

**STRATEGIC COMPETITION WITH THE PRC:
ASSESSING U.S. COMPETITIVENESS
BEYOND THE INDO-PACIFIC**

HEARING

BEFORE THE

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TUESDAY, JULY 30, 2024

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 10:09 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Benjamin L. Cardin, chairman of the committee, presiding.

Present: Senators Cardin [presiding], Shaheen, Coons, Murphy, Kaine, Merkley, Booker, Schatz, Van Hollen, Duckworth, Risch, Rubio, Young, and Barrasso.

OPENING STATEMENT OF HON. BENJAMIN L. CARDIN, U.S. SENATOR FROM MARYLAND

The CHAIRMAN. The Senate Foreign Relations Committee will come to order.

Let me welcome the Deputy Secretary of State Kurt Campbell to our committee.

It is always a pleasure to have you here.

Before I give my comments in regards to the global influences of the PRC, I want to comment on the elections in Venezuela. Extremely disappointing, and that is putting it mildly.

The Barbados understandings were not met. We knew that going into the elections. The votes are very clear. The Machado opposition won the popular vote, and yet Maduro is going to hold on to power. At least he is going to try to hold on to power.

I think it is absolutely essential that we be very clear that Maduro was not elected as president of Venezuela. I think we have to work with our partners in the region, particularly Brazil and Colombia, to make it clear that in this election Maduro was not the winner.

And Mr. Secretary, if there is anything we can do to assist in that regards please let us know. We are going to be very clear in our comments, and we think the United States has to work with our partners in South America to make it clear that that was not an election where Maduro won.

The topic for today's hearing is the PRC's global influence. From the construction of a 290 mile railroad in Kenya to the sale of armored vehicles, jets, and anti-ship missiles to Venezuela, to their attempt to broker a Saudi-Iran deal, to creating fake commentators whose pro-Beijing writings have been published across Asia, Africa,

and Latin America, China is competing with the United States for influence in every region of the world and across every domain.

And yet, last year, Xi Jinping claimed, and I quote, “China does not seek spheres of influence. China will never impose its will on others.” I find that hard to believe, given all the evidence we have to the contrary.

Look at Beijing’s economic coercion of countries like Lithuania, who expanded their trade relations with Taiwan, or South Korea after Seoul deployed a U.S. missile defense system in response to the threat from North Korea.

In fact, China is a country with a decade long, well documented track record of suppressing fundamental freedoms and abusing human rights.

For those of us who value freedom and liberty and human rights and democracy, China is one of the most significant challenges we face on the global stage today.

In a speech outlining the Biden administration’s approach to the PRC, Secretary Blinken said, and I quote, “China is the only country with both the intent to reshape the international order and increasingly the economic, diplomatic, military and technological power to do it.”

NATO observed just recently that China is an enabler for Putin’s war against Ukraine.

So, Secretary Campbell, thank you for joining us to discuss this important topic. I support the Biden-Harris administration approach to Beijing’s global influence.

The Administration has shored up our relationships with allies and partners in Europe and Asia, but the competition is on, particularly in the Global South.

It is not clear to me that we are committing the time, attention, or resources to win the war of ideas. We should be making a compelling case for the kind of world that we seek to foster.

Secretary Campbell, you have been clear eyed about Beijing’s agenda when it comes to its pursuit of military basing and security agreements, its economic influence through their predatory terms of its infrastructure projects, the spread of its technologies that enable authoritarians around the world, and their disinformation campaigns.

In order to address these challenges, the United States should not only be investing in our military but also our diplomatic and economic development tools.

That is why every year the Biden administration has requested additional resources to outcompete China. The committee has spent a lot of time in this Congress talking about that competition.

We have had four classified briefings directly related to China or Taiwan. This is the seventh hearing on aspects of our strategic competition.

But we have not yet been able to put this rhetoric into action by passing legislation to fund and modernize the U.S. foreign policy toolkit. I am willing to work with any willing partner on the other side of the aisle to make this happen. It is simply that important.

We have a lot of bipartisan legislation that has been written by members of this committee and other committees that deal with this.

The only way we are going to get to the finish line is if we generally work together, listen to each other, are willing to compromise, and are willing to get to the finish line to get this agenda done. That is the only way we are going to be able to fund and modernize our U.S. foreign policy toolkit.

I will make it clear, as chairman of this committee I am willing to sit down with any member to try to find that common path. I am willing to compromise. I think it is that important we get to the finish line in this Congress.

We should be providing an alternative to the infrastructure development that the PRC offers. We should be harnessing multilateral finance and development institutions like the DFC to provide flexibility and agility, to be responsive to an increasingly contested strategic environment.

Now, I am going to tell you members—staff on both sides of the aisle have worked together. They are very close to having a modernization of the DFC to meet these new challenges.

Let us complete the task. Let us get it done. Let us bring it to the committee, to a business meeting for a markup. We should be better at resourcing our efforts to secure critical mineral supply chains that will help power artificial intelligence and facilitate the clean energy transition, and we should be promoting U.S. values and protecting human rights defenders from transnational oppression.

We also need to talk about nominations and I have a map behind me to sort of illustrate this point. There are more than 20 countries where China has an ambassador in place and the United States does not.

That means we are not playing on a level playing field. That means we are giving up a strategic ability to compete in those countries. The PRC does not have to deal with advice and consent of the Senate. We do, but we have to carry out our responsibility.

Nonetheless, China's ambassadors are pressing the flesh, cutting deals, getting their narrative out in local media outlets, and the United States is not.

We have 25 ambassadors pending in the committee and four on the floor waiting for a vote. Most of them have been nominated for missions where strategic competition is most fierce. Most of these are career nominees who are highly qualified experts.

This committee works best when we work together. We believe in comity. We believe in working together because we know that is the only way we are going to get work done on the floor of the U.S. Senate.

But I just urge my colleagues, let us come together for the sense of our strategic competition with the PRC and the fairness to our career ambassadors. Let us have hearings and business meetings to move the career ambassadors that are pending in this committee.

Secretary Campbell, these are important issues, and I look forward to your candid views about where we are doing well and where we have to do better.

And with that, I turn it over to my friend and our distinguished ranking member, Senator Risch.

**STATEMENT OF HON. JAMES E. RISCH,
U.S. SENATOR FROM IDAHO**

Senator RISCH. Thank you, Mr. Chairman.

First of all, let me say regarding the elections in Venezuela, I share many of your concerns, and I am going to have another venue where I will be responding to that further. But certainly it is a real concern.

Secretary Campbell, thank you for being here today. It is obvious to all that China's ambitions are global. It is proactive in every region and reaps strategic benefit from chaos in Europe and the Middle East.

China's support for fentanyl trafficking and its spy post in Cuba demonstrate a desire to target the United States and undermine our efforts to prioritize resources to compete with them.

That said, the Administration wrongfully insisted it is winning the competition with China. Not so. Let us start with the Indo-Pacific.

The balance of power in the region continues to move in China's favor. The Administration's response to China's escalation against the Philippines at Second Thomas Shoal has been limited to verbal assurances, but no concrete action.

Talking about a treaty without strong action only encourages China to further test U.S. resolve.

On AUKUS we have not realized the bright promise of this partnership. It was supposed to be a game changer, but State's exclusion of the exact technologies we need to advance AUKUS has inhibited this partnership from moving aggressively to reality.

On Europe, yesterday I published a report that evaluated the Administration's policies to strengthen transatlantic unity on China across the board, especially on trade and African policy.

The Administration's record is dismal. China is tightening its linkages with our adversaries, and the Administration is doing almost nothing about it. China is providing material support to Russia's war effort.

Secretary Blinken often repeats that 70 percent of machine tools and 90 percent of microelectronics used in Russian weapons come from China. He is right, but the Administration has not acted in proportion to the scale of these sins.

Recent actions on some Chinese microelectronics companies are ridiculously inadequate. Aggressively targeting China should be the top priority in U.S. sanctions policy.

Mr. Campbell, in your confirmation hearing you assured me you understood the risks of inviting China into a peace process for Ukraine. You recall that, I am sure.

Since then, the department officials have told this committee that China must be at the table because its presence will somehow create daylight between it and Russia.

I find this preposterous. So today I am going to ask you what is our policy. Do you and the Administration really believe China should have a say in European security affairs?

On Iran, because the Administration has failed to curb Chinese purchases of Iranian oil, Congress had to pass new legislation to sanction China. We expect the Administration to pursue sanctions in compliance with the law.

To date, we do not see much enthusiasm. Despite all these issues, the President welcomed Xi to the United States in November.

The Biden-Harris administration agreed, without getting any reciprocal commitments—any reciprocal commitments—to facilitate Chinese engagement on climate with state and local actors in the United States, even though China clearly uses this subnational diplomacy for malign purposes.

The Administration then supported this initiative's first events at Berkeley, a university that has failed to report hundreds of millions in research funding from China.

Last year I predicted China would agree to new dialogues to placate us only to use these initiatives against us later. They just did that by canceling arms control talks yet again.

How did State Department respond? By publishing—publishing—our U.S. nuclear stockpile totals so Xi knows that we are reducing our capabilities while China grows, and of course, reciprocity did not follow.

The only thing it did was save China with the expense of going through the usual spy proceedings to get the size of our U.S. nuclear stockpile. Ridiculous.

This is not competing. This is pandering. We cannot keep making these mistakes. China must be an American issue, not a Republican or Democrat issue.

Congress has tried for more than a year to negotiate a bipartisan China bill, but efforts have failed because the Administration and some up here love to talk about tougher policies to limit China's aggressive behavior, but only talk and will not act to actually take tough action.

They do not want to limit PRC's money in our universities. They do not want to reform foreign lobbying laws. They do not want to stop nuclear dialogues to give China clear insight into our nuclear programs, and they support international energy policies that actually undermine our partners' economic reality and needs.

It is time for our Government to wake up to the real challenges China presents and start taking concrete action. The days of admiring the problem from afar must be over.

Congress needs to update the Foreign Agents Registration Act, reduce foreign influence in universities and think tanks, punish China for abuse of U.S. diplomats, advance real economic agendas with our partners, oppose China's growing clout at the IMF and much, much more.

It is past time we take a tougher line to stop Chinese malign influence.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Risch.

I noticed that we had a lot of interest for visitors to be in the committee room today, and we welcome that. This is an extremely important subject.

We just caution that we cannot tolerate any disruption of the hearing itself. You are more than welcome to be here and listen to the debate, but we ask that you respect the process of this committee.

And with that, let me introduce our witness for today, and I have the honor of introducing Kurt Campbell. He is a well known figure inside the Beltway when it comes to U.S. foreign policy, particularly in the Indo-Pacific, who is now serving as the deputy secretary of the Department of State.

Deputy Secretary Campbell has served our country in a number of roles including as an assistant secretary for State for East Asia and Pacific Affairs from 2009 to 2013, and more recently as deputy assistant to the President and coordinator for Indo-Pacific affairs at the National Security Council.

He played a lead role in conceptualizing AUKUS, the critical trilateral partnership between the U.S., Australia, and the U.K., and he worked to strengthen the Quad and deepen trilateral cooperation among the United States, Japan, and South Korea.

Your full statement, Secretary Campbell, will be made part of the record. You may proceed as you wish.

STATEMENT OF HON. KURT CAMPBELL, DEPUTY SECRETARY OF STATE, U.S. DEPARTMENT OF STATE, WASHINGTON, DC

Mr. CAMPBELL. Chairman Cardin, Ranking Member Risch, first of all, let me thank you both and thank the committee for the confidence you placed in me when I was first presented to this committee 6 months ago.

I have been in the job here at the State Department about 5 months, and I thought it would be useful in terms of the context of the discussion today to give you a kind of update on the particular issues that we discussed with respect to global competition as it relates to China.

Let me just also say that I do appreciate that the work of this committee has been, largely, bipartisan when it comes to China and the challenge it presents. I also fully agree that the most intense regional arena for that competition is the Indo-Pacific, but it is increasingly global, and it is not limited to any one area. It spans every area of American pursuit, strategic technology, business, military, across the board, and it will require a full scale, intense engagement on the part of the United States to match that challenge.

And I will say I think the key ingredient in that is bipartisan purpose, but it is also working with allies and partners, and I am proud of the fact that I have worked closely across the aisle and tried to build those partnerships with key countries.

So let me just give you a few updates, if I can. First of all, I fully support what you both have said about Venezuela. We have already been in deep consultations with the countries in the regions. There is deep anxiety in the region more directly. I will promise to you that we will be in consultation—close consultation with you as we develop our plans of action in the time ahead.

A few things that I have been directly involved in over the course of the last couple of months, last 5 months or so. Deep engagement with European partners—I share deeply the concern that China's support to Russia—Russia's defense industrial base—has not only changed the context of the conflict in Ukraine, but it will be a long term security challenge to the Indo-Pacific.

I actually share very much what Senator Risch said here. I would simply say that I think the steps that we have taken with respect to financial institutions, I would offer—I think those steps are more significant than is widely understood.

But the most important thing we need to do is to get partners in Europe behind this effort, and I will note you mentioned this, Senator Cardin.

If you look at the statement of NATO, this was the most far reaching statement of concerns of European partners about what China is doing in Europe, and I will tell you that the work that we have done, you have done, others, I think the battle for hearts and minds in Europe and the concerns that are rising about China's deeply provocative steps to support Russia's war machine are bearing fruit.

I also want to underscore this is a recommendation from Senator Coons. I have now been to Africa twice, two extended trips. This is the place where we need to step up our gains substantially, and this means across the board.

I was able to see first hand the work of our development agencies—the DFC, the Millennium Challenge, USAID. Very impressed by what they are doing on the ground.

But we need to do more, and we have to contest China's actions not only in terms of their forward basing strategy but their desire to go after Africa's rare earths that will be critical for our industrial and technological capabilities.

Also, I promised this committee that I would do what I can to step up our diplomatic and our overall game in the Pacific. I have good news there.

I think by the end of this term we will have advanced substantially the number of diplomatic outposts and our aid and assistance across the Pacific. I can go into that in greater detail.

I will also just indicate that for me the greatest vehicle for building the partnerships that are going to be necessary is to advance partnerships around technology, which increasingly is what countries both in the Global South and elsewhere are facing.

And then, last, I would just simply say I have tried to double down on our work in the Indo-Pacific. You will have just seen historic developments in Japan, stepping up our bilateral relationship.

We have done a number of things in our unofficial relationship with Taiwan, which I am happy to discuss, and I would also say I share with Senator Risch, I do believe AUKUS is game changing, and the number of steps that have taken gives me confidence that this will be the most important strategic military engagement between the United States and Australia and brings Britain into the context of what we are engaging with in the Indo-Pacific.

I would simply say to you guys that are looking for a scorecard I cannot tell you exactly how to evaluate everything, but I can tell you that this will be never ending.

We will have to invest substantial resources, build internal capacities in our government and with our institutions to contest everywhere.

I do believe the most important ingredient in what the Biden administration has done has been working with allies and partners in ways that I think are deeply consequential—AUKUS, the Quad,

trilaterals, a number of other things, building bridges between the Indo-Pacific and Europe.

I stand by those efforts. I hope they will continue. I deeply appreciate the support of this committee.

Thank you, Senator. I am sorry to go on a little longer.

[The prepared statement of Mr. Campbell follows:]

Prepared Statement of Mr. Kurt Campbell

Chairman Cardin, Ranking Member Risch, distinguished members, thank you very much. I always appreciate the opportunity to testify before this committee.

And I especially want to note appreciation for your partnership and the bipartisan focus you bring to our efforts to advance American leadership in the world, and in particular to the defining geopolitical challenge confronting modern American diplomacy—strategic competition with the People’s Republic of China.

Since I appeared before this committee as a nominee in December, and officially started as Deputy Secretary of State in February, we have—with your support—continued to drive forward the core pillar of our approach to the PRC: to “invest, align, and compete.”

As two Pacific Powers, our competitiveness with the PRC is often thought of in the locus of the Indo-Pacific. And while much of the history of the 21st century will be written in the Indo-Pacific, the PRC’s pursuit of military, economic, and geopolitical preeminence is truly undertaken in every region.

The PRC is the only country with both the intent to reshape the international order and, increasingly, the economic, diplomatic, military, and technological power to do so. We see this play out across the globe, in every arena, on every continent—in cyber, biotechnology, critical minerals, winning hearts and minds, in issues across the board—as President Xi and the PRC seek to establish dominance in these strategic areas.

The PRC’s military buildup, the biggest ever undertaken in peacetime, is upsetting the regional balance. It seeks to dominate sectors in technology, and corner the market on certain minerals. And it is increasing economic coercion as a feature of the PRC’s strategy in every region we work in, weaponizing trade to pressure countries.

It is a generational challenge that requires us to meet it with equal determination. And in each of these arenas, we are coordinating with our allies and partners—what I view as the essential feature to any competitive strategy with the PRC.

That said, competition is not the sole feature of our engagement with other countries. Indeed, we are seeking to meet the needs of countries through an affirmative strategy that builds enduring alliances and partnerships.

In fact, Secretary Blinken is in the region today moving that agenda forward as part of his 18th trip to the Indo-Pacific, visiting Vietnam, Laos, Japan, the Philippines, Singapore, and Mongolia.

Our far-reaching national investments—with your help—in infrastructure, chips, research and development, and other key sectors have strengthened our ability to lead in areas of strategic importance and purpose.

We are strengthening ties in the Indo-Pacific in ways that previously would have seemed blue-sky, or impossible. We elevated the Quad with Australia, India, and Japan. We upgraded our relationships with Vietnam, the Philippines, India, Indonesia, and others. The President launched a historic trilateral at Camp David with our two closest friends in Northeast Asia—Japan and the Republic of Korea.

This is all on top of multiple summits with the leaders of the Pacific Islands and ASEAN, among many innovative engagements.

We’ve also worked to weave our Indo-Pacific and European allies and partners together, as evidenced 2 weeks ago when our Indo-Pacific Partners—Australia, Japan, the Republic of Korea and New Zealand—attended the NATO Summit here in Washington.

We launched AUKUS with Australia and the UK—what I view as a signal achievement—the first time in seventy years that the United States has taken steps to provide an ally a nuclear powered submarine capability.

To take a step back, it was only in 2016 that the European Union recognized the Indo-Pacific as a strategic priority. Now, we’ve held dozens of Indo-Pacific dialogues with our European allies, in every part of the continent—and they’ve developed their own strategies strengthening their focus and alignment in the region.

Together with our G7, European, and Indo-Pacific partners, we are aligning approaches on the protection of critical technology and on derisking and diversifying supply chains.

And we're intensifying our diplomacy on shared values and opportunities with emerging partners in the Americas, the Middle East, and in Africa, where I just visited earlier this month.

The proof of effectiveness is that the PRC views our cross-continental partnerships with growing concern. And it's why they see the alliance and partner systems as a singular American asymmetric advantage, which we intend to continue and expand.

This challenge is ever present in everything we are doing.

In some ways, our competition with the PRC is more intense, more multifaceted than it has been with any other country in any era. It requires deep reservoirs of thoughtful and intensive diplomacy on the part of the United States to step up our game everywhere.

To meet this test, we are developing an elevated level of expertise at the State Department, including through—and this is thanks to bipartisan support in Congress—the Department's China House. Every diplomat, no matter where posted, is able to effectively engage on key issues related to the PRC.

When my predecessor Wendy Sherman met with this committee last year, she rightly noted that for our country, the PRC is a generational challenge, and there is no higher priority at the State Department than answering it. That is even more true today.

This is a region and a challenge where we've seen unprecedented bilateral cooperation, and I am grateful to you for that model—and for recognizing it is essential to U.S. success.

Thank you for the opportunity to meet today, and for your steadfast support in advancing America's interests in meeting this moment to ensure a free, open, secure, and prosperous world order.

I look forward to our discussion.

The CHAIRMAN. Thank you very much, Secretary Campbell.

We will now have 5 minute rounds. Let me start, if I might.

What really differentiates the United States from the PRC is the way that we conduct our foreign policy wrapped in our values.

They conduct foreign policy based upon transactional objectives, and President Biden has made it clear that our foreign policy will be wrapped within our values. So we promote democracy, good governance, respect for human rights.

China uses corruption and force if need be as they are threatening to Taiwan to try to carry out their foreign policy.

So my question to you, as we develop our relationship with the PRC, how do you balance our commitment to advance the values that our foreign policy is based in, not just with our direct bilateral relations with China, but in countries in which we are competing with China, how do we balance the advancement of our values that are critical to our national security with the realities that we are dealing with regimes that differ from us and are prepared to do things that we find very objectionable?

Mr. CAMPBELL. Senator, it is a great question, and I think you understand the context of it very well.

I would simply say that a number of countries where we are contested—contesting intensively, countries like Vietnam, even a country like India, a close partner, there are occasionally challenges that are presented in terms of the conduct of domestic affairs.

I think the truth is that the United States, it is just intrinsic both Democrats and Republicans raise issues of concern in every endeavor. I think that is critical. Most of our partners understand that and appreciate the need to address the issues that we raise.

I would simply say that we cannot go back to a period where we place strategic interest at such a premium that we look the other

way at egregious acts that cause concern to us. And I do not think that has been done.

I do believe that in almost every case the United States has been able to balance our strong foreign policy, national security interests with, as you put it, our key inherent interests in promoting democracy and human rights.

And so ultimately what we are looking to do in some of these very challenging circumstances is to bend their trajectory, sometimes slightly, sometimes transformationally, in directions that support freedom, that support democracy and closer association with like minded nations that we are working with on the global stage.

The CHAIRMAN. I appreciate that. Congress has been your partner. Sometimes we can, as an independent branch, help you advance our values where diplomats have a hard time pursuing. We have done that in trafficking in humans with our TIP reports.

We have done that in the sanctions, the Magnitsky and others, that require you to consider personal sanctions as well as sectorial sanctions. We did that with anti-corruption in the last Congress.

So we look for you to give us additional ways in which we can be helpful to advance American values, western values, global values, in our relationship with other countries.

You have to set priorities. We have to set priorities. We have a limited amount of time left in this Congress, and I want you to give me how high a priority is it for the U.S. Senate to confirm particularly career ambassadors where we have so many that are vacant today.

If we do that it takes floor time. It takes committee time. There are other issues we need to deal with. How high of a priority is it for you to accomplish your missions to represent us in the State Department, for us to take up and confirm the vacant positions we have now in the State Department?

Mr. CAMPBELL. So, look, it is a good point, and I do want to just underscore clearly your first issue.

When Congress, when Senators, engage internationally, it helps us enormously. To the extent that we have had any assistance, and it has been modest at best, from China on fentanyl related issues it is largely because of delegations from Congress, from the Senate, going over, making the case powerfully about that this is not just an executive branch issue. It is broadly shared with the American people.

When delegation Senator Shaheen was in Britain recently engaging the new British government, they were able to hear directly bipartisan interests for why the special relationship is so important.

So I will tell you that we are much more effective when you guys are engaged internationally. I support it. I very much want to see you guys out on the playing field. It helps us consequentially.

To your very good point, look, I would say that politics is a tough game. Take it out on us, the political guys. I work with wonderful people, professionals, and frankly, they deserve to be confirmed. Dorothy Shea is up in front of your committee now. She has been waiting almost 2 years.

The place that really the Chinese are taking it to us is in international organizations. We have to be able to contest there. I do

not like going to a country in which we sit down with the leader, and we do not have an ambassador there. Has not been there for a couple years. I find it embarrassing. I think it is antithetical to our strategic interests.

And so, yes, I do believe we should put these folks on the field. Look, no one quarrels with strong military engagements. We have to do that. We have to invest in our military.

But I think there sometimes is a tendency to underestimate how important our diplomats are in international organizations in the Global South, particularly when in small countries in Africa they view the ambassador as the representative of the United States. Washington is distant.

And so getting those people in place, I would say, is among our most important priorities. I am sorry to go on so long on that, Chairman.

The CHAIRMAN. Senator Risch.

Senator RISCH. Thank you, Mr. Chairman.

Thanks so much for being here, and I always appreciate your understanding of these issues and frankness.

At your confirmation hearing we talked about the situation of inviting China into the peace process for Ukraine, and you expressed your agreement with me that this was not a good idea, which is an understatement.

In the meantime, the State Department officials have told this committee that China must be at the table. I am assuming, like a lot of things, there is not complete agreement. But help me understand this. Where are we on this, and how hard are we going to have to push to get this done right?

It seems that our European partners get this, and for whatever reason the place where you work does not seem to get this. So help me out.

Mr. CAMPBELL. Thank you, Senator.

To be honest, I am not aware of those consultations that you have had. I will also tell you that I would generally say any kind of discussion like that is premature.

The dominant arena of engagement is on the battlefield. I see no sign of Russians in any way easing up on their brutal offensives with Ukraine. If you signal too early your interest in getting to the negotiating table, I think it sends the wrong message, and it is a signal of weakness more generally.

Ultimately, I had extensive discussions with your team about this. Senator, I must say I found those arguments quite persuasive, and I am personally troubled by China's actions publicly stating that we are in favor of peace—we are not taking sides—but then privately providing the support for their industrial base in ways that will change the balance of military power not just in Ukraine, Senator, but in Europe for decades to come.

So I find those quite troubling. I think they have to be accounted for more directly. I believe the United States, with its key partners in Europe, have to play the dominant role if we find ourselves in a situation which we hope for, that we can arrive at a just peace with Ukraine and Russia.

We are nowhere near that right now, Senator, and so talk about what the nature of the table looks like and who is sitting around it, that is premature.

Senator RISCH. Great thoughts.

It seems to me that Europeans and the rest of the world made a huge mistake with Russia over recent decades thinking they were something that they were not, and now the price is being paid for that.

And I think the problem is there is some people making the same mistake right now with China, thinking that they are is something that they are not, and your observation that that mistake could carry consequences that goes into generations, I agree with 100 percent.

I think the Europeans, because of their experience with Russia, are very, very reluctant to make the same mistake with China. So, and I think China has not helped either.

Europe's experience with the Lithuanians with China has really, really woken up the Europeans as to what they are dealing with as far as China is concerned.

Look, Congress recently passed legislation on a bipartisan basis to sanction China for the oil purchases, and I am not seeing—there was a lot of enthusiasm up here in the Hill for that.

I am not seeing the same enthusiasm for the Administration, which is not surprising because whenever we talk about sanctions Treasury always pushes back to a degree. State always pushes back. We up here seem to be a little more ready to draw that weapon and use it. Your thoughts?

Mr. CAMPBELL. Look, Senator, we have engaged on this quite a bit. I really understand and take your points to heart. I would point out, and I think you know it—you have heard so many times—of the hundreds of other sanctions that we have undertaken more directly.

I do think, and I will just state clearly that Iran is an implacable foe of the United States. We have to contest them everywhere, not just in the Middle East, not just with respect to the Houthis, but increasingly the role that they are also playing on the battlefields of Europe in Ukraine.

So I take that very seriously. I understand the points. Sanctions policy, as you underscore, Senator, and you understand, are complex. There are often concerns about certain steps that you might take in a financial arena could have secondary, tertiary effects.

I do not mean that as an excuse, but these are complex matters. I do think we have taken consequential steps, but I need to take back to the building a specific set of recommendations that you carry.

I do also want to just point to something that you raised at the outset. Europe has had two major challenges. One is the Russia energy and national security challenge.

Many of these countries had hoped for a deeper economic and commercial relationship with China. I will tell you, after substantial discussions both in my previous job, Senator, and this job, Europeans understand the risks. They are coming around. We are working much more consequentially with them, not just on Russia but China as well.

Senator RISCH. My time is up. Thank you.

Thank you, Mr. Chair.

The CHAIRMAN. Senator Coons.

Senator COONS. Thank you, Mr. Chairman.

Thank you so much for your leadership on shaping our policies with regards to China and the rest of the world and thank you for investing your time in going to the African continent and seeing this critical sphere of competition, of potential conflict between the United States and China.

Let me just first ask about partners and allies. I think President Biden's leadership in responding to Russia's aggression in Ukraine, pulling together, strengthening and expanding NATO, mobilizing 50 countries, including in the Indo-Pacific to support Ukraine has been critical.

How relevant is it to our global competition with China that we continue to support Ukraine, that we send a strong and consistent and bipartisan message that when we say we are with Ukraine, we mean it?

Mr. CAMPBELL. Thanks, Senator, and I want to thank you for your leadership on this.

I will just simply say that before the state visit of Prime Minister Kishida he had an opportunity to appear before Congress and give a major address. It surprised people that the number one issue that he raised and asked the American people in Congress to do was to stand by Ukraine. To continue the job, and it does suggest we think of Europe and the Indo-Pacific as separate theaters.

We should not. They are strategically aligned. Everyone in the Indo-Pacific is watching how Ukraine turns out. The United States standing firmly with allies and partners, being unequivocal in our support for Ukraine gives courage and a sense of determination to our allies and partners.

Senator COONS. In my recent visit to Taiwan following their election to the Shangri-La Conference in Singapore, I got exactly the same sense. Yes, standing firm with the Philippines and the Second Thomas Shoal was critical for the region.

But if we step back one inch from supporting Ukraine, that sends an even stronger message, and something that there is some real risk that in our elections this fall the message will go out that we have national leaders who do not support Ukraine.

Mr. CAMPBELL. Could I say just one other thing, Senator?

I also wanted to personally thank you for the encouragement to engage directly on Africa. So I have been in the job 5 months. I have been to Africa twice.

I will go a third time, and I will tell you quite directly, it is the part of my job that I feel the strongest about and I am most committed to, and I ask for the support of this group.

So I would say we need more in a couple of different arenas. I think more in terms of our ability at the DFC and the Millennium Challenge account, more congressional visits.

You would be amazed at how much some of these small countries appreciate, and I got to just tell you, Africa right now we have 14 noms that are waiting for votes across the continent, and I would just simply say I think it helps us in terms of really making the case for Americans.

Senator COONS. Let me pick a relatively obscure one, Eswatini, formerly known as Swaziland, one of the very few countries on the continent that still maintains relations with Taiwan, not the PRC.

We do not have an ambassador. We have not had an ambassador. There have been major challenges in terms of human rights and other issues. Without an ambassador we are just absent.

This is true across a dozen other—14 to be specific—major countries across the continent. Russia is there. China is there.

The scope of China's trade with Africa has increased tenfold in the time I have been here, while ours has barely grown. Their trade with Africa \$240 billion last year. Ours now just \$48 billion.

How important is the timely reauthorization of AGOA for us to use the tools of trade in Africa?

Mr. CAMPBELL. I think it is critical, and there is a lot of gamesmanship about whether to wait, and I would get it done.

Senator COONS. I would, too.

Mr. CAMPBELL. I think it is one of the few tools we have. I would get it done—

Senator COONS. Before I run out of time, if I could.

Mr. CAMPBELL. Yes, please. Sorry.

Senator COONS. We just moved out of the Appropriations Committee with a very strong bipartisan vote this year's State and Foreign Operations. It includes an investment in a countering PRC influence fund, \$425 million. It includes significant aid for Ukraine for the coming year, not what they need, but hundreds of millions of dollars.

It, importantly, includes a new fund that allows Treasury to leverage the multilateral development banks that will unlock more than \$4 billion in more transparent, more effective, higher standard investing in infrastructure so that we can directly compete with China's Belt and Road Initiative on the continent and around the world.

It invests in our work force at the U.N. and all the different U.N. entities where the Chinese have grown and grown and grown their influence, and it invests in combating corruption.

When we say we need to have and we must have a foreign policy that reflects our values, whether it is in the Caribbean, the Global South, Africa, it is important for us to stand up for democracy and human rights, but it is also important for us to combat corruption because one of the biggest features of China's foreign policy is buying and extending their influence through corruption.

The average person in the Global South sees the resources of their country being stolen to benefit their national leaders. The fight for critical minerals, the fight for supply chains, is essential, and this is one other area we cannot neglect.

Mr. CAMPBELL. I am just going to say one thing if I can, quickly, that I agree with everything that you have said. I will say I was in Senegal about 2 weeks ago. I was able—very proudly able to go to a project site which was just being launched backed by the DFC.

And just for folks that do not understand why that is important, most of African financing are projects from China. Chinese bring their own laborers in.

They do not allow for very much training. They are secretive. There is a lot of corruption. This particular project all Senegalese

based workers, capacity building, everything—this was our partnership with them, and I will tell you, being able to see the commitment of—this is French Africa. We struggle there sometimes to build influence, but it was substantial commitment.

And so I just want to fully support the ability to leverage financing the DFC and also do debt backed finance. Incredibly important. I think this is a very good use of capital and engagement.

Senator COONS. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Let me just observe—I thank Senator Coons and Senator Graham for your work on the appropriations issues. I would just make an observation. The caps that you have been given are unrealistically low, particularly USAID numbers.

There are cuts this year, and that is unfortunate. It is just not a large enough pie. But I thank you for the work that you have done.

Senator Young.

Senator YOUNG. Thank you, Chairman.

I want to pull a bit on that thread about the importance of having ambassadors in place. It is unbecoming of a great power. It is, indeed, embarrassing to our professionals like Secretary Campbell and to Members of Congress alike, and it is injurious to our foreign policy.

So if we cannot somehow persuade colleagues to operate within the existing rules, maybe we need to change the rules. It is something that has been discussed for a long period of time.

I know a number of my colleagues on the committee agree, but I would just encourage them and others who are listening to let us give this another run as we approach year's end and see if we can improve this situation, moving forward.

Mr. Secretary, I am so grateful for your service, your accessibility. Thank you for all you are doing and all you have done to serve our country.

The PRC continues to be defined as a developing country defined by international financial institutions, development banks. This hampers our ability to get China to pay its fair share of contributions to multilateral institutions.

It ensures their access to generous loans and financial terms from these selfsame institutions that they should not have, and it presents a normative challenge.

They refuse to demonstrate the leadership that a global power would. So they want all the benefits of being a global power, but they do not want to put forward the same sort of work and resources that we would expect of a global power.

So what do we do about this? How are we trying to deal with the hypocrisy of they are not really a developing country, but they claim that status, and are there steps that we can take here in Congress or within the Administration that have not yet been exploited to strip them of this developing nation status?

Mr. CAMPBELL. So, first of all, before I answer that question I do want to thank you and commend you, Senator Young.

I would say the most important thing that we have been able to do is to understand that the strategic high ground that is necessary

for us to continue to command is in technology, and I do not think we would be able to do this.

You taught me a lot. I have tried to extend that not only what we are doing domestically but internationally with partners. It is a hugely consequential area that we need to do more on, and I just thank you for your leadership on this.

You said it perfectly. I would say this. You cannot have it both ways. You cannot demand to be a great power and then in certain circumstances say, oh, I am just a developing country.

We have sought to reform certain issues in the multilateral development banks and the international financial institutions. We need more help along the road.

My biggest concern, Senator, is not that China is not providing resources globally. They do, but they are outside of these institutions actually.

They are doing it in bilateral contexts where they can extract a quid pro quo. They are doing it outside of the appropriate mechanisms that allow for a degree of transparency, which we think are essential.

And so I think just simply making the case more in international financial institutions about the challenges this presents—that is the World Bank, that is the EBRD, that is the Asian Development Bank—this is an essential fight that we need to, frankly, raise the awareness on more substantially.

Senator YOUNG. Well, we have a role to play there as do, of course, all our diplomats. So we will continue to focus on this important area.

With respect to technology, most especially our movement toward green energy, we need critical minerals. I am glad it is something you brought up in your opening comments.

If we cannot get them through our deep sea beds by ratifying the Laws of the Sea Treaty, which looks to be a challenge based on current circumstances, then we should look to Africa, which is where the preponderance of these minerals are.

How can we help foster the public-private partnerships bringing American capital and expertise and standards to Africa so that we can keep exploiting so that—exploring where we can get these minerals?

Mr. CAMPBELL. So if you look at a balance sheet of the top 40 trace elements and minerals that are necessary for batteries or for semiconductors, the vast lion's share of those supplies are now controlled by China and we start behind the eight ball.

We were late understanding that while we were playing a globalized game the Chinese were basically cornering markets.

Now, we have responded with a number of arrangements with specific countries. We have a critical minerals agreement with Japan, with Australia. We have worked with other countries in Africa. The Lobito corridor will help us in this context.

I would simply say this is an area—these mines are often dirty. The processing is challenging. It is going to take resourcing. We have to do this with allies and partners more, and frankly, we have got to scour the globe. And it will not be just Africa, Senator. It is Mongolia.

Senator YOUNG. Yes.

Mr. CAMPBELL. It is countries in Southeast Asia, and it will be our intent to continue to prosecute this.

Senator YOUNG. One last point I think it is important to make, because I did not support the Inflation Reduction Act, but the reason we pursued the CHIPS and Science Act and a handful of Republican colleagues joined me on that effort, was in part for purposes of economic resiliency.

The Inflation Reduction Act took the opposite approach. We have become far more dependent on these upstream critical inputs, and that was never, I think, seriously wrestled with before we took this approach to mitigating climate change.

Thank you.

Mr. CAMPBELL. Thank you.

Senator SHAHEEN [presiding]. Thank you, Senator Young.

Senator Merkley.

Senator MERKLEY. Thank you, Madam Chairman.

Thank you so much for your work, Secretary Campbell.

Two pieces I wanted to address. First is the Chinese strategy of transnational repression. They have greatly expanded their effort to suppress dissent abroad, particularly among the Chinese diaspora.

They have a host of tools. They persuade governments to detain individuals who have been critical of China, to deport individuals back to China.

They spy on those dissidents. They threaten them. They blackmail them by saying that their family members will be affected back in China, and they will execute on that threat as well.

What is the State Department doing to help nations resist the pressure to detain or deport dissidents, and very importantly, to protect freedom of speech and freedom of assembly here in the United States when China is threatening Chinese diaspora?

Mr. CAMPBELL. Senator Merkley, extremely well worded and concise and exact challenge that we are facing.

I would say the most important first step that we have sought to do is actually help countries understand the nature of the problem that they are facing.

So you would be surprised at how many countries, until they examine sort of the circumstances inside their own borders, were unaware of some of these challenges. Frankly, even the United States, it has taken time to fully understand what has taken place among diaspora communities, Chinese language speaking.

So I think we worked with a number of countries to help understand the nature of this transnational challenge. We have helped countries strengthen a variety of law enforcement and other steps to assist them in contesting these actions.

We have been very principled and direct in our diplomacy with China. I would simply say that this is a challenge that is not just a few countries. We have seen it in Canada. We have seen it in Australia, the United States, New Zealand, Australia, other parts of Europe.

Frankly, the ability to compare notes and to compare strategies about how to identify and contest that has been very important.

Senator MERKLEY. Yes, thank you.

Freedom House has now documented Chinese transnational repression in 36 countries, so it really is spreading in an effort to shape how they are viewed around the world.

Another area where China is expanding its influence is within the United Nations. They have proceeded to increase their contributions. They have increased their support for peace teams from the United Nations—peacekeepers.

They have gotten more Chinese nationals into leadership positions, and they are trying to change the dialogue around human rights.

In terms of the Universal Periodic Review this last January, they submitted false information about many of the actions of China in the domain of human rights. They blocked independent civil society representatives from providing information.

They have suppressed the mention of political, civil, and religious rights in U.N. resolutions and debates, and they are trying to convey the philosophy that human rights are country specific. That is, that there is no universal human right, and basically whatever country decides, well, that is what human rights are.

We have been really a voice in the world to identify, promote the vision of fundamental human rights. But this is a contest for ideas, and Chinese influence in the U.N. is part of that.

What is our strategy?

Mr. CAMPBELL. Look, you have identified it exactly, and the truth is this is part of a coherent strategy of China, redefining what democracy means, what human rights means, and they have done that substantially in international organizations, particularly in places like the United Nations.

Their ultimate goal, I think, Senator, is to step up their game substantially in the Global South. That is where they are playing for advantage.

I would simply say that would be the arena if you ask me where do we need to do much more. I am actually quite proud and satisfied. The work will never be done, but what we have done in Europe and dominant partners in the Indo-Pacific, I think the partnership with India is robust. It is critical. It is, I think, probably our most or one of our most important partnerships for the 21st century.

Where we really need to step up our game is the Global South, and that means on the field in these various countries with robust programming, USAID, DFC, our diplomats.

But it also means, Senator, really understanding the nature of the challenge in organizations like the United Nations in which the action increasingly is not just at the Security Council but the General Assembly, and that is where China is manifesting a strategy exactly as you lay down, and we need to understand how important that arena is for us, going forward.

Senator MERKLEY. Thank you very much.

Senator SHAHEEN. Thank you, Senator Merkley.

Senator Rubio.

Senator RUBIO. Thank you.

Thank you for being here.

On this issue of China one of the things that makes it such a unique competitor and adversary in many ways is, unlike the Soviet Union, they are not just a military and diplomatic adversary.

They are a technological, industrial, commercial adversary as well, and it is the one I want to focus on because I do think it challenges us in our foreign policy apparatus to combine commerce and trade and technological matters with geopolitics, which are clearly important.

They have always been important. The technological and industrial high ground has always been a precursor of global power. So if you look at what China has achieved in the—10 years ago, maybe even less, they led in none of the cutting edge fields.

Today they dominate the world's electric vehicle markets, and primarily this is a challenge because they are dumping these cars now or threatening to dump these cars and eviscerate automakers beyond just electric cars outside of China.

They are dominant in energy fields, particularly—I think 80 percent of the global supply chain for solar. They are technologically a leader in nuclear power in ways that have surpassed our own, and unfortunately, despite the electric cars and nuclear power leadership, they are also the world's largest polluter. So just think about that.

But the two I really want to focus on is that I think really go to the heart of power, number one is by far they are the world's leading shipbuilder. They are building aircraft carriers. They are building this fleet of LNG ships. They are even building cruise ships.

And we all understand that shipbuilding is at the core of the ability to project power, not just military but commercial, and they are the undisputed king of basic industrial inputs, steel and cement.

And these things that are not glamorous—they do not have Netflix miniseries about steel and cement or shipbuilding—but these are at the core of national power. They used to be at the core of our national power. We do not win World War II without industrial power.

So how does that fit this whole view of this domination that they are establishing in these key core industries within our broader confines of something that is not simply military or diplomatic?

I mean, how are we melding that into our strategy? Because some of these are going to require us to lean heavily into our alliances, in essence, make sure that our allies in some sort of a consortium fashion are not just protecting their domestic industries but protecting the existence of non-Chinese Communist Party controlled sources of steel, cement, shipbuilding, and the other fields that they seek domination in.

So how does this fit into the broader construct of our strategic approach to this challenge?

Mr. CAMPBELL. Great. Senator, I accept and deeply support that general worldview that you have just laid out. I would just add one or two things on the first part.

You know, there is a huge debate in the kind of intellectual foreign policy, whether this is another cold war.

The one thing I worry about sometimes about that debate is that when you say cold war it conjures up views of the struggle we had with the Soviet Union, which as you described, is really monochromatic. It was really in a couple of different sectors. And in truth, our economies were not linked at all in any way.

One of the biggest challenges for the United States as it constructs a strategy, and I am going to try to answer the second part of your question, is that there are very few countries that are more interdependent than the United States and China, and at the same time there are very few countries that are more uncomfortable with that interdependence.

Both the United States and China are both taking steps to ease, to remove elements of that connectivity financially, manufacturing, lines of communication.

So that is one of the biggest challenges, how do you take steps that then do not hurt your own economy. But the point that you make, I could not agree with you more. If I look—in government it is about just surveying a list of challenges—how can you figure out what to do about it.

If I would ask the two things that we really need to get our act together on, naval shipbuilding—both surface ships but submarines as well. When I came into the White House I thought, and I believe—still do—that our submarine program is the jewel in the crown.

But one of the things that became clear looking at AUKUS is how much more, and I think the people at this committee that we had to invest in our own industrial base just to keep up, just to get subs back in the water that are in dry dock, we just have to do better.

And the truth is there are a lot of reasons why shipbuilding is challenging. We have got strong shipbuilding in the Northeast. We do not have enough workers. We do not have enough capacity.

Generally, there are a thousand reasons why naval shipbuilding is challenging. I would like us to think there might be ways that we could work with allies and partners here, but it is extremely difficult—a lot of domestic legislation.

But I will tell you, when I look at the balance sheet—you went through several things, Senator, but the one thing you did not mention but you think about it often—I know I have heard you speak about this—look at the difference in shipbuilding between the United States and China. Deeply concerning.

We have to do better in this arena, or we will not be the great naval power that we need to be for the 21st century.

I will say one last thing. The 20 year engagement in the Middle East was, largely, about ground forces, about army, about special forces. We made all the appropriate investments. We modernized. We innovated.

Now is the Navy and the Air Force's time. They have to step up. They have to invest more. They have to be more innovative. They have to be more intrepid, and they have got to understand that the Indo-Pacific arena requires the most capable naval and advanced long range air capabilities that the United States has ever needed before, and that is where we have to put our focus.

Sorry, I did not mean to go on so long.

The CHAIRMAN [presiding]. Senator Schatz.

Senator SCHATZ. Thank you, Chairman.

Thank you for being here. I appreciate it.

I want to talk to you about surveillance and the Internet of Things. As you know, the PRC is exporting facial recognition AI technology, enabling repression from Ecuador to Kenya to Pakistan.

This has huge implications, and I think this is one of the spaces where they are quietly building partnerships for surveillance and controlling the domestic political situation, and it is not obvious to me what the tools are in our toolkit to provide an alternative.

It is not like we are going to say, hey, use our company for AI and surveillance and repression, but this is an area of expansion both economic and political for the PRC, and I am wondering how you see it and what we should be doing about it.

Mr. CAMPBELL. So for a while—Senator Schatz, first of all, thank you. I appreciate the question.

There was a big debate, does China have a model of development or a model of governance that they are promoting that is comparable to their own, and lots of debates about that for years.

But now it becomes clear that there are certain ingredients to authoritarian leadership that they are promoting in a variety of the countries. You mentioned several, but I would add others—the Solomons, frankly, elements in Afghanistan.

And as part of that is that they often support a vulnerable elite who is in power. They provide assistance to that leading group and the people around it. They provide praetorian support that allow them, through police and others, to be protected from domestic threats, and they provide technological capacities for—

Senator SCHATZ. So the bad news is that is pretty good value proposition. So what do we do about it?

Mr. CAMPBELL. So it—and I will get it. The value proposition is that we have to be purposeful about recognizing how challenging it is to make the argument about why democratic institutions, elections—free and fair elections—and support to governments that emerge through that process.

A lot of times—I will give you a classic example. We have a new leader in Senegal. Extremely hopeful. But he has raised expectations, and now we are going to have to see whether we can help meet them as he goes against both forces in his own countries and others that would seek to advance this authoritarian model.

And so, look, I cannot tell you, Senator, that there is a perfect answer to every situation, but I will tell you I have been to many of these countries, and that model is often domestically extremely unpopular, and if we are able to work with key groups in various countries, we can put up an effective challenge.

Senator SCHATZ. I think it is two things. First of all, you are right, it is unpopular, and second of all, a lot of times it is a trap, and it takes some amount of time for the leader to figure out that it is a trap, that they are going to be under the thumb of a country overseas, and then they come back to us and are a little bit more willing to dialogue.

Mr. CAMPBELL. Can I just—two things on that.

That is exactly right, and I will give you an example. When China negotiates these foreign basing, and they often initially describe them as just, oh, it is just a little, you know, kind of a little dock here, before long, local authorities of host nations are unable to get on these bases. They are not able to actually control their own territory. That is number one.

Number two, yes, the Belt and Road has been substantial, but many of the processes that the Chinese used in terms of financing in particular, the bill is coming due in many of these countries.

These were not gifts, and some of the concessional loans are substantial, and they have real interest payments, and the Chinese are not interested in renegotiating.

We can use some of those to our advantage.

Senator SCHATZ. So on Belt and Road, just a quick final question. It seems to me—I mean, look, we as a country started to be alert to Belt and Road, and I think it precipitated a lot of smart foreign policy actions.

On the other hand, there is part of me that thinks that what China did was two things—debt trap diplomacy and what you are talking about, but also just simply over promising—and I think we have got to get in the habit of talking about not Belt and Road as if it is some insurmountable, perfect strategy, but a little bit of an over extension of political—like an overreach here that we can take advantage of.

Mr. CAMPBELL. I agree with that.

Senator SCHATZ. Thank you.

The CHAIRMAN. Senator Shaheen.

Senator SHAHEEN. Thank you, Mr. Chairman, and thank you, Deputy Secretary, for being here today and for your work.

Senator Kaine and I just came from a hearing at the Armed Services Committee on the presentation on the Commission on our National Defense Strategy. They said two things that I think are really relevant for this conversation. First, that we are facing the most dangerous global environment at any time since World War II—the end of World War II, and second, that we need an approach that coordinates all elements of our national power, which has been part of the discussion that we have heard this morning.

And at the risk of beating a dead issue, I want to go back to the nominations, and I am sorry that our colleagues on the other side of the aisle are not here, because China continues to prioritize their diplomatic engagement, their ambassadors around the world, particularly in the Global South, as you pointed out.

And yet, we cannot get our ambassadors approved, even the career ambassadors, not just in Africa and South America but also in places like Albania and Montenegro, in the Western Balkans where many in Albania see it as a direct affront that we still do not have an ambassador in Albania after they have been willing to take Afghans when we needed to evacuate Afghanistan, when they have been willing to take Iranians from Camp Ashraf to help us out.

And we still have our career ambassadors to Albania and Montenegro being held up on the other side of the aisle.

Senator BARRASSO, I am glad you got here because this is a conversation that I think is important for everybody. I would echo

what you had to say about Dorothy Shea, who I had the good fortune to work with when she was ambassador to Lebanon.

She is the reason, I believe, we were able to get out a New Hampshire citizen who was being held, detained by the Lebanese government for months, who got cancer while he was in the detention, and to have a career ambassador like Dorothy Shea being held up for partisan political reasons is antithetical to the national security of the United States.

So is this not a concession to the PRC that we should never be making?

Mr. CAMPBELL. Yes. Look, I could not agree more with that.

First of all, let me say it was great to see you in London, Senator. I also appreciated meeting your husband. We are going to the Celtics game. Sorry, only two tickets. So that is the way it is going to be.

Just to your particular question, I do want to just say the effect that it has on morale of the people that I work with.

If you are in government, or you kind of walk down the street and you are a military officer, every single person tells you thank you for your service, a little salute and such.

Almost every week I get a letter from someone who is somewhat surprised that a Foreign Service officer has helped them in a time of difficulty, when they are ill or something, and they write a note, and they are like, I am surprised by this.

I do not know why I am surprised, but this person went beyond the call to help me and my family in their time of need.

And I think there is a tendency not to recognize the unbelievable competence and patriotism of these people, and no one tells them thank you for your service.

I think we should do that for the military folks, absolutely, but we need to recognize that these people are often working in harm's way, lesser resources, under enormous duress.

You see them yourself. You are out there traveling.

As I tried to say, I think there are often real issues. Take it out on the political people. Take it out on me.

Our career people deserve to be able to serve. When I meet with them, and it has been 2 years as they are waiting, I do not have a good answer for that, and I also think it makes me feel like I cannot do my job persuading people that I respect to get on with this, to move this on.

And trust me, there is not one country where we are contesting China where we go to that country and we have got a strong ambassador and China does not have someone. They are out there, and we need more people on the field.

Senator SHAHEEN. I could not agree more.

I do have a question about China, just with the little bit of time I have left, and that is as we are looking at the potential for an expansion of a broader war in the Middle East with Israel targeting southern Lebanon because of the horrible acts of Hezbollah, where is China going to come down on this, and what role are they going to play?

Mr. CAMPBELL. So I will say this, Senator.

Before this—this is a horrible, tragic war. There were a lot of concerns about how China's influence had grown. Yes, they played a role between Saudi Arabia and Iran.

You will note that since the conflict has begun—tragic, horrible—the country that people call to engage to be involved directly is the United States, and China is, largely, absent. Their engagement has been, largely, shallow.

I would say I do not believe, Senator, that they do not want to see an enlargement in the war, and I think they are worried about the potential for escalation. But at the same time, they really have not weighed in with their diplomatic might in the situation involving the Houthis. They have not been as direct about their concerns about escalation to Iran. They have raised it in certain circumstances, but not with the power and influence of a great power like China.

I think we would expect them to do more, and we continue to call on them as we do on other countries to make sure that their voices are felt.

I do acknowledge that this is an extremely delicate and worrisome time, and we are doing—Secretary Blinken, in addition to—he is on this long trip through the Indo-Pacific.

He is on the phone every night with the countries in Latin America to basically figure out our best way forward on Venezuela.

But he is also working the phones in the Middle East to try to prevent an escalation, and frankly, to move us toward a hostage exchange and a better set of circumstances in Gaza.

Senator SHAHEEN. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator Barrasso.

Senator BARRASSO. Thanks, Mr. Chairman.

Thank you very much for being here today.

We had a briefing last week that many of us attended on the committee on basically who is helping Russia and what roles there are in that, and I wanted to go along that area of questioning because I am concerned about China's support for our adversaries.

Clear China is actively helping both Russia and Iran evade U.S. sanctions. In fact, oil revenues from China are propping up Russian and Iranian economies. They get to buy them at a discount so China benefits from that, and then Iran and Russia get the money from China.

I view China as using Russia as a wrecking ball. I am sorry, China using Russia as a wrecking ball. Iran right now is exporting almost 1.3 million barrels of oil to China every day when there is supposed to be sanctions in place. The Treasury secretary says, well, they cannot do any more.

But the *New York Times* pointed out just how much oil we are allowing—that the U.S. is allowing and the sanctions that are being evaded, the Chinese Communist Party providing the materials, the technology, the components that Russia and Iran need to wage their wars.

So it just seems to me the Administration has failed to prevent China from purchasing Russian and Iranian energy resources. Do you agree?

Mr. CAMPBELL. So, first of all, let me just underscore I completely accept your proposition. Increasingly, we are seeing a group of nations and nations of aggrieved actors that are challenging the United States and its partners globally, and that includes China, Iran, North Korea, occasionally others associated with that effort.

My own sense is the most important arena, Senator, that we need to contest that, frankly, is currently in Ukraine, and you mentioned this, but what China has done in supporting the Russian defense industrial base is a subject of deep concern.

Now, we have sanctioned hundreds of firms, but the most important sanctions, frankly, are around financial institutions. And I would just have you note that if you look at the trajectory that Europe has traveled in just 8 to 10 months, 8 to 10 months ago almost no mention of what China is doing in Russia.

Look at the NATO statements that took place in Washington with many Senators supporting that effort and being deeply engaged in the 75th anniversary.

Increasingly, Europe is on side and taking their own steps with respect to sanctions, and I believe that this is an arena that our efforts are paying off.

I think it is absolutely clear what you are describing, this association between Russia, North Korea, China, and Iran increasingly purposely challenging us everywhere.

I think our primary answer, yes, we have taken sanctions. But Senator, I would tell you that the most important thing that we have done is build a comparable group of allied nations working together.

So I would just simply say not only is NATO probably stronger than ever before. I think you have to give credit to the previous Administration focusing on investing in the military, and we followed through with that, and lot of countries are now at 2 percent, well over half approaching two-thirds.

It is deeply important. The connections, though, between Europe and the Indo-Pacific, what countries are supporting Ukraine to the hilt now? Japan, South Korea, Australia.

This is unprecedented, and that is largely through the support and encouragement of the United States. So I would simply say that I think the best remedy to the challenges that you accurately describe is our ability to work with allies and partners.

Earlier in the discussion we talked about bringing new partners into the fray, countries like India, Vietnam, others in Southeast Asia.

I am proud of the work we have done in the Philippines. But this is something that we are going to have to contest across the board.

Senator BARRASSO. Well, let me just add to that because I agree with what you are saying. I mean, I view China as the puppet master here, pulling the strings with what is happening in Iran and North Korea as well as Russia in their efforts, and the concern is that with our involvement in a number of locations around the world, whether it is Ukraine, whether it is in Israel, that this is an effort by China to ultimately have us engaged in a number of places and ultimately make it easier for them to take Taiwan, which I believe is one of their single goals.

Mr. CAMPBELL. So I would just say this, though. The relationship between these authoritarian countries is very complex, Senator, and I would only offer to you is do not underestimate Russian agency here.

Putin is a master at even playing the weak hand. He has his own interests. He has been very effective at maneuvering China in this respect.

But I would simply say each are playing their—subtly trying to advance their interests. For the United States we need to realize that our associations are deeper. They are based on democracy, largely, people to people, a large consensus of the people that elect the leadership.

These countries are animated by leaders who are distrustful, often deeply distrustful, and they are often subtly maneuvering against each other. I will give you an example.

China and Russia are competing now for influence in North Korea, and China is anxious about some of the steps that Russia has taken with North Korea.

China is competing with Russia in the Arctic and the Stans. It does not mean that there is a division or gulf, but it just means that there is a complex diplomacy among these various countries that are aggrieved by us, and we have to keep that in mind as we construct our own diplomacy toward them.

Senator BARRASSO. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Murphy.

Senator MURPHY. Thank you very much, Mr. Chairman.

Good to see you, Mr. Secretary.

Mr. CAMPBELL. Thank you, Senator.

Senator MURPHY. I am going to ask you two questions, one on disinformation and one on China and the Middle East.

So one of China's most effective national security tools is propaganda and misinformation. Their investment dwarfs the investment the United States makes.

Estimates are China is spending somewhere in the neighborhood of \$7 billion per year. The United States, clearly, does some of this work through the Department of Defense, but inside the Department of State exists the Global Engagement Center, which is funded at a relatively paltry \$61 million, but over the course of the last half-decade has done some pretty extraordinary work to track Chinese misinformation and to help local actors be able to fight back.

The Global Engagement Center is set to expire. The authorization for the center is set to expire at the end of this year. What would be the impact if we lost the capacity to help coordinate with allies, help to fund efforts in and around the Chinese theater to combat Chinese misinformation, if we lost the authorization for the Global Engagement Center?

Mr. CAMPBELL. Senator, first of all, thank you for the question. Let me just say I think some of the work that the GEC has done in the last couple of years is deeply innovative and helpful to American purpose, and I commend the work under Jamie Rubin, the leader of the organization—others who work underneath him.

I will simply say this. What it has done that has been—made a difference in a number of places is simply illuminating the strate-

gies—the actors and the strategy that both China and Russia have undertaken.

And so the these countries' ability—China, Russia—to manipulate and maneuver is done, largely, out of public view. When you expose it, it actually can be quite purposeful and effective.

I would simply say that you are absolutely right. It is a small amount of money. We have a little bit at DOD that we are working. But the challenge is enormous. I will just give you one example, Senator.

When I was asked to go to the Solomons to basically contest what the Chinese were doing there, I remember waking up in the morning, getting the local newspaper. On the cover—this is right after the war had started in Ukraine—was a long story about the chemical and biological weapons facilities that the United States maintained in Ukraine.

Clearly, effective Russian and Chinese disinformation, and we just have to do a better job contesting this globally. A first step would just be the GEC reauthorized. I think the GEC has done more on Russia than China, but I think it is stepping up its game substantially on China as well.

Senator MURPHY. Yes. Just in the last year and a half 22 different reports produced by the GEC specifically naming Chinese propaganda efforts, which as you state is sort of the first and sometimes most effective tool.

Let me turn to the Gulf. Obviously, we have had a number of conversations in this committee about the Administration's conversation around extending a security guarantee to Saudi Arabia. That would impact our broader security obligations in the region toward all of our Gulf allies.

I want to ask you about the future of Gulf cooperation with China. I think the history suggests that our Gulf allies are sort of seeking to have it both ways, will play the United States off against China fairly regularly, and there is very recent evidence of that: Saudi Arabia's massive investment in the leading Chinese AI company, certainly, contrary to U.S. national security interests, the ongoing maturation of UAE's defense relationship with China.

I guess I have two sort of simple questions for you on this portfolio. One, do you agree that a security treaty with a country like Saudi Arabia only makes sense if our China policies are aligned, and two, is there any reason to be optimistic that the Gulf nations are going to do anything other than continue to play the United States and China off against each other to get the best deals that they can get on economic investment, security relationships, et cetera?

Mr. CAMPBELL. So it is an important question, and I do think when we are talking about some of these fundamental decisions on the part of the United States security guarantees, substantial investments in technology, we often say, look, we do not ask countries to choose, but we want them to have choice.

In certain circumstances where we are putting our stuff on the line whether technology or our commitment to support you, I am afraid it is a binary choice, and I think we would have to insist on that as we go forward.

I will say the Middle East is complicated. Senator, you talked about the whole region. There was a period not long ago where Israel, also very deep engagements with China and the United States, has chosen, largely, now to engage directly with the United States because they understand the nature of what they were doing had implications for their own security given China's other actions.

I would not want to go through a taxonomy of each country in the Gulf, but my guess is that we will have more luck with some than others.

But ultimately the process of this all rests on other issues being resolved, and it is just enormously challenging. So I do think we are right to try to contest. It is an important region.

But at the same time we also have to be clear that we have some real advantages. Our technology, our security guarantee, must not be given lightly, and we must demand many things in response.

The CHAIRMAN. Senator Kaine.

Senator KAINE. Thank you, Mr. Chair.

Secretary Campbell, good to have you.

A comment and two questions.

So the comment is in a response to an earlier question you talked about the real importance of focusing on the Global South, and of course, we should.

Africa and the Americas—32 of the 35 youngest countries in the world are in Africa, and the population growth there as well as a whole lot of other factors make it a really important area of strategic focus.

And in the Americas the challenges we have at the border, the challenges with fentanyl, just everyday Americans' concerns about the globe often are issues related to the Americas and political instability there.

And yet, we say that a lot but we are just not doing it. The Article 1 branch, we have to own the absence of confirmed ambassadors, more than 20 openings in the Americas and in Africa.

But the Article 2 branch—I just came from the hearing about the 2022 National Defense Strategy. That strategy has one paragraph about the entire Western Hemisphere, not much more about Africa.

We are actually reducing military investments in AFRICOM and SOUTHCOM. They continually raise that they are under resourced.

We had an opportunity in the area of the world I am most familiar with, the Americas. We had a real opportunity in Ecuador following a popular election that threw out a long time pro-China government to step up and help Ecuador be a success story—a pro-democracy success story.

The previous president said, all you got to do is put me in a trade deal. I am the only nation on the Pacific coast of the United States—of the Americas that does not have a trade deal with the U.S.

Ecuador did not have one because of the pro-China government that had been in place for 25 years. We did not do it. We basically—the Administration, and I strongly support this Administration but the view is that trade deals are not good politics. We did not do the one thing that President Lasso was asking us to do, and now we have a much more complicated situation in Ecuador.

So the comment that I am going to make, and then I will move to a question, is we talk about the Global South a lot but if you measure it by resources, if you measure it by energy or focus, we are going backward, not forward, and that really, really troubles me.

Now, my question is this. On the fentanyl topic, in November 2023 Presidents Biden and Xi met in Woodside, California, and they talked about steps that China might take to begin helping us interdict fentanyl by blocking precursors, largely, from coming into Mexico.

Nine months later, what is the report card on whether those commitments by China are being met or not?

Mr. CAMPBELL. Yes, thank you.

First of all, just on your first questions, when you travel around you are left with, particularly in the Global South, with a sense of there is so much more to do, and there is a concern, as you suggest, Senator, that maybe we are going the other direction.

And I—as a person who has long supported the Indo-Pacific, I recognize that we are moving more of our capacity there. But I do not think we should be short shrifting, shortchanging, our engagements in Africa or Latin America. It will come back to haunt us.

So I share those issues. I believe in them as well. I will also say that we talk about contesting narratives that the Chinese and the Russians promulgate in the Global South.

The dominant one that the Chinese and Russians use is the idea of American decline and that those views can be pernicious, and frankly, they can use disinformation, and they can also use headlines from our own newspapers.

I think one of the things that I would suggest is that when we come together in bills or activities that suggest national purpose and a degree of consensus, that is the area that we have largely been the strongest.

I see that more, frankly, now in the Indo-Pacific than I do in the Global South. My hope is this committee in the future will help us think about bipartisan approaches that are not just about military but are about our levers of ability to invest, diplomats just across the board.

I think I am probably preaching to the choir here. So the best grade I could give on the fentanyl—I was at Woodside, I was involved in this diplomacy closely—would be an incomplete.

There are some modest steps that the Chinese have taken. There are some criminal prosecutions they have undertaken. They have wrapped up a few of the companies involved.

I do just want to underscore how challenging this is. These are very—there are a large number of precursor chemicals and a large number of companies. They are innovative. They are moving around Asia.

I think one of the reasons that China is addressing this issue is not just because we have asked but Congress has been deeply engaged as well. Frankly, probably the visit of Senator Schumer and the team to China in advance of that had as much of impact than anything that we have done.

But I would also say it is the case that synthetic opioids are not just affecting the United States. Europe and parts of Asia and

China as well. This is a global scourge. I think increasingly the Chinese recognize that since so much of that is coming from manufacturers in China that they have to take more steps.

They have not done so to date, and we need to stay on them, and this is a critical national security issue for us. I commend you for raising it and focusing on it.

Senator Kaine. Thank you.

Thank you, Mr. Chair.

The CHAIRMAN. Senator Booker.

Senator BOOKER. Thanks so much.

I want to pick up on some of the themes that my friend Tim Kaine brought up.

But so grateful that you are here. But I just want to pick up on something because it—this concern about China and its dealings with Saudi Arabia. Can we just be specific for a second?

We are in negotiations with Saudi Arabia on a treaty right now, correct?

Mr. CAMPBELL. So I think it would be fair to say that we are in deep negotiations right with the Saudis.

Senator BOOKER. Right. I just wanted—

Mr. CAMPBELL. The ultimate manifestation there are many features of—yes.

Senator BOOKER. Many permutations. I understand that. I do not want to take all my time doing that.

I guess what I am trying to say is when I am in the region, when I am sitting with leaders there, they want to deal with the United States of America. They want deeper ties, deeper relationships.

They know that from technology to economy to military we are their preferred dance partner. But when we do not engage with them, they are looking for other dance partners to hedge their bets. That is a fair statement, correct?

Mr. CAMPBELL. Yes.

Senator BOOKER. Now, when it comes to our competition with China, if we find a way to move forward with Saudi Arabia, we get a lot of advantages by locking them in to things that benefit us, whether it is while China and Russia are trying to undermine our currency, we secure the dollar being used for oil trade. While we have a fierce competition going on militarily we have shown that when we lean into partnerships not only with our competitors in Russia or China but even with our competition for military sales with European countries we lock Saudi Arabia in.

And then when it comes to the economy or technology transfers, we have been able to use our partnerships with other countries to box out the Chinese.

And so this is a time that I see if we are really talking about a global competition, to pick our partners and further lock in American advantages. Would you not say that that is the opportunity that we are at least seeking in these negotiations?

Mr. CAMPBELL. Senator, that is exactly the strategy that we have attempted. I think it has borne the most fruit in the Indo-Pacific and that is—we have talked about this earlier.

That is the Quad. That is AUKUS. That is the trilateral with Japan and South Korea, mending fences. It is bringing the Phil-

ippines in. It is working with Southeast Asia, with Thailand, with Vietnam, with India.

Senator BOOKER. Yes. So whether you are talking about India, whether you are talking about Japan, whether you are talking about Australia, whether you are talking about European allies, whether you are talking about Africa or South America, people are looking for strong partnerships, and when we step up people prefer to deal with us because China has a really bad reputation in these countries.

Is that correct?

Mr. CAMPBELL. So, look, I would say that a job like mine, probably a job like yours, there is lots of stuff that could get you down.

But I will tell you that the thing that has encouraged me everywhere I have gone is that the demand signal for American engagement is high, and even though they have doubts sometimes I can—I sometimes sense you walk into a meeting with a leader, he is trying to size up, like, are these guys committed, and are they going to be there.

If you are able to show them that you are going to engage with sincerity, and that you are not coming alone, you are working other agencies in the U.S. Government and with other partners globally that believe in the things that you are advancing, you can have a real impact on the ground.

And I have seen that throughout all the—one of the things that—in my confirmation hearing you asked me you said, Kurt, do not just do the Indo-Pacific. Go to Africa. So I have been twice. I have found those countries are thirsty for a deeper American engagement. I intend to do everything I can to support that.

So I do think we tend to underestimate ourselves. Our value proposition is strong—military, technologically, education, everything—and I just think our most important thing is to have confidence and our—

Senator BOOKER. And my time is running out.

Mr. CAMPBELL. OK.

Senator BOOKER. Music to my ears to hear you say all that.

I guess two frustrations. One, not on you, on us. I have seen the power of great ambassadors in the Global South to extend the American influence, connection, opportunity.

I mean, if you look at Kenya as a great example of what an ambassador can—so the fact that we have so many vacancies is, to me, stunning.

It is shooting ourselves in the foot in many ways, undermining our ability to compete. It is like Stanford trying to play Notre Dame and benching three or four of its players and playing with a shorthand.

I just want to add to that because I know other people have said it. But for the final point I want to bring up here is what is frustrating to me when I do travel to Africa is to see how—obviously, important we see our military strength in trying to counter what we are seeing in the Sahel terrorism. Nobody can argue with that.

But the thing that inspires me the most is when I visit and see the power of U.S. investments, not just in Feed the Future or PEPFAR, but business investments and infrastructure investments—

Mr. CAMPBELL. Yes.

Senator BOOKER [continuing]. The unbelievable, just the Lobito corridor investment——

Mr. CAMPBELL. Yes.

Senator BOOKER [continuing]. Is, to me, how you really do counter what China is trying to do and the urgencies for that.

And so I guess what I want to just have you finish on is something as simple as the Development Finance Corporation, which is an incredible tool to compete with, and Congress is going to be considering reauthorizing the BUILD Act, which created the DFC.

Just for the record, can you express the urgency for something like this as well as improvements that we could be making in the program as it stands right now?

Mr. CAMPBELL. Great. Thank you, and great questions.

Can I just build on a point that you made?

So when you are in a job like mine you go to these embassies, and you are constantly evaluating leadership there.

I was just in Gabon. Not a lot of Americans go to visit. First time ambassador. Probably one of the most effective young women, and I watched her engage her team. The State Department occasionally can have highly hierarchical—these guys, young people first tour, pitching in feeling they could talk in meetings, hugely impressed, and small amount of assistance, but taking it to the maximum.

So I left there, just like when you went to Kenya, incredibly, unbelievably motivated, wanting to do more and realizing that we can get that done.

The DFC is an unusually effective tool. It is incredibly effective. Senator, before you came I got to be the person to do the groundbreaking of a major DFC initiative in Senegal. It was sensational because unlike Chinese projects that they build their—bring their own people and their own equipment——

The CHAIRMAN. I think we are going to have to leave it at that. Sorry. I would give 2 extra minutes but——

Mr. CAMPBELL. OK. So I would completely support. This is incredibly important. DFC—what you need to do is leverage financing. They need more leverage. Like all finance institutions, five to one, six to one, seven to one. That would help. Thanks.

The CHAIRMAN. Senator Van Hollen.

Senator VAN HOLLEN. Thank you, Mr. Chairman.

Mr. Secretary, thank you for your service. Thank you for your strong backing for the men and women of the Foreign Service and for the entire State Department team.

Appreciate all that you are doing on their behalf, and I do want to just second the remarks made by some of my colleagues, which you have underscored, which is we need all our players on the playing field.

It makes no sense and undermines our interests every day that we do not have ambassadors on post at places around the world. Over 20 of them where China has an ambassador we do not, but just in general to represent the values and interests of the United States.

So it is a dereliction of duty, in my view, that we are not moving these men and women through the process. You mentioned our am-

bassador in Gabon and I think she is representative of the great ambassadors that we have around the world.

Just to underscore a couple points that you have made and my colleagues have made, first of all, in terms of engaging our NATO and European partners and East Asian partners in support of both our efforts to defend Ukraine against Putin but also to counter China's efforts to support Russia and Putin and the war machine, not with direct arms transfers but supporting the military industrial base, thank you for your efforts to have a collective initiative with our European partners.

I know we need to do more, and I know you are working on that in terms of sanctions on Chinese firms there. Finally, across the Global South you cannot beat something with nothing.

As you say, we do not ask everybody to choose between the United States and China. We ask them to look at what we both have to offer. We have a lot to offer in terms of our open system, transparency, accountability, investment, but we are not fully engaging in terms of the economic front.

DFC is a critical tool. Look, I support our military efforts in Africa, China, but my view is that we are probably over weighted there and under weighted when it comes to these other areas of competition.

Now, some parts of the world do not need our direct public investment. They do not need a subsidy. They do not need the DFC, and that includes Saudi Arabia, some of the Gulf countries like the UAE, and I just was 2 weeks ago on a trip that included stops in Saudi Arabia and the UAE.

In Saudi Arabia I met with the Crown Prince. I also met with the minister of communications Abdullah Alswawa. He mentioned that he had had a very productive meeting with you.

And then in the UAE lots of interest in moving forward in this partnership with between G-42 and Microsoft. So I want to go back a little bit to the question that Senator Murphy raised and Senator Booker really alluded to.

On the one hand, we definitely want to be the players of choice when it comes to investment in high tech, right. It was very clear, both the Saudis and the folks in the UAE, they want to engage, first and foremost, with U.S. companies because of U.S. technological expertise.

On the other hand, we do want to make sure that our partners are not transferring important technological secrets to China and others.

Can you look through that lens a little bit—Saudi Arabia and UAE—and tell me how we would balance those competing interests?

Mr. CAMPBELL. First of all, thank you, Senator.

I agree with the value proposition, and I think in many respects it really comes down, if I can be so direct, to the nature of the negotiation, and we need to understand that what we are putting on the table in each of these relationships is extraordinarily valuable.

It is our technological prowess which is unmatched in most of these areas in AI and the like. We are the leader, and we will continue to be, and there is a huge advantage to work more closely with an American firm.

Second, our security engagement is stabilizing and important to a number of these countries, and so recognizing that in any set of engagements that are around the future of our relationship, we probably have the ability to be quite direct about what our expectations are and then follow through on that.

And so I am very much of the view to explore and deepen these partnerships. But yes, there has been a tendency in the past to basically seek to have it both ways in certain circumstances.

When it comes to these fundamental issues that are so important to American strategic purpose we have to be unambiguous about this. They are going to have to make some choices.

Senator VAN HOLLEN. I appreciate it. Thank you, Mr. Secretary. Thank you, Mr. Chair.

The CHAIRMAN. Senator Duckworth.

Senator DUCKWORTH. Thank you, Mr. Chairman.

Good morning, Deputy Secretary Campbell.

Mr. CAMPBELL. Hi, Senator.

Senator DUCKWORTH. It is so good to see you again.

I have really appreciated that over the course of our relationship we have been able to be quite candid with one another, particularly as I reflect on when I think the United States has missed its mark on its past engagement.

So I want to ask you today to think critically about where we can improve our efforts. And I think we can look outside the Indo-Pacific to make these assessments when it comes to our strategic competition with the PRC.

But I also think there are cases within the Indo-Pacific. For example, I just got back from Laos and Vietnam where I was the first U.S. Senator to visit Laos in 15 years, and I found a country hungry for U.S. presence, and I found a country littered with debt trap infrastructure projects that they will never be able to pay back.

Crumbling roads that were built with borrowed money to the tunes of billions of dollars that are not generating any revenue. And yet, I saw so many opportunities, something as simple as I went out and visited an ADB—an Asian Development Bank—project where they help local villages next to major natural resource tourist sites build a whole place where people can go swimming in these beautiful lagoons, and they get over 500 visitors a day at each of these sites.

And in talking with them they said, when we have problems with tourists in the lagoons getting into swimming trouble, and they are about to drown, it is the American tourists who are pulling them up because American tourists have lifeguard training, many of them, and first aid training, and it would be great if somebody could provide us with lifeguard training.

We would pay our young people, and they would not have to move to the big cities or leave the country, and something as simple as that, brainstorming with our ambassador to try to find funding for simple U.S. lifeguard training which they would love to have—low cost, high impact, really good projects that could be happening.

And so I think in order for the United States to be seen as a credible, reliable partner and provide an alternate choice to the PRC where we do not have a strong track record of a security rela-

tionship we need to at least be showing up—things like this life-guard training or some of this.

But I also think that there was an opportunity for capacity building in public health in particular. So can you tell us something about how the U.S. approach with partner nations in a public health space and other areas like this can build trust and enhance our presence in the region beyond—we rely too much on security and defense, think.

Mr. CAMPBELL. Yes. So, first of all, Senator, let me just thank you. You have been a voice that has consistently asked for more engagement of the United States in ASEAN and specific countries, and I would also say I am grateful that you raise cases of small countries like Laos and Cambodia.

There is a tendency sometimes to think that these countries are just in the Chinese orbit, and that is that. But the truth is that when we set up the first ASEAN summit, which you were a key backer of 2 years ago, when we brought all the ASEAN leaders to Washington, it was difficult to get agreement among all these nations to come.

The two nations that were quietly some of the strongest voices in having that happen were Laos and Cambodia because they too want options. They want a deeper relationship.

I love the idea of lifeguards. Anything that you think we could do that—high impact—I am all ears for. I am going to go back to the building right now and see what is possible.

I will say this, Senator. Our greatest thing in Southeast Asia is that we engage ASEAN as an institution as well as individual countries. I think we have done very well in Vietnam. We have done very well in the Philippines.

I think we have we have engaged effectively in Indonesia. But I think we could do more in a number of countries—Malaysia, Thailand, Laos, and Cambodia. And I want to thank you. You in particular have pushed us to do more.

I think we have a few things that we would like to do in this arena as we approach the end of the Biden administration. So I completely accept the proposition and am always looking to do more for our friends and partners in Southeast Asia.

Senator DUCKWORTH. Wonderful. I am almost out of time. I would love to be able to meet with you and talk with you a little bit about some of these initiatives later.

Mr. CAMPBELL. Done.

Senator DUCKWORTH. Thank you.

And also the Pacific Island countries. I am glad that Congress finally funded and renewed COFA—the COFA agreement, thank goodness.

Mr. CAMPBELL. You have got to give yourselves a bigger pat on the back than that. Let us be clear, in a period of unbelievable division one thing got through, the COFA agreement.

After 20 years, a negotiation that was really hard was passed by the Senate and the House. A huge, huge achievement. Made a big impression on our countries in the Pacific. So you should not dismiss that. That was a big act of legislative leadership and helped us enormously.

We are doing much better in the Pacific than we were 3 years ago, and that is largely because of the urging and support of this committee.

Senator DUCKWORTH. An expansion of more of our consular activities in the region would be really helpful.

Mr. CAMPBELL. So look—

Senator DUCKWORTH. You touched on it earlier.

Mr. CAMPBELL. We are doing this. Senator Risch and his team have urged us. Look, the restrictions on new buildings and how to build stuff is hard and difficult. We have sought exceptions.

We are actually working with other like minded countries that we can put our diplomats at their facilities. We need to do more in the Pacific. This is—we have moral, historic, strategic reasons. We are doing more. We are better. We are working with our allies and partners.

Ultimately, we have got to be able to represent ourselves. These island nations are proud. They have been with us for decades. They vote with us. We should not take them for granted.

Senator DUCKWORTH. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Senator Risch.

Senator RISCH. Well, thank you.

First of all, thanks for that recognition, and I agree, this is a huge bipartisan victory, really, for Congress, and I think probably most Americans do not have a full appreciation of how important the Pacific Region is as far as our competition with China is concerned.

China is incredibly active, as you know. So glad to have been a part of that, and we will continue that.

Two quick things. I was happy to hear your assessment of where the Europeans are as far as their view of China. It has been evolving, fortunately.

I found that when I drafted the REPO bill, the first fight I had was with our own Administration and finally brought them along, kicking and screaming. But then the Europeans pushed back really hard. I had real trouble with the Germans.

But they have reversed their position on that, much to the credit of the Belgians who came up with some really outside the box ideas about how to handle this, and I cannot tell you how appreciative we are of that, and I have explained that to them on a number of occasions.

So we need to continue to nurture that. I think we are on the right track there, and I think it is really a good thing to do.

As a last point, I really appreciate your remarks about India and how they are important in our relationships.

But boy, I will tell you, that is a heavy lift sometimes. We all have that picture emblazoned in our mind of Modi hugging Putin, and that was within 24 hours of the time Putin had pulled the trigger on attacking a children's hospital in Ukraine and killing a bunch of little kids, and to see him on the—Modi on the front page of the paper embracing Putin, man, that is a bitter pill to swallow.

And I understand they are in a geographic location and have a historical connection there but man, oh man, that is tough. They

are an important actor. There is no question about it. But man, it is tough. Your thoughts?

Mr. CAMPBELL. So, Senator, I would pretty much associate myself with that. I actually believe it is probably the most important relationship for the United States to get right. Huge capacity, wonderful diaspora in the United States that connects our two great countries.

I believe that the vast majority of people in India want a better relationship with the United States. They are grateful for our bipartisan attention. They like the work that we have done together in education and technology.

We have supported them in intelligence and military along the line of actual control, and in the Indian Ocean we have stepped up in a variety of areas, and I think that is important, and I do believe that we have bent India's trajectory in ways that are consequential and very much in our interests.

I will also say, though, Senator, one of the hardest things to keep in mind is that India is also great power, and it has its own beliefs, its own interests. They will never be a formal ally or partner of the United States.

But it does not mean that we cannot have the strongest of possible relationships as allied nations on the global stage.

I am not going to—you said it effectively about Russia—I am not going to add to that directly. I will say I think we are likely to hear news of India engaging more directly in Ukraine. I am grateful for that.

I think India wants to play a responsible role globally and there are very few other countries in the world that have such an appeal to the Global South, and their ability to engage there is unmatched and we are seeking to work with them there, in Africa, and elsewhere.

So I think you have got to take—if I could just tell you my own sense, you have got to take comfort in some of these things and recognize fundamentally that in a number of things that we are engaged in, India is an active and supportive partner and build on those things, and over time hopefully we will have less of those things that you point to that cause us concern.

Senator RISCH. Thanks for that assessment.

The CHAIRMAN. Well, Secretary Campbell, thank you very much for your service to our country and for your being here today.

Several times you mentioned how China is portraying information which is disinformation about the United States, how they use our democratic systems and free media availabilities and comments to use it against us.

It just underscores to me the importance for us to invest more in regards to communication of our values and our beliefs and our facts.

Senator Coons mentioned the work of his committee in the Appropriations Committee. I strongly admire his leadership on that committee, along with Senator Graham.

But the truth is we are not investing enough, and communications is one area that we are not investing enough. We have to be active globally now in communication.

There used to be a time with Radio Free Europe, that was where the whole game is.

Mr. CAMPBELL. Yes.

The CHAIRMAN. Now we got to be communicating around the world because of misinformation, disinformation, so much being given.

So I would just urge you in your planning to understand that we recognize that, and we have tried to reform the model on communication. But we also need to fund it and be more nimble than we are today to respond to the challenges we have around the world with disinformation, China being one of the major purveyors of disinformation.

Mr. CAMPBELL. Yes. If I can just say, Senator, I fully accept that, and I also just want to underscore that if any member of the committee or any member of the staff needs support or needs to engage we will get back to them immediately.

And I also want to thank you both. We have worked very closely with your very strong teams—the staff—and I very much appreciate the work that they have helped us with from AUKUS to the Pacific through issues with Taiwan.

So grateful for the bipartisan efforts, and I will do everything possible to make sure that our partnership is tight.

The CHAIRMAN. Well, your comments about supporting the career people at the State Department, and we should beat up on you instead, but we did not beat up on you very much.

Mr. CAMPBELL. Yes, I am hopeful that will be the next one.

Senator RISCH. We will catch up.

Mr. CAMPBELL. All right. Thank you.

The CHAIRMAN. The committee record will stay open until the close of business tomorrow for questions that may be submitted for the record. We would ask that you respond to them quickly.

And with that, this committee will stand adjourned.

[Whereupon, at 12:07 p.m., the hearing was adjourned.]

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

RESPONSES OF MR. KURT CAMPBELL TO QUESTIONS SUBMITTED BY SENATOR BENJAMIN L. CARDIN

Question. How does the number of vacancies for diplomatic posts in African countries compare to vacancies in other regions of the world?

Answer. When looking at average-sized embassies across regions, diplomatic posts in African countries have a higher rate of vacancies than other regional bureaus.

Question. Staffing in Africa: What are the key challenges to filling these vacancies?

Answer. Insufficient infrastructure, inadequate schools, health care challenges, a global shortage of mid-level Foreign Service Officers, and the remote nature of many postings in Africa are inherent impediments to getting our posts to full staffing. The Department maintains robust monetary and non-monetary incentives in place to encourage service in the region, and Africa Bureau leadership has prioritized recruitment and retention of talented staff to U.S. missions in Africa.

Question. Staffing in Africa: How will sun-setting the historically difficult to staff designation and limiting the service needs differential impact State's ability to fill posts in Africa?

Answer. Inclusion in the previous Historically Difficult to Staff (HDS) program was based upon the number of bids a post received. With the shortfall in foreign

service personnel, many posts were designated HDS which would not normally be considered difficult to fill. Under Flex Bid, the Department changed the calculation to one based upon vacancy rates to target those posts which have historically sustained long staffing gaps. This reduced the number of posts which previously qualified for the designation and incentivizes employees to bid on Flex Bid assignments. The Bureau of African Affairs has nearly 50 percent of all Flex Bid posts.

Question. Disinformation/Public Diplomacy in Africa: According to the African Center for Strategic Studies, the PRC's StarTimes is the second largest digital TV provider in Africa. The PRC trains a large number of African journalists and then employs them at PRC-owned media outlets. Furthermore, African reporters criticizing the PRC or their government's interactions with officials from Beijing face threats, article censorship, and direct criticism from the PRC embassy.

What have been the most successful initiatives that the Department has led to bolster U.S. public diplomacy in Africa?

Answer. The People's Republic of China's global information manipulation is not simply a matter of public diplomacy—but a challenge to the integrity of the global information space. Through exchange programs and grants at the mission-level to train journalists on data verification and disinformation and fact checking, the Department has been actively engaged with journalists, providing tools to protect the integrity of factual reporting. Identifying mis- and disinformation, writing impactful fact checked articles, and being accountable to readers and listeners have been pivotal components to ensure citizens trust their news sources.

Question. Economic Competition in Latin America and the Caribbean: U.S. democratic partners in Latin America seek greater alignment with the United States, particularly on commercial and trade issues, but these partners often state that the United States is not showing up like the PRC. The Administration's Americas Partnership for Economic Prosperity (APEP) initiative has a vision to deepen integration, create sustainable well-paying jobs, and promote more secure and resilient supply chains. But APEP needs far greater resources to be effective and does not provide preferential market access, which the PRC is actively offering in the Hemisphere.

Please cite specific, recent success stories for U.S. economic diplomacy in Latin America as well as any lessons learned to replicate this success in the region.

Answer. We have coordinated two semiconductor symposiums that convened governments, private sectors, and educational institutions from all 12 Americas Partnership countries to galvanize economic opportunities. Accelerator programs have begun training nearly 200 entrepreneurs, mostly women and Indigenous people, with the goal of supporting more than 750 social impact startups. The Americas Partnership Platform, which facilitates co-investment in critical infrastructure with the private sector, has identified nearly \$3 billion in potential projects.

Question. Diplomatic Expansion in the Caribbean: The Caribbean is a strategically vital region to the United States, given its geographic proximity and role as a key hub for commercial logistics. For the past two decades, the PRC has been strategically targeting the region, which is home to three of the world's 12 remaining countries that have diplomatic ties with Taiwan—Saint Kitts and Nevis, Saint Lucia, and Saint Vincent and the Grenadines. The Caribbean has also seen an eightfold increase in bilateral trade with the PRC and substantial engagements with PRC security institutions. The success of the PRC's efforts can be attributed in large part to its successful people-to-people diplomacy and having embassies in most countries, vastly outpacing the U.S. It is important that the Administration move forward with its plan to establish two new embassies in the region, but there is still a lot of catching up to do in terms of diplomatic competition.

What is the plan and timeline for opening new posts in the Caribbean?

Answer. New post openings require a decisionmaking process laid out in volume 2, section 411 of the Foreign Affairs Manual. The process for expansion in the Eastern Caribbean moved to the final phase following approval from the Under Secretaries for Political Affairs and Management to do so. The Department sent teams to Antigua and Barbuda, and St. Lucia to review commercially available facilities this summer. The President's fiscal year 2025 budget request includes \$20 million in embassy security, construction, and maintenance funding and \$1.5 million in WHA program funding for two potential Eastern Caribbean post openings.

Question. The Inter-American Development Bank (IDB): The IDB has announced a capital increase of \$3.5 billion for the bank's private sector arm, IDB Invest. The increase will double IDB Invest's ability to channel resources to the Latin America region to around \$19 billion per year from the current approximate of \$8 billion per

year. While the U.S. is the largest shareholder in both the IDB and IDB Invest, there has been concern among some of my colleagues in recent years about PRC influence and contract awards within the IDB. But if we really care about countering such influence, the United States needs to show up. Last time in 2016 when the IDB Invest had a capital increase there were consequences when the U.S. failed to participate, namely the PRC acquired additional shareholding power.

How important is it for Congress to authorize U.S. participation in the capital increase?

Answer. Congressional support for the Inter-American Development Bank (IDB) Invest capital increase would demonstrate U.S. leadership in the Americas and help deliver both sustainable and inclusive long-term growth and quality jobs. The People's Republic of China (PRC) wants to expand its shareholding and influence at IDB Invest, and U.S. failure to participate in the capital increase would give the PRC an opening to do so, as it did when the United States declined to participate in the 2015 capital increase. Our absence then reduced our shareholding from 23 percent to 15 percent, while the PRC grew its stake from 0.2 percent to 4.8 percent.

Question. Outer Space—Latin America: The PRC has expanded their robust civilian space system in Latin America, with several ground stations in Bolivia, Venezuela, Peru, and Argentina. Brazil and Chile are home to additional research facilities that have launched joint satellites. While the United States still maintains dominance over space stations and facilities across the globe, the PRC's growing space infrastructure in Latin America and its growing partnerships with Latin American countries on space issues pose significant concerns to U.S. national interests.

What is the scope of partnerships that the PRC maintains with Latin American countries on space issues?

Answer. Latin America remains a key region for the People's Republic of China (PRC) space situational awareness development. In expanding space cooperation, the PRC seeks to strengthen ties with strategic regional partners and undercut Western and American-led alliances and institutions. For example, the PRC and Peru have collaborated on projects within the Asia-Pacific Space Cooperation Organization. The PRC also expressed interest in space collaboration with the Latin American and Caribbean Space Agency (ALCE) through the creation of a China-ALCE Forum.

Question. Information Operations in Latin America and the Caribbean: Growing levels of foreign information operations in Latin America and the Caribbean pose a significant risk for democratic governance, human rights, and U.S. national interests. While Russia is perhaps the largest, most prominent purveyor of foreign disinformation in the region, the Chinese Communist Party and PRC state-affiliated media networks are increasing their efforts to undermine support for Taiwan and spread other harmful narratives seeking to undermine U.S. support. There have been a number of anecdotal examples of the PRC engaging in coordinated inauthentic behavior, getting state media content regularly published with limited transparency in multiple local outlets, and coopting journalists through robust exchange programs.

How do U.S. public diplomacy funds in Latin American compare to other regions of the world?

Answer. Public diplomacy plays a vital role in combatting Russian and People Republic of China's efforts to manipulate information and undermine U.S. values and interests in the Western Hemisphere. Our strategic messaging and programming in the region aim to reinforce the ability of local populations to understand, resist, and recover from disinformation, false and misleading content, and threats in the information space. The Department's funding level for public diplomacy programming and strategic messaging in the region stands at \$56.9 million in fiscal year 2024 (17 percent of total regional fiscal year 2024 funding).

Question. India: The Administration has made great strides in advancing the U.S. partnership with India, and India has often portrayed itself as a leader of the global south.

Has India assisted in combatting Russian and PRC disinformation in the global south as it relates to Russia's war in Ukraine? If so, can you cite any specific instances?

Answer. While the Department is not aware of any specific efforts by India to combat the People's Republic of China or Russian disinformation in the Global South as it relates to Russia's war in Ukraine, we work closely with India in combatting foreign information manipulation through the Quad Countering

Disinformation Working Group. We continue to ask all our partners, including India, to support Ukrainian efforts toward a just and lasting peace, consistent with the purposes and principles of the United Nations Charter, and to urge Russia to withdraw its forces from Ukraine's sovereign territory.

Question. Last month, the PRC issued guidelines to criminalize activities that constitute “a crime related to Taiwan independence,” and have threatened the death penalty as the maximum punishment. As written, this could include participating in quote “Taiwan separatist organizations” or promoting Taiwan’s participation in international organizations. The guidelines even allow courts to try Taiwanese individuals in absentia. Clearly this is yet another attempt to silence those who express support for Taiwan both within and outside the region.

How is the Administration engaging with countries on this issue, particularly those who maintain extradition treaties with the PRC?

Answer. We strongly condemn the Peoples Republic of China’s promulgation of judicial guidelines aimed at intimidating the people in Taiwan and advocates of Taiwan’s constructive role in the world—including American scholars—as provocative and dangerous. We have made this clear publicly and in our private engagements with third countries. At the same time, we continue to support Taiwan’s relationships around the world, both diplomatic and unofficial, as well as Taiwan’s meaningful participation in the United Nations system and other multilateral fora.

Question. AI Competition and the Global South: As the United States, China, Europe and other wealthy nations race to innovate and establish rules and norms for AI, other countries, particularly those in the global south, are increasingly voicing concern that they are being left behind. If the United States isn’t careful, we may find ourselves in a similar situation as we did with Huawei some years ago, except this time, many of these countries will begin reaching out to the PRC for help standing up their own AI models and capabilities.

Is the State Department working with the U.S. private sector to address this growing concern?

Answer. We work closely with the U.S. private sector to bring the benefits of U.S. Artificial Intelligence (AI) technology leadership to developing countries. State led the March adoption of a landmark United Nations General Assembly resolution on AI and sustainable development, which positioned the United States as a leading partner for the developing world. We are now working with U.S. companies to deliver on efforts to bring AI solutions and capacity building to developing countries, including \$100 million in combined commitments from the private sector and State through the Partnership for Global Inclusivity on AI.

Question. CHIPS Funding and U.S. Values: The passage of the CHIPS Act in 2021 was a generational investment in U.S. competitiveness and an important first step at diversifying international supply chains for semiconductors. Many countries have expressed their eagerness to partner with the United States under CHIPS semiconductor supply chain funding. However, these funds should be provided to those who have truly demonstrated a willingness to make progress on values the United States cares about, particularly democracy and human rights.

As the Administration identifies potential partners under CHIPS, how does the Administration factor in a partner nation’s commitment to U.S. values?

Answer. We are implementing the International Technology Security and Innovation (ITSI) Fund programming consistent with Organization for Economic Cooperation and Development (OECD) guidelines related to enhancing economic and social wellbeing. The Department assesses prospective partners’ commitment to a diversified global semiconductor supply chain that safeguards this technology from malign end uses. Current partners are participating in an OECD semiconductor ecosystem review, which will be made public and inform potential future ITSI Fund investments to increase market diversification and workforce development needs.

Question. What initiatives has the Department led with U.S. universities, particularly public universities, to make choosing to study in the U.S. easier and more accessible to the large and growing number of Southeast Asian foreign students?

Answer. We partner with a wide range of U.S. higher education institutions (HEIs) on programs that support students and administrators from Southeast Asian countries. Nearly 53,000 Southeast Asian students studied in the United States in from 2022 through 2023. Thirty-three EducationUSA advising centers in the region promote study in the United States, including recruitment fairs that reached more than 10,000 students in Southeast Asia last year. The Department implemented the U.S.-ASEAN University Connections Initiative, which convened university leaders to foster partnerships and student exchange between U.S. and ASEAN HEIs.

Question. English Language Training: U.S. Ambassadors in Asia often cite the transformative value of English language training. For places like Mongolia or Central Asia, with historic ties to Russia, learning English is the way to reach the next generation. In South and Southeast Asia, learning English makes it more likely that a student will come to the U.S., or go to Australia or the U.K. to study.

What are some of the Department's most successful programs today in promoting access to English language education?

Answer. Our English language programs are a first line of engagement for U.S. embassies. The English Language Fellow and Specialist Programs place 400 U.S. expert educators at institutions in more than 80 countries to train English educators and empower English learners. Each year, the English Access Scholarship Program educates approximately 15,000 underserved youth, providing educational and economic opportunities. The Fulbright English Teaching Assistant (ETA) Program places 64 ETAs in Southeast Asia, 40 in Central Asia, and seven in Mongolia annually, reaching additional communities.

Question. English Language Training: U.S. Ambassadors in Asia often cite the transformative value of English language training. For places like Mongolia or Central Asia, with historic ties to Russia, learning English is the way to reach the next generation. In South and Southeast Asia, learning English makes it more likely that a student will come to the U.S., or go to Australia or the U.K. to study. What is the Department doing to expand the reach of these programs?

Answer. The Department has expanded English language engagement and programs in these regions. In Central Asia, we created a growing network of English educators from Uzbekistan, Kazakhstan, Tajikistan, and Kyrgyzstan, bolstering regional cooperation and collaboration. In Vietnam, we engaged nearly 1,000 English teachers with new materials developed in partnership with the Vietnamese government. Secretary Blinken recently launched the U.S.-Mongolia Excellence in English initiative, benefiting hundreds of Mongolian teachers and tens of thousands of Mongolian students.

Question. Are there legacy public diplomacy programs that can be phased out to ensure we are getting the most impact out of U.S. investments?

Answer. We continuously evaluate the effectiveness of public diplomacy programs to ensure the maximum impact toward our foreign policy goals around the world. When evaluating a public diplomacy program, the Department considers our foreign policy goals and priorities, embassy demand, type of participant/audience reached, cost, participant outcomes, and stakeholder feedback. In the last 2 years, the Department has sunset two programs: TechCamp and Center Stage.

Question. What ideas do you have to enhance public-private partnerships to provide greater access to English language training in the global south?

Answer. The Department is actively pursuing new public-private partnerships (PPPs), in addition to established PPPs to support English language programs across the global south, including in modernized American Spaces. PPPs are collaborative relationships Department policy governs and distinct from "implementing partners," which are recipients via grants of federally appropriated funds to administer programs. PPPs expand the scope, reach, and effectiveness of programs, including English language programs, especially in regions of strategic importance.

RESPONSES OF MR. KURT CAMPBELL TO QUESTIONS
SUBMITTED BY SENATOR JAMES E. RISCH

Question. The Biden-Harris administration has failed to curb Chinese purchases of Iranian oil. Iran has earned a shocking 90 billion dollars in oil sales since 2021, primarily sold to Beijing. Not only does this oil revenue supercharge Iran's support for terrorism and its support for Russia in Ukraine, it provides China with cheap source of oil as it pursues its ambitions in the Pacific. Congress recently passed a broad package of sanctions against China for these purchases in the national security supplemental. In your testimony, you indicated it was "complicated." What are the barriers to enforcing sanctions against China for purchases of Iranian oil??

Answer. We continue to vigorously enforce oil sanctions on Iran. Iran is engaged almost exclusively in black market oil sales, receiving only a fraction of the proceeds. We have seen increasingly sophisticated evasion tactics, including Iran's utilization of a "ghost fleet" to evade detection and enforcement efforts as well as use of complex financial networks designed to circumvent U.S. sanctions. We continue to refine and expand our efforts to address these challenges and deter companies

vulnerable to being cut off from Western financial institutions from participating in such tactics.

Question. China continues to pursue a military-to-military relationship with the UAE, contrary to US interests. As the UAE and G42 work with Microsoft on AI initiatives, detail the steps the US and UAE are taking to safeguard American technology from CCP pilferage.

Answer. We have had constructive discussions with the United Arab Emirates, including G42, over connections to the People's Republic of China and steps they must take to safeguard U.S. technology, which we continue to evaluate. At the same time, we have developed our technology protection policies, including export controls, to mitigate the risk of U.S. technology being diverted to strategic competitors, and we will continue to do so. We have an interest in working with the U.S. private sector to bring countries into the U.S. tech ecosystem and decreasing dependencies on strategic competitors.

Question. Has the Department of State ever invited or encouraged China's participation in diplomatic or peace talks with respect to Ukraine, such as the recent talks in Switzerland? If so, what U.S. interests does it serve for China to be at the negotiating table?

Answer. We call on all countries to play a constructive role in securing a just and lasting peace for Ukraine. However, I have no illusions about the nature of the People's Republic of China (PRC)'s strategic partnership with Russia, and we see no indications of that changing. Beijing is not an honest broker, and I am realistic about Beijing's willingness to play a constructive, transparent role. The United States has warned the PRC against providing Russia economic and material support that enables the Kremlin's war machine.

Question. In the hearing, you commented that U.S. steps against Chinese financial institutions more significant than is known. Please provide more detail on these comments, including concrete impacts of such steps on the ability of China to support Russia's war in Ukraine.

Answer. President Biden made clear there would be consequences if the People's Republic of China (PRC) supported Russia's war effort in Ukraine. The United States has already sanctioned and listed more than 300 PRC-based entities that have provided dual-use material support to Russia's defense industrial base. We saw a reduction in exports to Russia early in 2024, and we know some PRC banks are refusing to process Russian payments. That said, data suggests PRC exports of high priority products are increasing again. The overall goal is for the PRC to support Russia's defense industrial base, and the PRC will look for ways to evade sanctions.

Question. What is the United States doing to provide competitive alternatives to Ukrainian government and businesses who may see China as a potential partner?

Answer. The United States continues to demonstrate that we are the partner of choice for Ukraine. The United States has built a global coalition of countries that are supporting Ukraine and united democracies as never before. With U.S. leadership, more than 50 partners and allies have stepped up to support Ukraine and impose costs on Russia in unprecedented ways. Our partners are providing more assistance to Ukraine than we are, about \$94 billion to our \$74 billion. They have funded roughly twice as much humanitarian assistance and budget support as we have and have hosted 4.5 million refugees, costing billions more. The European Union is working to secure another \$54 billion for Ukraine's economic recovery, and U.S. leadership is important to keep partners unified and engaged.

Question. Please define the United States' strategy and goals for countering PRC influence in the Western Balkans.

Answer. Integrating the Western Balkans into the European Union and North Atlantic Treaty Organization, as well as full regional economic integration are the most effective bulwarks against the People's Republic of China's influence. Our work accelerates reforms toward EU accession, supports regional economic integration, stems brain drain, and augments resilience to coercive influence. Our counter-PRC strategy includes engagement by U.S. officials alongside assistance to support the use of trusted vendors in critical infrastructure, develop investment screening, strengthen information security and cybersecurity, and increase energy diversification.

Question. Please define the United States' strategy and goals for competing with PRC security, economic, and political engagement in Central Asia.

Answer. The United States supports the sovereignty, territorial integrity, and political independence of Central Asian countries. We engage with Central Asian countries bilaterally to promote free trade, reduce business corruption, and expand rule of law in order to strengthen commercial ties and offer alternatives to People's Republic of China investment. Through the C5+1 platform, we strengthen cooperation among all five Central Asian countries to enhance economic connectivity and trade, mitigate climate change and environmental challenges, and jointly address security threats.

Question. Apart from making statements, what are State and DOD doing to deter China's further escalation against the Philippines near the Second Thomas Shoal in the near-term? Please note that we do not consider announcing supplemental FMF funding for the Philippines as a "near-term" action since it will not bear fruit immediately in terms of Philippine capability.

Answer. The United States stands with the Philippines as it resists the People's Republic of China's dangerous and destabilizing actions throughout the South China Sea. This extends well beyond verbal assurances, and the Departments of Defense and State would welcome the chance to brief the Committee in a classified setting. As the President has made clear, the 1951 United States-Philippines Mutual Defense Treaty extends to armed attacks against Philippine armed forces, aircraft, and public vessels—including those of its Coast Guard—anywhere in the South China Sea.

Question. Why is it in the U.S. interests to facilitate China's engagement with subnational actors on climate change given all the evidence of China using subnational diplomacy to exert malign influence in the United States and other countries?

Answer. We are clear-eyed about the People's Republic of China's (PRC) attempts to co-opt subnational and nongovernmental actors and are determined to push back against malign influence that exploits our openness. The Subnational Diplomacy Unit and the Office of China Coordination collaborate to regularly conduct briefings with local officials to raise awareness and bolster resilience to PRC influence. The PRC is the largest emitter, and we cannot keep a safer 1.5 Celsius future within reach unless the PRC acts faster to cut all its greenhouse gas emissions. We use diplomacy to enhance climate action to help ensure the world avoids the worst impacts of the climate crisis, which includes leveraging the many U.S. States, cities, and other subnational stakeholders that want to engage.

Question. Why did the United States support the inaugural event of this initiative at Berkeley, which failed to notify the U.S. Government of hundreds of millions of dollars in gifts and contracts from China, despite being required to do so by law?

Answer. The California-China Climate Institute (CCCI) hosted the U.S.-China High-Level Event on Subnational Climate Action. CCCI is a University of California (UC)-wide initiative housed jointly at UC Berkeley's School of Law and Raussier College of Natural Resources that serves as the secretariat for several of the memorandums of understanding the State of California has with PRC provinces and national agencies on climate. State Department participation in the event contributed to broader U.S. Government climate goals by hold a subnational event in the first half of 2024, as outlined in the Sunnylands Statement, and conveying the important role states, provinces, and cities can play in avoiding the worst climate impacts.

Question. Given that both China and Russia are both failing to uphold their commitments under the NPT, what is the strategic justification for publishing our nuclear stockpile numbers now?

Answer. The United States' commitment to transparency is part of the fabric of its democratic system; transparency into its nuclear activities is not a concession but a demonstration of leadership and fulfillment of our international obligations and commitments that enhances strategic stability and mutual understanding. Russia and the People's Republic of China have not matched the transparency demonstrated by us, a fact noted by NPT states parties. We have called upon them to do so and have encouraged international partners that welcome U.S. transparency to press Beijing and Moscow to follow our positive example.

Question. China has once again rejected arms control talks. How are we strengthening deterrence with our allies in the region in response to China's nuclear breakout and coercive behavior?

Answer. The United States continues to take prudent steps to ensure its security and that of its allies and partners. We are strengthening extended deterrence relationships with the Republic of Korea, Japan, and Australia through frequent con-

sultations, in which we sharpen joint approaches and tools that leverage all elements of national power to deter aggression. Meanwhile, we continue to increase diplomatic pressure on the People's Republic of China to take practical measures to reduce strategic risks, while preparing for the contingencies of tomorrow through enhanced deterrence.

RESPONSE OF MR. KURT CAMPBELL TO A QUESTION
SUBMITTED BY SENATOR TIM KAINE

Question. AUKUS is a testament to both the strength of our alliances and serves as a tool to counter the PRC. I look forward to knowing more about how the Department assesses the future of this partnership. Could you expand on the most productive, short-term opportunities you have identified that would further build out and augment the AUKUS partnership?

Answer. Under our Indo-Pacific Strategy, we are revitalizing U.S. alliances and partnerships, deepening economic engagement, and strengthening people-to-people ties. AUKUS is one of our commitments to the region, modernizing existing partnerships with Australia and the United Kingdom to better meet future security challenges. In the near term, we must deepen industrial and supply chain connectivity, streamline regulations, bolster people-to-people ties including through academic partnerships, demonstrate tangible AUKUS progress, and better communicate the strategic challenges at hand.

RESPONSES OF MR. KURT CAMPBELL TO QUESTIONS
SUBMITTED BY SENATOR TIM SCOTT

Question. When it comes to competing with the People's Republic of China (PRC) outside the Indo-Pacific, it is clear we are lagging, particularly in Sub-Saharan Africa. As China continues to gain influence across the continent, we are frequently told that the United States remains the partner of choice. Our values and the quality of our investments remain an attractive option for African partners, but unfortunately, I am also told that we're simply not there—from a diplomatic perspective. We cannot provide an alternative option for our partners if we do not have adequate staff on the ground to strengthen relations with host governments. We cannot counter China's corrupt practices or assist U.S. companies as they seek to enter African markets with inflexible, arcane bureaucracy. In Section 6402 of the fiscal year 2024 NDAA, Congress clearly articulated the national security risks posed by the high number of hard-to-fill vacancies at our diplomatic missions in Sub-Saharan Africa. This section also required the State Department to report on ways to incentivize staff to fill these vacancies and to conduct a study on the feasibility of allowing non-consular FSOs, assigned to directed consular posts, to volunteer to for hard-to-fill slots. The report was due 180 days after passage and the Department was required to begin the feasibility study by the same day. We are now well over a month past that date.

Mr. Campbell—Why hasn't the Section 6402 report been provided to Congress? Can you provide an update on the status of the required feasibility study?

Answer. The Department recognizes that to achieve our strategic goals we must have the right people in the right places. Over the last 2 years, the Bureau of Global Talent Management has developed new financial and non-financial incentives to further funnel bidder interest in difficult to staff posts, but the Department still has more positions than people available to fill them. The Department takes congressional reporting requirements seriously and is working to send the report on Efforts to Develop New Incentives for Hard-To-Fill Positions at U.S. diplomatic missions as soon as possible.

Question. Last week, it was announced that China brokered an agreement between Hamas, Fatah, and other Palestinian factions to establish a "unity government" intended to oversee a post-war Gaza. While I have serious doubts about the prospects of the so-called "Beijing Declaration," it does raise questions about China's motives in the region.

Many analysts believe that China does not have the ability or desire to truly entrench itself in Middle East politics, and that such stunts are merely designed to advance the PRC's public relations campaign.

Apart from gaining access to critical resources, what do you believe are China's aims in the Middle East?

Answer. In its activities throughout the world, including the Middle East, the People's Republic of China (PRC) aims to reshape the international order to accommodate its own system and preferences while making the world more dependent on the PRC and reducing its own dependence on the world. We are engaged in a global contest with the PRC for power and influence. The PRC seeks to reshape and redefine the norms that underpin sustainable development, peace and security, and cultural relations to reflect the PRC's priorities, as well as to capture the swiftly developing frontier of artificial intelligence.

Question. In the lead up to the recent NATO summit, it seemed that the administration was intentionally raising the alarm about China's support for Russia's invasion of Ukraine in an attempt create a rift between European powers and the PRC.

I firmly support the longevity of our transatlantic alliance, but I also believe that some of our European partners need to have a more realistic understanding of the very real risk that an aggressive PRC poses, not just to our national security, but to theirs.

Without drastic improvements to our defense industrial base, if—heaven forbid—we ever go to war with the PRC, we may not have the means to simultaneously support Europe's defense and engage in a conflict in the Indo-Pacific. It is imperative that our NATO allies increase their defense spend and take efforts to revitalize their own industrial base.

I've seen the statements that came from the NATO summit, but from your perspective, do you believe the administration's efforts have actually moved the needle?

Answer. The Administration remains committed to ensuring Allies equitably share the responsibility of NATO's collective security and consistently engages with Allies on the need to meet defense spending commitments. The Vilnius Defense Investment Pledge set a higher level of ambition for resourcing collective defense, while the Defense Production Action Plan and NATO Industrial Capacity Expansion Pledge have demonstrated the commitment of all Allies to build up our industrial base. We will continue consulting with Allies and Congress to ensure NATO has the capabilities, readiness, defense industrial capacity, and force generation needed.

