I think, that in terms of what is a decades-old U.S. entreaties for China to do more, that there may be marginally more leverage today than there has been in the past, largely because I think the Chinese feel the situation is getting out of control, and I think they feel like they do not have any ability to manage either side, the United States or North Korea. And I think Xi Jinping wants a good relationship with the U.S. President, and this U.S. President does seem to signal at least some unpredictability when it comes to North Korea.

So in that sense, I think we might have marginally more leverage than in the past. But again, it is all tactical. It is not a strategy yet, where we are right now.

Senator Shaheen: I think I would probably feel better if I thought what we were doing right now was part of a strategy toward North Korea and Asia.

In that context, what does a mess-up like we had with the Carl Vinson carrier strike group do in terms of the
signals that we might be trying to be send to China and to our allies and to everybody in Asia about what our intentions are?

Ms. Magsamen?

Ms. Magsamen: I will say that was a pretty big screw-up. I also think it really undermined our credibility among our allies, the fact that you are seeing South Korean commentators and politicians commenting about that, about how it shows the United States is not reliable.

I think it is an unfortunate incident. I do not know how it happened and how it occurred. I would be curious to hear what Admiral Harris has to say about that on Thursday. But it had a serious effect.

And it was kind of, you know, in Texas, we have a saying, all hat, no cattle. So you do not want to show up with all hat and no cattle.

Senator Shaheen: Everybody I assume agrees with that?

Along those lines of how we can better send signals about what our intents are, what does it say to both our allies and our adversaries in Asia that right now we are not able to get a budget agreement here domestically, that we have divisions in Congress about how we are going to fund defense in the next year? What kind of messages does that send to those people for whom we want to project strength?

Dr. Friedberg, I think you mentioned that, when you
were talking about what our allies are looking at in the United States versus China.

Dr. Friedberg: Yes. Well, it does not help. On the other hand, it is not entirely new, so people have been watching us and the unfolding of our political process for a while.

I think there is an undercurrent of concern, which has been present for some time, about our reliability and our staying power and our capacity to mobilize the necessary resources to do the things that we have been talking about doing.

I do think that those concerns have grown since our election or during the course of our election campaign and since the election, because, at least in terms of rhetoric, the current administration, or candidate Trump before he became President, raised questions about all of the essential aspects of our global posture, our alliances, our commitment to free trade, our commitment to universal values and so on.

Now it may be in the long run that the policies that he follows will not deviate as much as the rhetoric seems to suggest. But all of that I think has added to the sense of anxiety about where the United States is going that many in the region feel.

And on the other hand, there is this growing concern
about China.

Senator Shaheen: Along the lines of escalated rhetoric, to what extent does that escalation of rhetoric against North Korea then produce a response in North Korea that not only heightens the situation but provides attention that Kim Jong Un may be interested in having from the world?

Dr. Friedberg: I think there is a window. There is only so much unpredictability that you can pull off. There is some leverage that may come from appearing to be willing to do things that perhaps seemed unlikely before.

That is I think one of the reasons why, in 2003, the Chinese did step in. It was right at the time of the run-up to the war in Iraq. We were still hurting from 9/11. There was a perception that the United States might do all kinds of things to reduce the threat.

And, similarly, now, because of the rhetoric and behavior of the new administration, I think there is a moment at which there is a lot of uncertainty. The Chinese are not sure. The North Koreans are not.

I suspect that has a half-life. It is going to diminish over time. I think that is what the Chinese are playing for, waiting to see. I am not sure that they really believe, at the end of the day, that for all of the tough talk, we are actually going to do something as risky as launch an attack on the North Koreans in the near term.
Whether the North Koreans believe that or not is another question.

Senator Shaheen: Thank you.

Chairman McCain: Senator Sullivan?

Senator Sullivan: Thank you, Mr. Chairman.

And I appreciate the panel's wise counsel on a lot of these very important issues. Let me talk about the issue I know a number of you brought up, about the importance of our allies in the region and globally, but particularly in this region.

Would you all agree that one of the most important strategic advantages that we have as a Nation is that we are an ally-rich country and that our adversaries or potential adversaries, whether it is China or Russia or North Korea or Iran, are ally-poor? Would you all agree with that?

Ms. Magsamen: Yes, absolutely. On the strategic balance sheet of assets and liabilities, our alliances are certainly on the asset column.

Senator Sullivan: And that the countries that do not have all the allies are consistently trying to undermine our alliances, whether it is China or Russia? Would you agree with that?

Let me ask a kind of broad-based question. A number of us try to get out to the region a lot. We go to the Shangri-La Dialogue on a regular basis. There is always
this discussion about how China has this great long-term strategic vision, and they have the ability to see around the corners of history, and we do not that capability.

But when you are in the region, it certainly seems that their aggressive actions in the South China Sea are actually driving countries away from them toward us. And this is not just our traditional allies, but it is countries like Vietnam, countries like India.

So I think initially, I certainly and I think some of our colleagues here had some concerns about whether the Trump administration fully understood this strategic advantage when you watched the campaign. But now that they are in office, whether it is General Mattis' first trip as SECDEF to the region or the Vice President's trip that he is finishing up here to the Asia-Pacific, it certainly seems like they are focused on it.

But are we doing enough? What more can we be doing to bolster this very, very important strategic advantage we have with regard to our deep network of allies, deepening it, expanding it, and making sure the Chinese do not try to fracture it? What more can we be doing?

I will open that up to anybody.

Dr. Tellis: I think we need to be doing at least two things to start.

First, we need to publicly commit to protecting the
regime that we have built in Asia over the last 60 years, that this regime is not open for negotiations, that the United States will not walk away.

Senator Sullivan: So we need to put out red lines. The Chinese put out red lines on Taiwan, on Tibet. But yet, we do not seem to put out our own strategic red lines in the region. So you are saying, with regard to our alliances, we should make that a strategic red line.

Dr. Tellis: Absolutely. The second thing we need to do is we need to think of our alliances in exactly the way you described, as assets, not liabilities.

The third thing that I would emphasize is that the U.S. needs to avoid appearing wobbly. To the degree that we create uncertainties about our commitments to the region, it only opens the door for the Chinese to do exactly what you described.

Senator Sullivan: Any other thoughts on allies, real quick before I turn to my next subject?

Ms. Magsamen: Certainly, consistency is key. Clarity of message from the United States is key. Bipartisanship on Asia policy is important.

Senator Sullivan: I think you have it, for the most part.

Ms. Magsamen: I think it is actually pretty good, initiatives like the maritime security initiative that this
committee initiated the last couple of years, those kinds of physical demonstrations of American commitment and interest in the region.

But also, really, the United States needs to present an actual vision and a strategy. And I think at the heart of that, our goal needs to be that we want to ensure that the region is able to make choices on the economic side and on the security side independent of coercion. That, for a lot of countries in the region, is the key.

Senator Sullivan: Dr. Cha, I will let you address this first.

But speaking of coercion and allies, the issue of China’s actions in the South China Sea have been a concern of many of us on this committee. Secretary Carter put forward a good policy. We will fly, sail, operate anywhere international law allows. The problem was the execution, in my view, was weak. It was inconsistent. It undermined credibility.

This committee seemingly had to push, push, and push. When they actually did do their first FONOP, they seemed embarrassed about it. The Secretary of Defense was right here. He would not even admit it to the chairman.

So what do we need to do with regard to FONOPs? My view is they should be regular, so they are not newsworthy, and they should be done, as possible, in coordination with
our allies. And they not be done in terms of the way the
Obama administration did them with regard to innocent
passage. We are nothing asking for innocent passage. We do
not recognize these built-up land masses.

So what should we be doing to make sure we do not fall
in the trap -- good policy, bad execution, undermine our
credibility, in my view. With the new administration, what
should we be doing on our policy with regard to FONOPs?

Dr. Cha, we will start with you, sir.

Dr. Cha: Well, I think, Senator, you provided the
solution right there, which is that we need to approach
these things as standard, as nonpolitical, as not big
statements of policy. We should just do them quietly and --

Senator Sullivan: We have been doing them for 70
years, right?

Dr. Cha: -- on a consistent basis. Absolutely.

And if I could say, on your other question, I think I
just finished writing a book on the history of the U.S.
alliances in Asia. They are very unique, historical assets,
as Dr. Friedberg said.

The only thing I would add to everything my colleagues
mentioned is that we need to network better our alliances.
These are largely bilateral hub and spokes, and we need to
build a tire around that hub and spokes, whether it is in
terms of missile defense or collective security statements.
Things of that nature would be great value added for our alliances.

Senator Sullivan: Great. Anyone else on the FONOPs?

I look forward to reading your book, by the way.

Dr. Cha: I will send you a copy.

Ms. Magsamen: So just quickly, on the FONOPs, I completely agree. They need to be more regular. If we make them more regular, then they become a little less piqued every time we do them. But they cannot be the measure of our strategy in the South China Sea.

Freedom of navigation and overflight are important to preserve, but it cannot be the entire strategy that we have. So we need to think about the long game. That goes back to the maritime security capacity-building initiatives that we have.

It also means we need a real regional diplomatic strategy on the South China Sea, so that the Arbitral Tribunal ruling actually has effect. That is where we actually missed a huge opportunity last year was with the ruling and not really pursuing a real diplomatic effort at the regional level. We kind backed off from it, tried to calm the waters, which was important at the time. But we never really followed through with an actual diplomatic game.

Dr. Tellis: I think we need to do three other things.
The first is, we need to conduct FONOP operations at the discretion of the PACOM commander. I do not think they should be centrally controlled from Washington. That gets you to where you want, which is regular, unpublicized, so on and so forth.

The second is we need to stay away from innocent passage, because the moment you talk about innocent passage, you are actually reaffirming a particular Chinese view of its rights under UNCLOS, which we have never accepted and which the Western world, in terms of the freedom of the seas, has never accepted. So we need to stay away from that like the plague.

And the third is, as part of the strategy, we need to provide tangible reassurance to our partners, which means actually building up their capacity to stand up to coercion, which might mean enhanced training, which might mean providing them with weapons required, and ultimately backing it up with a constant U.S. naval presence in the area. Now, it does not have to be every day, but it has to be regular enough that the regional states begin to feel comfortable that the U.S. is at least always around the corner.

Senator Sullivan: Great. Thank you.

Thank you, Mr. Chairman.

Senator Reed: [Presiding.] On behalf of Chairman McCain, Senator Hirono.
Senator Hirono: Thank you, Mr. Chairman.

I would like to focus on our chairman's focus on this part of the world. He has proposed a budget, an appropriation amount. So this has to do with APSI. So $7.5 billion of new military funding for U.S. forces.

Perhaps this is a question for Ms. Magsamen and possibly one for Dr. Cha.

So U.S. forces and their allies in the Asia-Pacific, and these funds could be used, as the chairman noted in his opening, to boost operational military construction, increase munition procurement, enhance capacity-building with allies and partners, and expand military exercises and other training activities to help combat the movement toward basically Chinese influence throughout the Asia-Pacific region.

So, Ms. Magsamen, how can this fund, this money and this initiative, impact the U.S. role in the region? How can we incorporate this initiative into a larger, more holistic Asia strategy that includes maintaining regional stability and improving diplomatic ties?

Ms. Magsamen: Certainly. I am supportive of the initiative in part because we need to stem the bleeding. We are woefully behind in terms of what we need to be doing in the Pacific in terms of our presence and our capabilities, our ability to fill critical munition gaps, prepare runways
that are going to be necessary in the event of a conflict. I mean, it is stuff like that. This initiative I actually think is hugely valuable and fills a very important budgetary gap for the Pacific. So I would be supportive of it.

But I think it goes back to the larger point of the United States needs to be seen strategically as investing in this part of the world. There is signaling value. Beyond just the regular value, the actual value of the initiative, there is signaling value to the initiative as well, in terms of our commitment to peace and security in the region, and our willingness to make the actual investments to make that possible.

I think the region would perceive it very well. I think our allies, if we were able to use that kind of funding to do more work, to network the allies and partners, as Victor was suggesting, in this principled security network, is what we called it in the Obama administration. But the reality is we need more funding. We need more presence and capability.

Dr. Cha: Senator?

Senator Hirono: Dr. Cha, you are a Korea expert. How important is it to utilize a whole-of-government approach to maintaining stability in the region, recognizing full well that we do not have very much information about what goes on
in Kim Jong Un's mind, and it is hard enough, it is challenging enough regarding our complicated relationship with China.

So in terms of stability in this part of the world, would you also support this initiative, by the way, APSI, and how we can do a more whole-of-government approach?

Dr. Cha: I think those two questions are completely connected to each other in the sense that our effectiveness in being able to get China to do more, or to signal to North Korea the credibility of our deterrence, or any of our policies, greatly depends on whether the region sees us as committing to it and having staying power.

As Aaron mentioned in his testimony, there is a grand game taking place in Asia today where the Chinese are trying to erode U.S. credibility, reliability, and resiliency in the region, and replacing it with the fact that they are there, they are big, and they have a lot of money in their pocket.

Senator Hirono: They really do engage in a whole-of-government approach in this area.

Dr. Cha: Yes. So there could not be a single, more important signal of U.S. staying power in the region than something like APSI that is investing in the things that constitute the U.S. security presence in Asia.

I think that will then redound positively in terms of
the credibility of our North Korean policy, the credibility
of what we say to China.

Senator Hirono: Would all of you agree that maybe our
staying power is really continuing to show up? So I think
it was important for Secretary Mattis to visit Japan and
South Korea as his first official secretarial duties. But
the continual emphasis and showing up part of the message
that we have a commitment to this part of the world is an
important aspect, as well as the practical parts about
funding and resources? Would you agree, all of you?

Ms. Magsamen, you mentioned the Carl Vinson issue, that
that was a big screw-up. So how is the United States viewed
right now in this part of the world? You can respond as
well as the other panelists, very briefly.

Ms. Magsamen: Well, I would not say the Vinson issue
should be determinative of how we are viewed in the region.
But our credibility is our currency. So the minute you
undertake actions that undermine credibility, that has a
profound effect in the region in terms of how we are
perceived.

The Vinson was just one incident. I am sure there are
very good reasons for why it happened. But the reality is
it created a perception of lack of credibility.

Senator Hirono: So if we have a range -- I hope you do
not mind, Mr. Chairman -- a range that we are viewed
credibly of 1-5, 5 being we are viewed credibly, where would you put the U.S. for how that part of the world views us, including the Philippines, South Korea, Japan, Australia? Where would we fall in terms of our credibility, 1-5, 5 being the highest credibility?

Ms. Magsamen: I think that is a question for them.

Senator Hirono: Well, give me a number.

Ms. Magsamen: I think the United States has been a credible power in the Pacific. The question now is, can we continue to be one?

Senator Hirono: Anyone want to weigh in very briefly? Just give me a number.

Dr. Cha: I would say that we were probably below 3. But then we have seen a series of trips by the administration with Secretaries Mattis and Tillerson, the Vice President. I think that helped to send a very positive signal to the region, taking us over that threshold.

Senator Hirono: All right. Thank you.

Thank you, Mr. Chairman.

Chairman McCain: [Presiding.] Senator Cruz?

Senator Cruz: Thank you, Mr. Chairman.

Thank you to each of the witnesses for being here. I think the importance of the Asia-Pacific region has been well-highlighted by this testimony and also by the well-justified public focus on the threat of North Korea.
I want to start by focusing on North Korea specifically and ask the panel to assess the following hypothetical, which is, if tensions were to escalate to the point of a targeted military strike against North Korea's nuclear facilities, how would the witnesses assess the probabilities of four potential outcomes: one, a retaliatory strike with North Korean nuclear weapons; two, a retaliatory strike with North Korean conventional weapons; three, the attack precipitating a collapse of the North Korean regime; and, four, the attack precipitating direct Chinese military intervention?

I would ask it to any of the witnesses on the panel.

Dr. Friedberg: I think it would depend I guess in part on exactly the character of the strike. We had talked a little bit about that earlier, whether the regime would perceive it as something that was intended to be surgical or as the forerunner for an attempt to overthrow it. Obviously, the more the regime worries that the United States and South Koreans are coming to get them, the more likely it is that they will let loose and --

Senator Cruz: Let's assume the strike was targeted at taking out nuclear facilities.

Dr. Friedberg: I do not think the prospect in the near term of collapse would be very great because there would not be anything directly that had been done to weaken the
regime. I would think the likelihood of conventional
response would be very high. I would put the likelihood of
a nuclear response somewhat lower, because then all bets
would be off.

As far as Chinese intervention, I would think that that
would be unlikely unless and until the Chinese leadership
believed that the regime was about to collapse and North
Korea was about to fragment, and South Korea and the United
States were moving forces toward their border. I do not
think they would do it unless those conditions had been met.

Dr. Cha: Senator, I used to think that the response
would be conventional, that they have 10,000 artillery
pieces, that they would use those.

But these days, looking at the character of North
Korean missile testing, my guess is that the response would
actually be on Japan to try to split the U.S.-Korea alliance
from the U.S.-Japan alliance, because at least the character
of their testing recently has been focused on demonstrating
an ability to target with ballistic missiles all U.S. bases
in Japan, flying missiles within 200 kilometers of the
Japanese shoreline.

So that is what I think they would do. I am not clear
if the attack itself, as you describe it, would be able to
eliminate all of their nuclear facilities, because I do not
think we know where they all are.
Ms. Magsamen: I would agree with Victor. I think they would definitely go after Japan.

I disagree a little bit about Aaron on the Chinese intervention point. I actually do think the Chinese could potentially try to intervene just to preserve stability on their flank. What that looks like and how that materializes, I do not know. But I do not think that the Chinese would sit back, even if it was a targeted strike.

Now the thing that would change that might be whether or not, in advance, we could get the Chinese to hold back. But I still have extreme doubts that they would do that.

Dr. Tellis: I suspect the likelihood of a nuclear retaliatory response is relatively low, because we would still have the capacity to have escalation dominance in that scenario.

I think a conventional retaliation is inevitable. It would be aimed both at South Korea and Japan in order to communicate the credibility of the North Korean leadership and its determination to protect its survival as well as to split the alliance.

The key question about China really hinges on whether the Chinese see the targeted attack as really being the first phase of air-ground action to follow. If they perceive air-ground action to follow, then it is almost certain that they would intervene to try and prevent this
from escalating further.

Senator Cruz: In your assessment, short of military action, how much positive impact could China have in reining in North Korean hostilities? And what would it take for China to exercise its influence and end power?

Dr. Cha: Well, I think we are talking about China going someplace it has never been before. Unfortunately, I think the only way that is going to happen is if they think that the United States is going to go someplace it has never been before.

I think, based on my experience as a negotiator on this issue in previous administrations, I feel that the only time China ever responds is not in response to anything North Korea does because they just assume that is a constant. It is the variation in U.S. behavior is what they take notice of, and what I think the current administration is trying to leverage right now.

Senator Cruz: So what U.S. behavior do you see as maximizing China's beneficial influence on North Korea?

Dr. Cha: I think the United States right now is trying to signal a combination of muscularity, unpredictability, and decisiveness all at the same time, largely because they feel like the past administration was 8 years of predictability and indecisiveness. And that is a hard thing to manage. I think it is hard to manage all those things,
because they are conflicting signals. But they seem to be trying to walk that line right now.

Dr. Friedberg: If you ask what would be the outer limit of what China could do, assuming that it was willing to do almost anything, it could bring the North Korean economy to its knees. It is pretty close to that already. It could cut off the flows of funds that go across the border into North Korea partly from the so-called elicit activities North Koreans engage in. It could interdict components that flow into North Korea through China that support the special weapons programs. It could do a lot.

Now the question is what might induce them to do that. It seems there are a number of possibilities. One is the prospect that the United States was, as Victor suggests, going to do something really drastic that could have catastrophic consequences. They would have to believe that. I do not think at this point they do.

Another possibility would be somehow to persuade them that the entire relationship with the United States was on the line, including, in particular, the economic relationship, and we were willing to do things that imposed costs and pain on China that would be so great that it would be a danger to the Chinese regime, and, therefore, they might do something that we would want them to do to pressure North Korea.
I do not think we are willing to do that, but it is theoretically possible.

Senator Cruz: Thank you very much.

Chairman McCain: Senator Peters?

Senator Peters: Thank you, Mr. Chairman.

Thank you to our panelists for a very interesting discussion here.

Actually, I want to pick up on the comment about the economic relations between these two countries. It seems to me, between us and China, that this is a new paradigm when it comes to international relations, in that we are dealing with a country that we actually have very close economic relations with, and it is not a situation where you can impose sanctions on China and not have some of that blow back on the United States. We are not talking about unequal partners here in the equation.

When you think about the conflict with the Soviet Union back in those days, we had a closed economy, not really tied to the U.S. That was a completely different dynamic.

I think some of the thinking, and I heard about a change in strategy from each of the panelists, that in the past, we thought about engaging in trade and engagement, that would actually liberalize the Chinese culture or the society. That has not been the case. That theory did not play out.
Also the theory is, if you are more engaged in trade and more engaged in engagement, you are less likely to have an armed conflict. Is that theory not going to play out in China as well?

Maybe if the panelists could talk a little bit about how we have this mutual dependence between China and the United States, and how that limits some of the tools that we have in order to engage with the Chinese with some of these behaviors that are becoming quite troublesome to our national security?

Dr. Friedberg: I think you are right that it is a new paradigm but it is not unique historically. In fact, what is usual was the situation that prevailed during the Cold War where we engaged with strategic competition with the Soviet Union but traded very little with them.

Historically, it has been more typical for countries to have both economic relations and strategic interactions, and it has not always prevented war. Before the First World War, Britain and Germany were one another's leading or close to leading trading and investment partners. But in the end, geopolitics overwhelmed economics.

The other thing I would say is that the economic relationship between the United States and China is not entirely equal. In certain respects, it appears that China has been getting the better side of that deal. The Chinese
have also been exploiting the relationship to promote not only the growth of their economy but the development of their military capabilities.

The last thing I would say is that I think, in the long run, the Chinese hope to diminish their dependence on economic interaction with the United States so as to increase their strategic independence. They cannot entirely eliminate it, but I think they believe they passed through a period when, in fact, they were so dependent on American capital and American markets that they were constrained strategically. They would like to move away from that in the long run.

Ms. Magsamen: I would just add a couple points.

I think it would be a mistake to set the bilateral relationship with China above our interests. We cannot make the preservation of that relationship our objective. So that is the first point, which I think it has created complications for American policy on China for quite some time now.

The second thing I would say is that we should avoid issue linkage in the relationship. I think that is very dangerous. For example, getting the Chinese to put pressure on North Korea, therefore, we back off on the South China Sea or pick another issue like Taiwan. That would be a tremendous mistake, because the region is watching that and
they are looking for signs the Americans are going to
sacrifice their interests.

So in the context of the broader relationship, I think
your point is right. It is a big relationship that has a
lot elements of competition and cooperation. But we have to
be clear-eyed about what our actual interests are in the
context of that.

Dr. Tellis: Let me just add one other point to that.

Security competition is complicated in the context of
economic interdependence. There is no getting away from
that. The fact is the balance of risks that North Korea
poses to the United States and China are different. The
risks to the United States as a result of North Korean
behavior are far greater.

Where the balance of interests are concerned, they are
parallel. China has an interest in avoiding an explosion on
the peninsula. The United States has a comparable interest.

So because the balance of risks are greater for us, I
think it really behooves China to do whatever they can to
push the North Koreans at least in the near term to the
negotiating table, and then give diplomacy a chance to
figure out what can be put in place to at least buy some
time until we can get our hands around more permanent sorts
of solutions.

Dr. Cha: Senator, the only thing I would add to these
very good comments is that you mentioned in your question
the role that potentially greater economic independence
could have in mollifying state policies in the region. I
think while many of us teach those theories in the
classroom, what has been very clear in Asia is that China's
growing economic interaction in the region has not had a
mollifying impact on their foreign policy. It has actually
made them leverage economic tools to their benefit in very
draconian ways. Whether it is economic sanctions against
South Korea over THAAD or it is tropical fruits from the
Philippines or it is rare earth minerals to Japan, there is
a very clear pattern of how China uses economic leverage,
uses economic interdependence in ways that one would not
consider very productive for overall peace and security in
the region.

Senator Peters: Thank you very much.

Chairman McCain: Senator Graham?

Senator Graham: Dr. Cha, if nothing changes, is it
just a matter of time until North Korea has an ICBM that can
hit America with a nuclear weapon on top?

Dr. Cha: Yes, sir, I think that is true. It is just a
matter of time, if nothing changes.

Senator Graham: Why do they want to achieve that goal?

Dr. Cha: I think there are a couple of reasons. One
is a desire for their own domestic narrative. This current
leader has none of the mythology of his father or
grandfather, so he needs some big thing that he can point to
because he does not have the economy or anything else to
point to.

The other is that it is part of a military strategy to
be able to deter the United States from flowing forces and
aiding allies in the region.

Senator Graham: Do all of you agree with that
assessment?

Let the record reflect a positive response.

So in many ways, the Korean War is not over for North
Korea in their own minds? Is that fair to say?

Dr. Cha: I think that is right, sir.

Senator Graham: I mean, they literally believe that we
are going to come in on any given day and take their country
away from them? Is that fair to say?

Dr. Cha: I certainly think that is the justification
to their own audience of what they are pursuing, yes.

Senator Graham: How would you say the regime treats
its own people on a scale of 1-10, 10 being very bad?

Dr. Cha: One hundred. I think it is about the worst
human rights violator in the world today.

Senator Graham: So here is the dilemma for the United
States. We have the worst human rights violator in the
world about to acquire a missile to hit the American
homeland. Do you trust North Korea not to use it one day?

Dr. Cha: I think there is always hope that deterrence works, as it had worked during the Cold War. But that assumes rationality on the part of all actors, and we cannot assume that in North Korea's case.

Senator Graham: In terms of threats to the United States coming from Asia, what would be greater than North Korea with a missile and a nuclear weapon that could hit the homeland?

Dr. Cha: I cannot think of a more proximate threat to our security, at this point.

Senator Graham: Do you believe that if the North Koreans believe that military force is not an option to stop their missile program, they will most certainly move forward?

Dr. Cha: I will be happy to give my colleagues a chance to answer, but I think that --

Senator Graham: Dr. Tellis, is that true?

Dr. Tellis: I believe that is true, sir.

Senator Graham: Everybody believe that?

I believe that is true too, because if I were them, why would you? Because if you get there, you have an insurance policy, I guess, for regime survivability.

All of you agree that China has the most leverage of anybody in the world regarding North Korea. Is that a fair
Is it fair to say they have not fully utilized that leverage up to this point?

Do you believe that if China believed we would use military force to stop their missile program from maturing, they may use more leverage?

Affirmative answer.

What do you believe North Korea's view of the Trump administration and China's view of the Trump administration is regarding the use of force? Is it too early to tell?

What are your initial impressions?

Dr. Friedberg: I think it is too early to tell.

From the point of view of China, this is part of a larger set of questions that they pose for themselves about which direction the new administration is going to go. They have, I think, two views of it.

One is it is a reckless administration that is bound to get into conflict, and even conflict with themselves. On the other hand, there are those, and I think this is now a prevalent view, who believe that the President of the United States is a dealmaker, he is interested in business, and it is possible to get along with him. But they have to get there, and they are concerned and uncertain.

Dr. Cha: I would also add that I think, I hope, that the Chinese also understand that the structure of the
situation is very different now. North Korea, as you said, Senator, is now approaching a capability that compels the United States to make choices it has never had to make before, and that whether it is President Trump or anybody else who is President, they would all be forced into a situation today when they are making choices they never had to make before because there is a homeland security threat.

My hope is that the Chinese understand that the structure of the situation is very different regardless of who is President.

Senator Graham: Do you believe that North Korea's missile technology, if not changed, will mature by the time of 2020? They will have a missile, if nothing changes?

Affirmative response.

All right, so we are all going to the White House tomorrow night to be briefed. No good choices when it comes to North Korea. Do you all agree with that? Would you agree that if there was a war between North Korea and the United States, we would win? Do you think North Korea understands that?

Dr. Tellis: We would win ultimately, but it would be extremely costly in the near term.

Senator Graham: More costly to them than us?

Dr. Tellis: Not where regime survival is concerned, obviously. More costly for them where regime survival is
concerned, yes.

Senator Graham: So I will end with this thought. No good choices left, but if there is a war today, it is over there. In the future if there is a war and they get a missile, it comes here.

Thank you for your time.

Dr. Tellis: May I add one other thought, Senator?

Senator Graham: Absolutely.

Dr. Tellis: We ought not to forget the prospects of further North Korean outward proliferation beyond just issues of --

Senator Graham: I did not even get there because that bothers me as much as the missile, because they could give it to somebody to use it in a different way.

So on that cheery note, we will end.

Chairman McCain: Senator Blumenthal?

Senator Blumenthal: Thank you, Mr. Chairman.

I would like to thank all of you for being here today and for your very helpful and informative testimony.

Right now, we have a nuclear submarine at South Korea.

Dr. Friedberg, how persuasive to the North Koreans are that kind of gesture or show of force, for lack of a better term, along with the Carl Vinson being in the area? Do they matter? Are they simply more provocative because it provides a larger platform and more visible show on their
part?

Dr. Friedberg: I think the North Koreans have shown a
great deal of sensitivity to our military activity in
conjunction with the South Koreans around the peninsula.
They get very upset with military exercises and so on.

So they are paying close attention, and they notice
what we do. The question is, how do they interpret that,
and does it cause them to change their behavior? I think in
the short term, probably these gestures have caused them to
pull back a little bit. Maybe they would have gone ahead
with the test a week ago if not for all the talk of U.S.
forces flowing into the region.

But in the long run, I am not so sure that they
actually believe that we are going to use those
capabilities.

Ms. Magsamen: I think they do have an effect on the
North Koreans, certainly. This morning, you saw that they
had a big artillery exercise, live artillery exercise. So
they are reactive to some of what we do.

I do think, though, that the accumulation of it over
time can have kind of a numbing effect, frankly, on the
dynamics.

So they do react. It does get their attention. But
they have also gotten a little bit used to some of these
moves.
Senator Blumenthal: Dr. Friedberg, you made the point that the Chinese have played us, I think, to paraphrase what you said before, to quote you, for at least the last 15 years. Is there any prospect of these military exercises changing China's view?

Dr. Friedberg: I think if the Chinese became persuaded, convinced that we actually were on the verge of initiating military action against North Korea, then they might behave differently. They might apply greater economic pressure, for example, to North Korea.

But I do not think they are convinced of that. They are uncertain.

Ms. Magsamen: I also think that if it is perceived that we are making a big bluff, that has really serious credibility impacts for our strategy.

Senator Blumenthal: Sending our fleet to exercises with Australia rather than to the area where we said they were going might undermine our credibility, correct?

Ms. Magsamen: It was not a shining moment, Senator.

Dr. Friedberg: Could I say, there is another aspect to this? And Dr. Cha would be an expert on this.

But that is how our actions are perceived in South Korea and the extent to which people there become fearful that, in fact, we might do things that would cause a war that would produce great suffering in South Korea.
We have to be very careful that we are communicating our intentions, and the people in the South Korea, the leadership but also the public, perceive that accurately. Otherwise, we are going to do damage to our long-term relationship with one of our most important allies.

Senator Blumenthal: Dr. Cha?

Dr. Cha: Yes, I agree with that. I think for many in South Korea, it is sort of a dual-edged sword. On the one hand, they would like to see a stronger U.S. posture with regard to the North Korean threat, but then they do not want too strong a posture, because then it looks like you are preparing for something else and not just deterrence.

I would agree with what Kelly said as well. I think, whether it is a submarine or the Vinson strike group, these things either as part of or related to the two sets of exercises, the major exercises the United States does with the ROK in the region, are good. They show must muscularity. But they do sort of have a numbing effect, and then you are compelled to think of other things that would sort of negate that or create more of a sense that there is more than just posturing here.

One of the things that I have heard talked about is flowing more forces to the peninsula. But as I said, that could be a dual-edged sword. It could be seen as strengthening deterrence. It could also be seen as
preparing for something else.

So there are a lot of very difficult angles to the problem that I think the current administration must deal with.

Senator Blumenthal: Behind all of it, there is the danger of miscalculation, which is perhaps most frightening, because it means that any kind of military conflict would not be on the terms that wanted, not consistent with the plan that we may prepare. It is precipitous and unexpected, and, therefore, even more dangerous than military conflict would be otherwise.

Dr. Cha: I entirely agree with that.

Senator Blumenthal: Thank you.

Senator Reed: [Presiding.] On behalf of Chairman McCain, Senator Warren, please.

Senator Warren: Thank you.

And thank you all for being here and for this detailed and very helpful hearing. I just want to probe a couple other points in a little more detail, if I can.

Dr. Tellis, the U.S.-India relationship has evolved over the past decade from one of distance to a close strategic partnership. In just the past few years alone, the Department of Defense has named India a major defense partner and established the Defense Technology Trade Initiative.
But India famously values its nonalignment in foreign policy, and it has a longstanding relationship with Russia. Even today, Russia is India's primary arms supplier. Whereas the United States emphasizes restrictions on the use of force, Russian arms come with very few strings attached.

Dr. Tellis, some have recently suggested that India is playing the United States and Russia against each other for its own benefit. Do you think that is true? Do you believe that this is something the United States should be concerned about?

Dr. Tellis: I think India will always have a relationship with Russia independent of the United States for a very simple reason, that the Russians have been far more willing to provide India with strategic capabilities and strategic technologies of the kind that we would not, either for reasons of policy or law.

But our objective with India has been more subtle than I think has been expressed often in the public commentary. The U.S. has approached India with a view to building its own capabilities, rather than seeking to forge an alliance. The reason we have done that is because we believe a strong India aids in the preservation of a balance of power in Asia that serves our interests.

So our calculation has been that, if India can stand on its own feet and if India can help balance China
independently, then that is a good thing for us irrespective of what they do with us bilaterally. I think that policy is a sensible and we ought to pursue it.

Let me say one other thing about Russia. The Indians have come around to the recognition that Russia today no longer has the kind of cutting-edge capabilities that it did during the days of the Soviet Union, and, too, that the Russians are not particularly reliable with respect to providing advanced conventional technologies of the kind that the U.S. has.

So while they want to keep the relationship with Russia in good repair, because they have a substantial military capital stock from Russia, they want to diversify. And the United States is number one in the diversification plan.

Senator Warren: That is very helpful. I very much appreciate your perspective on this.

India is the largest democracy in the world and an important partner for us in the region. I think it is incredibly important to continue to grow the relationship in the years to come. Thank you.

I have one other question, if I can, and that is, Ms. Magsamen, earlier, you mentioned the missile defense when we were talking about Korea.

THAAD is clearly a critical part of our layered missile defenses. But what are the additional military measures
specifically that we should be taking with our allies in South Korea and Japan in order to deal with the North Korean threat?

Ms. Magsamen: Actually, I think the most important thing we can do is encourage trilateral cooperation, especially in the maritime space and the regional missile defense space.

We have been doing some of that over the last year. We have made a lot of progress. Of course, South Korea and Japan still have historic concerns with each other that have inhibited a lot of progress. I think that is changing, though.

I think the more the United States can get South Korea and Japan operating together, getting our systems talking to each other, it is only going to improve our ability to defend ourselves. So I think that is the most important thing that we can be doing right now.

You saw the Carl Vinson is doing exercises with the Japanese. They are getting ready to hand off to the Koreans I think today. There is sequencing there that is important. But we need to move past just a sequenced set of cooperation, and we need to actually be doing more together on the water, in particular.

Senator Warren: That is very helpful.

I have a few seconds left. Would anyone like to add to
that? Dr. Friedberg? Dr. Cha?

Dr. Cha: The only thing I would add is I think we need another THAAD battery on the Korean Peninsula. North Korea can angle their missiles in a certain way they can avoid one battery, so I think we need more than one.

Senator Warren: I see lots of nodding heads. I take it that is a consensus position. All right, that is very helpful.

I think we need to signal to our allies that our commitment is firm, that it is unshakeable, and that we are going to pursue appropriate ways to demonstrate that.

Thank you.

Senator Reed: On behalf of Chairman McCain, Senator Kaine?

Senator Kaine: Thank you, Mr. Chairman.

I want to follow up on Senator Warren's questions about the U.S.-India relationship. Two of you mentioned in your opening testimony the importance of the relationship.

Senator McCain echoed that.

One of you only talked about the Indo-Pacific, not the Asia-Pacific. Dr. Tellis, I thought that was interesting. The title of the hearing is about the Asia-Pacific, but you used the phrase Indo-Pacific. About 2 years ago, virtually all of our DOD witnesses switched over to using Indo-Pacific largely in their testimony.
The Indian military does more joint exercises with the United States than they do with any other Nation. That is an important trend. That is a recent trend. I view probably Prime Minister Modi being a BJP -- the Congress Party has had that traditional nonalliance. This is a little bit of an evolution for them.

Talk about what we should be doing to deepen that relationship, not only militarily, but it seems that a similarity between China and Russia is they both would like the U.S. less involved in the region, and they both seem to have an interest in undermining the brand of democracies generally and suggesting that authoritarian nations are just as good.

We are the oldest democracy in the world. India is the largest democracy in the world. Both of our nations have some motive to demonstrate the strength of democracies.

There does not seem to be an institution in the world now that is effectively promoting the strength of the democratic model. I am curious to have you talk about what the U.S. and India might do together, either security issues in the region or more generally, to promote the democratic model against this assault from authoritarian nations to suggest it is losing its vigor.

Thanks.

Ms. Magsamen: I would say, practically speaking, with
the Indians, we could be doing a lot more in Southeast Asia
together, and South Asia, in particular on building capacity
of our partners.

The Indians have taken a recent interest in getting
more engaged in the Asia-Pacific as part of Modi's Act East.

But I actually think there is more coordination that
the United States and India can do at the strategic level in
terms of finding ways to build capacity of the Southeast
Asian partners and South Asia as a way to check Chinese
ambitions a little bit.

Also more cooperation in the Indian Ocean region for
sure, historically, that has been India's space. But I
think there is more the United States and India could do
together in that area as well.

We have a very successful exercise called Malabar that
we do with India, that we invite the Japanese to. I think,
going back to the point I made earlier about networking our
security relationships, we should really try to press the
Indians to also include allies like Australia into that
exercise. The more that we and India can work together to
expand this hub-and-spoke approach to the region, I think
the better.

In terms of your question on democracy, the United
States and India share a strategic view on the importance of
a rules-based order. It is what drives our cooperation at
the strategic level. I think the more that the United States and India are seen partnering together in initiatives in the region, the more it kind of has a bank shot on the democratic aspects. There are more ways that we can speak together with a common voice about the importance of the rules-based order together.

Dr. Tellis: Senator, let me start by giving you a sense of what I think the fears and the uncertainties in Delhi are right now.

They are concerned that the U.S. will not make the investments required to protect its preeminence in Asia. And if that concern grows roots, then their willingness to bet on the U.S. relationship diminishes.

They are also concerned that the U.S., for tactical reasons, might reach a condominium with the Chinese. And if that happens, then India will find itself in a sense losing out.

So the immediate challenge that we have with India is to reassure it that the U.S. will continue to remain the security guarantor of the Asian space, writ large. And by that, I include both the Indian Ocean and the Asia-Pacific.

The second point I would make is that they see the strategic challenges immediately as arising from China, so whatever we can do to help them cope with those emerging strategic challenges are the things that advance our common
interests.

And I endorse everything that Kelly said in this regard. So the Indian Ocean area becomes an immediate point of focus. Southeast Asia becomes an immediate point of focus.

And I would also say Central Asia and the Persian Gulf, because India has interests in Afghanistan, in particular. It has interests in the gulf. There are millions of Indians who work in the gulf. It is an important source of foreign exchange, so on and so forth.

So those are three areas where we continue to do work in terms of broader defense cooperation.

Senator Warren already eluded to the defense technology initiative that was started by Secretary Carter. I think we ought to pursue that, because it really meets an important need. And I hope the new administration doubles down on support.

The final point I would make with respect to democracy promotion, the Indians are actually very eager to work with the United States on democracy promotion, but not at the high end, at the low end. They are more interested in working with us in building institutions as opposed to changing regimes. They know they cannot affect our choices with respect to how we deal with regimes.

But getting the mechanics of democracy right, so
helping countries conduct elections, having training programs for civil servants, helping them put together the institutional capacities to man democracy, that is where India has in the past been quite willing to work with us. And during the Bush administration they worked with us on the Global Democracy Initiative.

It would be really unfortunate if we lost our appetite for democracy promotion at this point when you have a Prime Minister in India who is actually quite eager to work with us on democracy promotion collaboratively around the world.

Senator Reed: On behalf of the chairman, Senator King, please.

Senator King: Thank you very much.

There are eight other countries in the world other than North Korea that have nuclear weapons, and many of them have had them for many years. They have never been used, principally because of the principle of deterrence.

So the question, based upon your testimony today, which is that a continued pursuit of nuclear weapons by North Korea is virtually inevitable, it will be very difficult to derail with anything short of devastating military confrontation, which we can discuss in a moment, will deterrence work with North Korea just as it has worked with the rest of the world to keep us away from nuclear confrontation?
Dr. Cha?

Dr. Cha: So I think the hopeful answer is that it will. North Korea has been deterred from invading the Korean Peninsula again with armored divisions, so the U.S.-ROK alliance in terms of conventional deterrence has worked, so one hopes to assign some rationality to North Korean calculations because of that outcome.

But there are two things that are different. One is that we are talking about nuclear weapons now. And, two, we are talking about a different leader.

Even if we assume that deterrence holds, nuclear deterrence holds, we still have two other problems. One is, as Senator Graham and Ashley mentioned, outward proliferation. North Korea is a serial proliferator. Every weapons system they have ever developed, they have sold.

Senator King: And the real nightmare is nonstate actors obtaining nuclear weapons for whom deterrence would not work.

Dr. Cha: That is absolutely right. That is absolutely correct.

And then the second concern is that, because if deterrence holds at the nuclear rung of the ladder, there is also the possibility that North Korea will feel the United States has deterred. Therefore, it can actually coerce more at the conventional level, something that is known as the
stability-instability paradox.

So I think there is a lot of concern that North Korea, even if it is deterred, will actually feel that it has more license to take actions at the conventional level to coerce others.

Senator King: You all have testified about the consequences of some kind of preemptive strike, in terms of— and I think it is important to realize that Seoul is about as far from the DMZ as we are from Baltimore. We are not talking about nuclear strike. We are talking about artillery.

But let me ask the question another way. And perhaps this is best addressed to the intelligence community, but you may have views.

Could we take out their nuclear capacity with a preemptive strike? Or would there simply be enough left? You cannot bomb knowledge. There would be enough left to reconstitute it, and they would be even more determined at that point?

Ms. Magsamen?

Ms. Magsamen: I mean, the short answer is, I do not know. But I do think that the question of permanence is important, and what the objective of the strike would be, if it was to take out the program.

There is, as you mentioned, the knowledge issue.
Senator King: During our debate on the JCPOA, the intelligence community informed us that an all-out strike on the nuclear capacity of Iran would delay their program 2 years. That was a very important part of the debate, because that really makes that alternative less appealing, particularly when you layer on the response and the danger of confrontation with China.

Any other of you have views on the feasibility of how far a military strike could go in terms of eliminating the capacity?

Dr. Tellis, do you?

Dr. Tellis: I do not believe we have the capacity to eliminate the program in its entirety, which essentially means that there will be both the residual assets and the capacity for reconstitution.

Senator King: And certainly the will, based upon having been struck.

Dr. Tellis: Correct.

Senator King: To change the subject slightly, one of the things that really concerns me about the situation that we are in now, which is one of the most dangerous I can remember in my adult life, is accidental escalation, misperception. We move the carrier group. We believe that is a message. They believe it is preparation for an invasion, and you get a response.
You are all nodding. The record will not show nods.

Dr. Friedberg, your thoughts?

Dr. Friedberg: Yes, I think that is an additional danger. Even if you assume a certain level of rationality on the part of the North Korean leadership, they are not insane, there is a real problem of misperception and miscalculation. The view that, as nearly as we can tell, the current North Korean leadership has of the rest of the world, of the United States, is extremely distorted. I think they do believe that we are out to get them, and there are possibilities for interaction between things that we do and things that they do that could have unintended consequences.

Senator King: Do we have any direct communication with North Korea?

Dr. Cha: The channel that the U.S. Government usually uses is through the Permanent Mission to the U.N. in New York. But it is largely a messaging channel.

Senator King: It strikes me that that would be an important issue when you are in a situation where you do not want misunderstandings. That is when wars start, is misunderstanding, misperception of each side's moves.

Dr. Cha: I agree. And to add to what Aaron said, it could also be miscalculation that comes from someplace completely different.
In other words, we have data that suggests North Korea likes to target both U.S. and South Korean elections with provocations, and we have an election in South Korea May 9th. So it is entirely plausible the North Koreans could carry out something that is non-ballistic missile, non-nuclear directed at South Korea that can also spin out of control. So miscalculation can come from a variety of different places.

Senator King: I appreciate your testimony. Needless to say, we focused a great deal on North Korea. We did not really talk as much about China.

Graham Allison has a new book, Destined for War. I think we all need to study the Thucydides Trap with regard to China. We could have an entire hearing on that.

Thank you very much for your testimony.

Senator Reed: Thank you.

Let me thank the panel for very compelling testimony.

Thank you very, very much.

And on behalf of Chairman McCain, declare that the hearing is adjourned.

Thank you.

[The information referred to follows:]  
[Whereupon, at 11:58 a.m., the hearing was adjourned.]