

SPECIAL REPORT

No. 253 | SEPTEMBER 29, 2022

Responding to the China Challenge: Blueprint 2.0

Dean Cheng and James Jay Carafano, PhD

Responding to the China Challenge: Blueprint 2.0

Dean Cheng and James Jay Carafano, PhD

SPECIAL REPORT

No. 253 | SEPTEMBER 29, 2022

ASIAN STUDIES CENTER

About the Authors

Dean Cheng is a Senior Research Fellow in the Asian Studies Center at The Heritage Foundation.

James Jay Carafano, PhD, is Vice President for the Kathryn and Shelby Cullom Davis Institute for National Security and Foreign Policy and E. W. Richardson Fellow at The Heritage Foundation.

This paper, in its entirety, can be found at <http://report.heritage.org/sr253>

The Heritage Foundation | 214 Massachusetts Avenue, NE | Washington, DC 20002 | (202) 546-4400 | heritage.org

Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

Responding to the China Challenge: Blueprint 2.0

Dean Cheng and James Jay Carafano, PhD

The Heritage Foundation's first China Blueprint identified China as the most persistent and consequential foreign policy challenge that will confront the U.S. for the next several decades. Nothing has happened during the past two years to change that judgment. Cold War analogies to the current confrontation with China may be imperfect, but when Ronald Reagan summarized his strategy for the Soviet Union as "We win and they lose," he captured something enduring about the way Americans approach competition. What the U.S. needs today is a game plan not for "managing competition" with China, but for winning.

The Communist regime in China—its global ambition, growing power, and values that are diametrically opposed to America's own—is the greatest international danger facing the United States. Not just in its own right: It compounds other threats to the U.S. like those posed by Russia and Iran. The U.S. must have robust, practical solutions that vouchsafe Americans against the threats posed by China in every sphere, from security at home and national interest abroad to the values that infuse America's role in the world. These responses must be comprehensive and encompass both foreign and domestic policies and every level of government.

In 2020, The Heritage Foundation launched the China Transparency Project, a collaboration with dozens of world-class data-oriented private research efforts.¹ Our intention was to bring to light the full range of China's impact on the world, identify gaps in knowledge, and create avenues for interdisciplinary exchanges. In conjunction with this effort, Heritage also released "Assessing Beijing's Power: A Blueprint for the U.S. Response to China over the Next Decades."² That report was based on what we already know about China.

As that first Blueprint established, the worldview of the People’s Republic of China (PRC) is shaped by a history that is different from those of past American rivals. China’s millennia-long evolution, occurring in an Asian geopolitical context, has produced a nation that is far less accustomed to the concept of balancing powers. It also fundamentally rejects the rule-of-law approach to governance, both at home and abroad. Rather, it uses dominance—what has been called rule *by* law. Abroad, this is often called “legal warfare.” The ideology of the Chinese Communist Party (CCP) only intensifies this tendency.

This combination of authoritarian sources of behavior puts China directly at odds with U.S. domestic security and international interests, the protection of which should be the principal occupation of all American officials.

Although the U.S. government acted on a majority of the first Blueprint’s 59 recommendations, the competition between the United States and the PRC has only sharpened. Aggressive Chinese military activity around Taiwan, intrusions into the Japanese air defense identification zone (ADIZ), and open militarization of the artificial islands of the South China Sea have increased regional tensions. Nor has the focus on Russia’s attack on Ukraine ameliorated these conflicts. On the contrary, China’s growing influence has been felt all the more as Washington has urged Beijing not to support Russian aggression.

- At the same time, Beijing has been increasingly and directly aggressive in pressing its interests in its relationship with the United States. This has occurred across the board, but the mentality behind it is best illustrated by the July 2021 Tianjin meeting between U.S. Deputy Secretary of State Wendy Sherman and PRC Vice Foreign Minister Xie Feng. In that encounter, the Chinese presented the American side with two lists of demands.
- The “List of U.S. Wrongdoings that Must Stop” included Chinese demands that the United States unconditionally halt visa restrictions against CCP members and families, as well as on Chinese students, and revoke sanctions imposed on Chinese leaders, officials, and government agencies. The list also included demands that the U.S. “stop suppressing Chinese enterprises,” “stop suppressing Confucius Institutes,” and “revoke the registration of Chinese media outlets as ‘foreign agents.’” The Chinese also demanded that the U.S. halt extradition proceedings against Huawei CFO Meng Wanzhou—and the Biden Administration promptly complied.³

The other Chinese list, a “List of Key Individual Cases that China Has Concerns With,” includes allegations involving the rejection of Chinese student visa applications, unfair treatment of Chinese citizens by Americans, harassment of and attacks on Chinese diplomatic and consular missions, growing anti-Asian and anti-Chinese sentiment, and attacks on Chinese citizens.⁴

In combination, these two lists are said by the Chinese to constitute a “tutorial on treating other countries equally.” From Beijing’s perspective, it is merely asking the United States not to “challenge, smear, or seek to subvert the Chinese path and system [i.e., CCP rule]”; “seek to interrupt or disrupt China’s development [including denying it access to technology it wishes to acquire]”; and “not violate China’s national sovereignty or territorial integrity [by supporting Taiwan or criticizing Chinese treatment of Uyghurs and citizens of Hong Kong].”⁵

In reality, however, the Chinese are demanding that the United States compromise *its* sovereignty in order to show respect to the PRC. The United States should not prevent China from influencing its own students (via Confucius institutes); should allow Chinese media free rein in the United States (while limiting foreign media in China); and should defer to Beijing with respect to what China can purchase and how its companies behave. The high-handedness of China’s diplomacy reflects the extent to which U.S.–China relations have deteriorated.

Global rivalry with the PRC has become the primary concern for America. No other nation poses such a multifaceted threat to the United States—a far more comprehensive challenge than the Soviet Union ever was. We need to understand it, and we need solutions on a scale that can meet the challenge.

Scope of Threat

Economic. Comparisons are often made between the adversary the U.S. faces in China and the adversary it faced in the Soviet Union during the Cold War. Except for the centrality of the strategic challenge it poses, however, China is much different, and no aspect of the China threat differentiates it from the former Soviet threat as much as economic power does. Where the Soviet Union was largely autarkic, choosing to limit its trade with other nations, the PRC is the world’s largest trading state⁶ and in 2021 was the leading destination for foreign direct investment.⁷ It is integrated into global supply chains, from car parts, pharmaceuticals, and information and computer technologies to “green energy” products like solar panels and batteries, as well as mineral mining and processing.

China's nodes in some of these value chains, as in semiconductors, are far less advanced than those of the United States, South Korea, and Taiwan (which manufactures the world's most advanced microchips).⁸ But by having an outsize role in areas from rare earths to the glass bottles for vaccines, China nonetheless occupies a central node in many global supply chains.

China is also increasingly a provider of foreign direct investment. Since 2000, China's "go global" strategy has seen more and more Chinese investment abroad. Non-bond investment has included billions invested in the U.S., the U.K., Australia, Brazil, and Russia.⁹ These investments are distinct from the Belt and Road Initiative (BRI) spending that has dominated headlines and attention.

All of this, in one way or another, can be put at the disposal of the state, whether through Xi Jinping's "Common Prosperity" program of civil-military fusion, which seeks to leverage advances in civilian technology to benefit the development of the Chinese military, or through the many other ambitious government programs that are directed at the "great rejuvenation of the Chinese nation."

This makes for a complex operating environment for the U.S. Despite Beijing's access to economic levers in pursuit of the CCP's ends, much of the world emphasizes China's importance as an economic opportunity rather than fearing it as a threat. China's military is leading not with a military stick but with the carrots of economic investment and financing. The further from China's immediate borders, the fewer sticks and more carrots it proffers. Even as the U.S. moves decisively to insulate its own economy from Chinese influence, it must acknowledge the Chinese economy's attraction for others and find alternative ways to meet the economic needs of the countries it hopes to enlist to support it in the U.S.–China competition.

Political–Diplomatic. Beijing has employed its growing economic power to build ties to a variety of states. The Belt and Road Initiative has led to major Chinese influence around the world, using subsidized Chinese labor and materials to build infrastructure projects in a variety of countries. These projects, often built by Chinese state-owned enterprises (SOEs) employing a wholly Chinese work force, create both political and financial debts that Beijing exploits to expand its international footprint.¹⁰ The BRI has also helped to insulate China from criticism of its domestic policies, especially the genocidal policies toward the Uyghurs and repressive policies toward Hong Kong.

Technological. China's economic prowess is paired with an active effort to foster the indigenous development of modern technologies. It is no accident that the PRC has invested massive amounts in its aerospace, commercial aviation, and information and communications technology fields. While centralized

planning and direction are less efficient than free markets (and generate enormous waste and corruption and general resource and credit dislocations), they can nonetheless create short-term benefits, and Beijing has sought to exploit this in key areas of advanced technologies that will support them in the Information Age. This is complemented by an active espionage program that seeks to steal foreign technology and intellectual property through a range of measures that include both human and cyber espionage efforts.

Military. Nor has the PRC neglected its military. The recent National People's Congress officially increased China's defense budget by more than 7 percent for 2022, but the national economy was forecast to rise by 5.5 percent.¹¹ Only rarely has the budget of the People's Liberation Army (PLA) grown faster than the overall national economy. The PLA's modernization efforts have included a range of advanced systems, including two stealth fighter programs, anti-satellite weapons, and an array of modern naval combatants. It has also included improved training and a steadily updated set of doctrines. The PLA remains on course to becoming fully mechanized, informationized, and "intelligence-ized" by 2027 when its current iteration of modernization efforts is expected to be completed.

The Russia-Ukraine war will only increase the challenge posed by the PRC. When this war concludes, Russia's military will have largely expended its best munitions, lost much of its most advanced equipment, and suffered debilitating losses in manpower, especially among its officers. Consequently, Russia's military will have to be extensively rebuilt, imposing a grave burden upon an economy that is the size of Belgium's or Italy's and will have been badly damaged by global sanctions imposed in response to Putin's attack. For some time to come, Russia's conventional threat will be relatively limited.

By contrast, China's conventional forces (as well as its nuclear forces) are continuing to modernize. For the next several years, American decision-makers are therefore likely to be confronted by a Sino-Russian alignment that links Russian resources with Chinese technological and financial initiatives and proficiency. This adds a critical facet to and significantly augments the challenge that the PRC already poses to U.S. national interests.

Key Areas for Action

For the United States, given the breadth of concerns about the PRC, it is essential to shape an equally comprehensive approach that is not only about military or trade, but also directly addresses threats to America's interests and values in this complex environment.

Trade and Finance. Nothing is more urgent than ensuring that the United States economy is positioned for the long struggle that is shaping up between the PRC and the U.S. China's leaders clearly understand that without a strong economy (including a firm foundation in advanced science and technology), they cannot hope to compete successfully with the U.S. Ironically, American leaders appear to be not only less confident in the ultimate success of our own approach, but also intent upon undermining American economic competitiveness by incorporating big-government and "woke" attitudes into the teaching of everything from engineering to mathematics.

It is not so much that America needs a more centralized planning system, whether in the guise of industrial policy or employment of subsidies, to pick winners and losers. Instead, for the United States to compete economically with the PRC, the government needs to get out of the way. This means doing everything necessary to raise the country from its disappointing place in the rankings of the world's freest economies,¹² from getting government spending under control to removing costly regulations to freeing trade. Education reform to enable greater focus on STEM (science, technology, engineering, mathematics) fields is also needed.

Massive deficit spending, on the other hand, especially spending on politically motivated social programs, only leads to the crowding out of capital for investment and other discretionary purposes, which in turn leads to higher interest rates and slower economic growth. Additionally, hampering trade prevents the most efficient deployment of capital and undermines the living standards of American workers.

The American economy also must become more resistant to Chinese power and manipulation. Areas ripe for exploitation by Beijing, in addition to supply chain nodes, include American telecommunication networks and the next frontiers of technology in areas like quantum computing and machine learning. It is not simply that China's domination of these sectors makes it stronger and therefore a more capable adversary. The problem is the amply demonstrated integration of technology advancements into China's military, espionage, and domestic security apparatus. The first threatens the U.S. abroad, and the second threatens it at home, in addition to which China's authoritarian capabilities have become an ever more important part of its foreign policy.

Military. While the main focus of China's competition with the United States is not military forces, the steady modernization of the PLA, including its expanding nuclear capabilities, cannot be ignored. The growth in PLA Rocket Force numbers, for example, will inevitably weigh on the minds of China's neighbors as well as the United States.

China's growing ability to engage in counter-space operations, as well as maritime and network operations, will complicate both regional efforts to safeguard national security and America's ability to support allies in the event of confrontation. This, in turn, will require significant American investments not only in maintaining current force readiness, but also in improving current capabilities such as missile defense, air defense, and mine countermeasures while also exploring such new technologies as directed energy weapons, hypersonic vehicles, and various types of unmanned vehicles.

Supply Chains. As the COVID-19 pandemic and the Russia-Ukraine war have demonstrated, supply chains are extraordinarily complex, entangled systems. For example, while many assumed that China had the superior position in information and communications technology supply chains, the Trump Administration's restrictions on American sales of microprocessors and software to China and its enlisting of allies to do the same exposed Chinese vulnerabilities.¹³ Similarly, the Russia-Ukraine war has led to trade disruptions that range from reduced microchip production due to lack of Ukrainian neon to higher food prices due to disruptions in Russian and Ukrainian wheat sales and shortages in fertilizer.¹⁴ Limiting China's role in American supply chains has the potential to affect a wide array of industries, in many cases unintentionally.

Moreover, it is essential to recognize that government cannot create supply chains. They grow organically out of the interaction of thousands of companies and millions of individuals. More often than not, when Washington tries to dictate the shape of supply chains, it succeeds only in imposing competitive disadvantages on American companies and costs on citizens.

What government can and should do is ensure the security of the supply chains on which its businesses and citizens depend. For example, no one would countenance relying on Russia or China for the supply of fighter aircraft for the U.S. Force or satellites for anti-missile early warning purposes. Huawei should not be the supplier of National Security Council cell phones. Conversely, purchases of Russian timber or Chinese drywall are not likely to have a national security implication. It is items like Chinese rare earths and telecommunications equipment that pose the real challenge to decision-makers.

This has real security implications, for example, if the United States is really going to try to transition toward a carbon-neutral energy picture.¹⁵ Shifting away from fossil fuels, whether coal, oil, or natural gas, in favor of renewable energy sources such as solar and wind will lead to an increase in dependence on China, which dominates battery manufacturing and

has a commanding position in certain parts of the rare earth supply chain. Similarly, the PRC is one of the world's largest producers of solar panels and windmills.

Consequently, rather than reverting back to a situation of foreign reliance, the United States needs to be thinking about how it can better exploit domestic energy sources while also establishing commercial and diplomatic ties to non-Chinese sources of key materials.

Taiwan. Russia's attack on Ukraine has brought the issue of Taiwan to the forefront. Many analysts have questioned whether the Russian invasion of Ukraine might see an Asian counterpart in a Chinese invasion of Taiwan. While the Chinese likely prefer to win without fighting and have many tools at their disposal to do this, the valiant defense waged by the Ukrainian people likely gives them further reason for pause. Nevertheless, Beijing has never renounced the option of using force to reunify the country.

The successful employment of such weapons as Javelins, Switchblades, and Next Generation Light Anti-Tank Weapons (NLAWs) suggests that a successful amphibious invasion of Taiwan is hardly a foregone conclusion. Clearly, with the right mix of weapons, Taiwan might well be able to stall a Chinese amphibious-led assault, one of the most difficult of military tasks. Ensuring that Taiwan has both military and political support, however, will remain a major task for the United States in the coming years. So will ensuring that Taiwan can withstand peaceful coercion into unification with the mainland. This will involve giving Taiwan the confidence that the U.S. has the capability to help defend it if required to do so, helping it to maintain its active and independent international engagement, and providing it with the means to contribute to its own defense.

Human Rights. The CCP clearly feels entitled to criticize other nations, including the U.S., for their human rights situation, as reflected by various statements from China's "wolf warrior" diplomats. This only reinforces the need to keep the spotlight on China's human rights abuses. Whether it is ethnic minorities such as Tibetans and Uyghurs, the citizens of Hong Kong, or human rights lawyers and other advocates for civil society, the list of abused citizens in China is long.

U.S. commitment to principle is a strength in its international engagements, not a weakness. It helps Washington to build connections with other democracies as represented by our treaty allies and arrangements like the Quadrilateral Security Dialogue (the Quad).

Countering Chinese Espionage. One particular area that the Administration has chosen to neglect is countering Chinese espionage. The abrupt ending of the Department of Justice (DOJ) China Initiative gives the

appearance of choosing to accede to Chinese demands to “stop harassing” Chinese businessmen and scholars. The reality is that investigating alleged instances of Chinese espionage is a way to safeguard American intellectual property, not to mention economic and security well-being, rather than a sign of racial bias.

If Beijing did not specifically target overseas Chinese, the instances of Chinese espionage would likely be far lower. Similarly, CCP pressure on Chinese citizens from all walks to engage in intelligence collection places the onus for bad behavior on the CCP, not on the law enforcement agencies that try to counter them.

Recommendations for Action

Because of the span of China’s challenge, the United States must respond comprehensively. Economic, military, and diplomatic measures alone will not counter the PRC unless they are undertaken in a coordinated fashion. Consequently, a wide range of recommendations should be considered in concert rather than simply within a particular category.

Strengthening America’s Economic Competitiveness

Nothing is more important than getting the American economy back on track. Without the economic sinews, no other efforts can be sustained. Not only does revitalizing the American economy provide the U.S. with the means to counter China, but it also provides clear evidence of the viability of the American approach to other countries, reassuring friends and allies and deterring other potential adversaries. To achieve this goal, it is essential to:

- **Promote domestic production through economic reform at home.** It is vital both that the American economy become more efficient and productive and that it attract more investment from domestic and foreign sources. This means reviewing many of the regulations that now strangle small business and frustrate efforts at innovation.
 1. Undertake an across-the-board review and removal of regulations, especially those that disproportionately hurt domestic manufacturers and smaller firms. Particular scrutiny is warranted with respect to environmental and labor rules that can drive production overseas, ironically leading to greater environmental and labor harm.

2. Undertake an examination of environmental mandates in areas like carbon dioxide and ozone that impose hundreds of billions of dollars in compliance costs on U.S. companies while generating few benefits. Many of these mandates should be rescinded.
 3. Reject union and benefit mandates that shut millions of workers out of entire industries and knock out the bottom rung of the ladder for young or low-income Americans.
 4. Sunset existing and new regulations automatically to counter the regulatory ratchet that may have shrunk our economy by 25 percent since 1980 alone.¹⁶ To force regulators to take account of their harm, require that they compensate firms from their own budgets for any regulation, whether existing or new.
 5. Cut regulatory budgets to pre-Nixon levels (15 times smaller than today) when manufacturing employment was 2.5 times higher than it is today.¹⁷
- **Improve domestic supply chains.** Improving domestic supply chains means promoting the rise of alternative suppliers.
 1. Seek to increase competition, lower prices, and promote exports by promoting automation in critical infrastructure and streamlining approvals for new competition and private ownership among ports, railroads, warehousing, and transportation hubs.
 2. Eliminate government payments to able-bodied workers who refuse to work.
 3. Remove unnecessary transport-hobbling regulations, including proposed anti-contractor and anti-gig worker rules, new truck emission mandates, the Jones Act's near-ban on domestic shipping, and overzealous post-COVID safety rules.
 4. Curtail the constant unending stream of activist-influenced inspection regimes and onerous licensing and environmental review of infrastructure, from roads and warehouses to ports and pipelines, which make new plants hard to build.

Creating a China-Resistant Economy

One of the strengths of the American economy has been its participation in the global trading system. This not only generates economic benefits, but also creates segments of foreign interests and populations that support the United States for economic as well as strategic reasons. This approach has been so successful that the PRC has deliberately chosen to make itself a trading power as well. The United States needs to support trade and investment while addressing China's efforts to undermine the very system it also exploits. At the same time, it is hardly in America's interest to strengthen China's military-industrial complex. China's opaque nature, however, makes it harder at times to discern where the PLA is an active, much less passive, player.

It is in America's interest to limit the ability of China's military and security services to exploit American financial systems or companies. This must be done in full recognition of the fact that, while there are distinct differences in governance between state-owned and private companies in China, no China-headquartered enterprise is immune to CCP dictates.

- **Refrain from helping China in areas that directly threaten U.S. interests.** Americans should not, however unwittingly, support Chinese ambitions in areas that could adversely affect U.S. national interests.
 1. Expand prohibitions on investments in Chinese military-related and surveillance-related companies to include outbound investment and partnerships. Both President Donald Trump and President Joe Biden have issued executive orders banning certain Chinese companies from American stock exchanges.¹⁸ Recent reports indicate that there may be backtracking on these prohibitions.¹⁹
 2. Bar American companies from investing in or alongside or otherwise partnering with these companies and others with military and surveillance ties.²⁰ These are capabilities—especially as they are aimed at the U.S.—to which no American should be contributing.
 3. Pressure businesses to cut ties with Chinese entities that are seeking dual-use technologies from U.S. entities for the purpose of expanding their surveillance operations. Public pressure led Thermo Fisher

to stop selling equipment to Xinjiang after it was reported that the technology it provided was being used to collect Uyghur DNA. Ideally, Western companies would avoid knowingly selling technology to China that the regime can use to repress the Chinese people.

4. Create a more regularized process for placing Chinese entities that are responsible for instituting surveillance technology in Xinjiang on the Entity List,²¹ evaluating U.S. entities that are supplying surveillance technology to China through the Securities and Exchange Commission, and sanctioning companies that knowingly supply such technologies to China.
 5. Restrict the use of public funds, including pension funds, to invest in companies that are owned or controlled by, or linked to, the Chinese military and government. Pension funds for state employees should not be used to support companies that help the Chinese government surveil its citizens, repress dissidents, and challenge U.S. global leadership.
- **Prevent the diversion of U.S. government resources to China.**

The value of government support, beyond what the private sector and universities would provide on their own, is itself open to question. Taxpayer-funded activity would merely add to the problem.

 1. Strengthen guardrails around U.S. government-funded research in science and early-stage technological innovation. This would entail a counterintelligence review of funding recipients as suggested by the amendment to the U.S. Innovation and Competition Act proposed by Senator Marco Rubio (R-FL) to prevent the leak of sensitive information or intellectual property.²²
 2. Prohibit American companies that benefit from U.S. government subsidies and other incentives from making investments in China. There are major loopholes in the investment prohibitions enacted as part of the Chips and Science Act, the big so-called China bill. Congress needs to keep the Administration's feet to the fire, including by tightening the legal restrictions in the next Congress. It could have major impact on China's tech development. This would deny the Chinese indirect benefits from American taxpayer-provided subsidies.

- **Insulate the U.S. economy from Chinese abuses.** China protects its own economy and national interests while cheating and gaming the international trading regimes and the laws of its trade partners.
 1. Combat China’s abuse of the patent system and return to promoting American intellectual property rights. China has consistently used threats of anti-suit injunctions by Chinese courts in U.S. and European Union (EU) patent cases to stop patent infringement lawsuits in their tracks and promote below-market royalty rates to the advantage of Chinese technology companies.²³ The Defending American Courts Act, introduced in March 2022, would impose limits on such foreign interference and the “right to file and maintain a patent infringement claim.”²⁴
 2. Blunt the “assimilation of the patent system in the modern administrative state.”²⁵ This would include repealing the Patent Trial and Appeal Board (PTAB) or, at minimum, imposing structural restrictions and reforming the PTAB to respect proper due process and the rule of law, and using the inherent advantages of a strong private property rights system to combat Chinese technological supremacy and standard-setting goals.²⁶
 3. Reform and use the World Trade Organization to the full. China has a poor record of living up to its WTO commitments. History shows, however, that the U.S. is very successful when it pushes back on violations. In cooperation with free-market allies, the U.S. should encourage reform of the WTO, particularly its dispute settlement process, to increase its effectiveness and work through it to the extent possible.
 4. Use the Anti-Dumping/Countervailing Duty (AD/CVD) process to target Chinese abuses. The AD/CVD process is not perfect and can be abused by Americans seeking unfair protection from competitive enterprises abroad. In the case of China, however, the stakes are too high not to give these enterprises the benefit of the doubt. This does not mean *a priori* decisions in their favor. It does mean, however, lending a friendly ear to the concept itself. And it means not short-circuiting the process as the Biden Administration did in investigating China’s possible evasion of AD/CVD tariffs through transshipment of solar panels through third countries.²⁷

Limiting China's Access to and Influence on American Educational Institutions

One of the most pernicious aspects of China's policies has been the undermining of freedom of inquiry and thought at American universities. The use of student tuitions, Confucius Institutes, and grants as leverage to gain access to American research and suppress "unfriendly" points of view is a reminder of how China sees foreign universities as part of the battleground.

- **Increase scrutiny of collaboration between American universities and the Chinese state.** Although universities, often under pressure from the federal government—particularly the Department of Defense (DOD)—have pulled back on cooperation with Chinese authorities on the establishment of Confucius Institutes, China has adopted new models to gain the same effect.
 1. Require U.S. schools and universities to disclose financial ties to Confucius Institutes. Congress should require universities and K–12 schools to disclose their financial ties to Confucius Institutes—nationwide propaganda organizations masked as cultural institutions and sponsored by the Chinese government. Shortly after taking office, the Biden Administration withdrew a rule proposed late in the Trump Administration that would have done this. Congress should require that the rule be reinstated. As for the Institutes' purported purpose of encouraging the study of Mandarin, there are other ways to ensure that a sufficient pool of Mandarin speakers is available for U.S. government service.
 2. Extend CFIUS authority²⁸ to include review of education grants. Chinese money comes with strings. Congress, under the Higher Education Act of 1965, should extend CFIUS authority to evaluate whether foreign malign influence or espionage activities against American institutions of higher education are being directed or directly assisted by the Chinese government and to review certain foreign gifts to and contracts with American institutions of higher education.
 3. Require universities to disclose all grants or be denied further U.S. government funding. As the DOJ's now-suspended China Initiative indicated, China is actively trying to recruit American professors

and gain access to American university research programs. This is a violation of U.S. laws regarding the acceptance of foreign funding by individuals and organizations that are receiving money from the U.S. government. It is essential that universities exercise oversight of their professors even as they receive U.S. government funding.

If a university department accepts U.S. government funding, then any researcher who accepts foreign funding or grants in violation of the law should be prosecuted, and all funding to the department should be suspended. Similar policy should also be enacted by state legislatures to apply to institutions that receive state funding.

4. Amend the National Defense Authorization Act, which prohibits DOD funding of institutions with Confucius Institutes, to cover other Chinese organizations with a similar purpose as well. As outlined in a June 2022 National Association of Scholars report, *After Confucius Institutes: China's Enduring Influence on American Higher Education*, China's government "has persuaded American colleges and universities to reopen and rebrand Confucius Institute programs [that have been shut down, often due to this restriction on funding] under new names."²⁹
5. Look at additional steps. NAS made several other recommendations, including:
 - a. Instituting a tax on funds institutions receive via Chinese gifts and contracts;
 - b. Capping the amount of Chinese funding universities may receive before jeopardizing eligibility for federal funding; and
 - c. Prohibiting federal funding to colleges and universities that enter research partnerships with Chinese universities involved in China's military-civil fusion.³⁰
- **Establish the principle of information and education reciprocity in U.S.–China relations.** Even controlling for current restrictions, Chinese educational organizations like Confucius Institutes and their successor programs have broad access to the United States.

The U.S. should insist that American non-governmental organizations (NGOs) be granted the same level of access to China that Confucius Institutes and their successor programs enjoy in accessing the United States and that American NGOs in China be accorded the same treatment that is granted to PRC organizations. Otherwise, comparable Chinese organizations should be prohibited from operating in the U.S.

- **Protect against espionage.** American research universities engage in sensitive research on behalf of both the private and public sectors. They are therefore ripe targets for espionage.
 1. Restrict all federal research grants to individuals participating in PRC foreign talent recruitment programs.
 2. Establish an oversight and reporting process to ensure that each grant-making federal agency accurately reports conflicts of interest and that research institutes and institutions of higher learning that receive federal assistance do not employ any individual who is a participant in a PRC foreign talent recruitment program.

Countering the Influence of Chinese Agents and Entities Operating in the U.S.

- **Entrench the principle of reciprocity in the access afforded Chinese journalists.** While Chinese news agencies with subsidiaries in the United States, such as CGTN and Xinhua, have been directed to register under the Foreign Agents Registration Act (FARA),³¹ efforts to lift the requirements are still being made. Chinese journalists have disproportionate access to the U.S. compared with American organizations in China. China clearly recognizes the downside of having its journalists having to register, making this one of the demands presented to the Biden Administration during Under Secretary of State Sherman's July 2021 meeting with PRC Vice Foreign Minister Xie Feng in Tianjin.³²
 1. Resist efforts both by American interest groups and by the Chinese government to lift FARA requirements.³³
- **Expand lobbying regulations for Chinese entities.** As of today, the database for the Foreign Agents Registration Act (FARA) lists only 23

such lobbyists. This is difficult to fathom for a government, economy, and range of interest in the U.S. as big as China's.

1. Beyond simple registration, any representative of the Chinese government, Chinese Communist Party, or Chinese military or surveillance-related company should be banned from lobbying in the United States.
2. Clarify requirements under FARA for registration of lobbyists representing the PRC and PRC interests and/or enact new lobbying disclosure requirements at the state and local levels.
3. Prohibit Chinese state-owned entities from bidding on public projects at the state level. In recent years, Chinese state-owned enterprises have used artificially low bids to win rail, bus, and other transportation infrastructure projects in multiple U.S. states and cities. Not only do these unfair practices disadvantage U.S. industry, but they also allow companies that are closely linked to the Chinese regime to build key infrastructure in the U.S., which carries national security implications as well. States can follow the lead of Georgia, which this year introduced a draft bill to exclude “companies owned or operated by China” from state contracts.³⁴

Standing up for American Values

The United States must remain true to its principles, one of which is the worth of the individual—a position diametrically opposed to that of the CCP. The United States must continue to speak out about a range of issues, including China's treatment of ethnic groups such as Uyghurs and Tibetans, its treatment of the residents of Hong Kong, and its suppression of freedom of religion and expression among its entire population.

- **Collaborate with like-minded capitals.** The liberal democratic values that the U.S. shares with much of the rest of the world is a strategic and operational advantage in competition with China.
 1. Issue, in concert with European and Asian allies and partners, additional multilateral sanctions to hold individuals and entities accountable for human rights violations in China. The U.S., the United Kingdom, the EU, and Canada all issued multilateral

sanctions in March 2021 to hold four individuals and an entity accountable for ongoing genocide and crimes against humanity in Xinjiang. This was the first time since Tiananmen Square that the EU had sanctioned China over human rights violations.

2. Additional individuals and entities that are complicit in rights abuses should be identified and sanctioned through the Special Designated Nationals List, Global Magnitsky, and other sanctions authorities that would isolate human rights violators from the international financial system. Other countries have relevant complementary sanctions policies that should be implemented in concert with these U.S. actions.
 3. Encourage allies and partners to develop and implement legislation similar to the Uyghur Forced Labor Prevention Act.³⁵ The Uyghur Forced Labor Prevention Act (UFLPA) which became law on December 23, 2021, created a rebuttable presumption that all goods produced in Xinjiang and through Chinese pairing programs are produced with forced labor. The desired result of the bill is twofold: to ensure that no goods produced with forced labor from Xinjiang make their way into U.S. markets and to end the horrific practice of forced labor in China. To achieve the second goal, the U.S. should work with allies to help them formulate and implement similar policies. The EU is currently considering its own response and the U.K. is in the process of proposing legislation that complements the UFLPA. However, no countries in Asia have suggested they are developing or implementing similar initiatives.
 4. Share best practices in countering the use of forced labor with partners to strengthen efforts to end China's use of forced labor.
- **Increase the regularity and objectivity of human rights–related sanctions.** The lack of consistency in rights sanctions is often used to undermine them politically. The approach to them should be regularized.
 1. Tie imposition of sanctions to the annual releases of the U.S. Department of State's annual *Country Reports on Human Rights Practices*, *Report on International Religious Freedom*, and/or *Trafficking in Persons Report*.³⁶

2. Each mandated report in areas related to human rights should require Treasury to include an annex of individuals and entities that are ripe for sanctioning, especially in countries that are the worst violators of human rights like China. Treasury should be required to report to Congress the recertification of previously sanctioned individuals and entities and guarantee that there were no new individuals from those countries who merited additional designations.
- **Highlight the plight of Uyghurs and Hong Kongers.** China is a highly authoritarian one-party state. There is no lack of human rights concerns there. The situations in Xinjian and Hong Kong have gained international notice and condemnation. To allow them to fade from headlines without action would send a terrible signal across the range of abuses in China.
1. Designate Uyghurs and Hong Kongers as groups of special humanitarian concern by extending Priority-2 (P-2) refugee status. If granted P-2 status, Uyghurs and Hong Kongers can bypass U.N. High Commissioner for Refugees (UNHCR), embassy, and NGO referral by applying directly to the U.S. for refugee designation and resettlement. Applicants are subject to the same vetting that applies to all other refugee categories. Such a process recognizes the severity of the crisis they face by facilitating their application process for resettlement.³⁷
 2. Create and appoint a Special Coordinator for Xinjiang. Similar to the Special Coordinator for Tibet, the Special Coordinator for Xinjiang would be tasked with coordinating the policy and response of the U.S. government on a day-to-day basis and would signify the priority the U.S. places on responding to the crisis in Xinjiang.
 3. Increase the Customs and Border Protection (CBP) Forced Labor Division's funding and expertise of the. Even before passage of the Uyghur Forced Labor Prevention Act, CBP's Forced Labor Division was understaffed and inadequately resourced. In mid-2020, for example, the division had only 13 employees. Before Congress passed the UFLPA, in an April 2021 letter to the House Appropriations Committee, House Democrats called for \$25 million in additional resources to combat forced labor. While funding

alone will not counter China's use of forced labor, it is arguably a prerequisite.

To meet the need for expertise, the U.S. government should also consider collaborating through detail programs from the U.S. Departments of State, Labor, the Treasury, and any other relevant agencies to ensure interagency coordination of the UFLPA and to burden-share expertise within CBP's Forced Labor Division. Job priorities could include identifying individuals to be sanctioned, determining how to respond to China's rapid exportation of surveillance technology, prioritizing resettlement of Uyghur refugees, pressing for the release of Uyghur and Uyghur-American family members currently held as political prisoners in China, and ensuring that the issue of Xinjiang is raised at key diplomatic moments with China. This coordinator could also be responsible for pressing China for access to and eventual closure of the PRC's political reeducation camps, among other tasks.

- **Do not forget other long-standing human rights concerns.** Prioritizing Xinjiang and Hong Kong does not mean forgetting other long-standing issues.
 1. Reiterate in diplomatic negotiations with Chinese officials that all arbitrarily detained persons in China must be released. These calls need not be limited to individuals interned in Xinjiang but can extend to other religious minorities, human rights advocates, lawyers, and activists, among others, who continue to be arbitrarily detained by Chinese authorities.
 2. Reaffirm U.S. support for the right of the Dalai Lama to determine plans for succession. The Chinese government has repeatedly undermined Tibetans' ability to determine the next Dalai Lama, first by imprisoning the Panchen Lama and second by strictly regulating plans for what Tibetan Buddhists consider his reincarnation. The U.S. should reject any attempts by Beijing to name a successor to the Dalai Lama and instead reaffirm the right of the Tibetan Buddhist community to do this on its own terms, free of CCP interference. It should also condemn the continued detention of the Panchen Lama and members of his family.

Improving American Counterintelligence Efforts

Chinese agents and China's intelligence agencies are actively supporting other PRC activities in the United States that range from intimidating and even trying to remove dissidents to engaging in espionage against economic, political, and military targets. The FBI opens a counterintelligence investigation related to China about every 12 hours, and there are more than 2,000 active investigations in all 56 field offices.³⁸ Simultaneously, nation-state-sponsored cyberattacks and threats, many of them emanating from China, continue to threaten American critical infrastructure and small businesses.³⁹ American intelligence and law enforcement agencies need resources to counter these Chinese activities.

- **Improve publicly available information.** The first line of defense against Chinese designs on the homeland is a well-informed citizenry.
 1. Improve access to open-source information on China. It is abundantly clear that the Chinese Communist Party is not transparent and provides little if any reliable data on its activities. Congress should therefore establish and fund a publicly accessible database, such as the proposed Open Translation and Analysis Center, that tracks and analyzes CCP activities.⁴⁰
 2. Include an economic assessment as part of the annual DOD China threat assessment. A central element of modern power is financial and banking capacity. The economic sanctions imposed on Russia demonstrate what is possible when the West operates in a more unified manner. The Department of the Treasury should be directed to provide a chapter on China's financial and economic power (including its ability to divorce itself from the current global financial networks) in the annual DOD report on China's military capabilities and activities.⁴¹
 3. Require a declassified report on CCP United Front Work Department activity in the U.S., including intimidation by agents. Chinese political warfare operations are constant and ongoing in the United States and other Western countries. To counter them, it is essential to understand how Chinese "united front" entities are operating, whether it is to forge ties with various American institutions (including religious organizations, NGOs of various stripes, and academic institutions) or

to influence coverage of the PRC. Congress should require a report with inputs from the Intelligence Community (IC), the Department of Homeland Security (DHS), and the Department of Education, as well as participants from civil society, to provide as broad a view as possible of Chinese “united front” activities in the United States. This should be undertaken through the U.S.–China Economic and Security Review Commission.⁴²

- **Prioritize countering Chinese espionage and intelligence activities.** Chinese espionage is a major CCP tool, as it generates benefits for the PRC’s economic, military, intelligence, and political initiatives. Countering Chinese espionage efforts in the United States is essential, if only to stanch the bleeding of intellectual property and various secrets.

The DOJ’s China Initiative played a key role by not only dedicating resources to countering China’s varied efforts, but also by signaling within the DOJ the priority accorded this effort. It is vital that the DOJ revive the China Initiative against an adversary that is mounting so extensive a campaign that the head of the FBI once said that he started a new investigation every 12 hours.

- **Support a vigorous interagency effort.** Professionals in government agencies see the threats and often know what to do, but they are stretched thin and need resources.
 1. Increase support for law enforcement and Intelligence Community (FBI, DHS, and IC partners) insider threat and economic, research, and national security espionage briefings for, as well as the sharing of suitably downgraded information with, local, state, and private-sector partners. The Senate Select Committee on Intelligence (SSCI) has hosted “roadshow” classified briefings with stakeholders including U.S. private businesses, universities and research institutions, state and local governments, and other decision-makers on the dangers of doing business with China.⁴³ This is in addition to work on private-sector engagement work by the FBI, DHS, and National Counterintelligence and Security Center (NCSC). Congress and the Administration should intensify these efforts to share threat information more widely with unknowing or vulnerable U.S. stakeholders.

2. Increase support for DOJ and FBI counterintelligence and cyber missions. As Congress considers additional resources for research and development in academia and the private sector as they relate to future technologies and competition with China, Members must not lose sight of China's espionage campaigns and malign influence. Congress should both direct sufficient resources to the Department of Justice and FBI to help counter malicious Chinese actors. It should also revive the DOJ China Initiative.⁴⁴ The Administration's request for six additional attorneys for DOJ's National Security Division for counterintelligence, export control, and countering cyber threats is not sufficient to match the threat landscape. Nor is its request for \$34.1 million and 88 additional positions (including 14 agents) for FBI counterintelligence.⁴⁵ As Congress debates additional hundreds of billions of dollars supposedly to combat China, it should consider adding resources to support the additional cyber and economic and national security espionage threats from China. These additional resources, however, should be paid for and should not add to the mounting public debt.

Improving Regional Diplomacy

The United States cannot counter China on its own. It does not have the preponderance of resources, nor does it have the absolute support of the region's leaders and populations. Countering the PRC will require a reinvigorated diplomatic effort, including more substantial outreach to various nations in Asia. As important, the United States should not court these nations alone. Long-standing allies have important resources and ties that can be leveraged to help counter China's influence and pressure. This includes efforts to work with NATO, other European partners, and America's Quad partners: Japan, India, and Australia.

- **Expand joint Quad activity.** The Quad has become a prominent feature of the American strategic approach to the Indo-Pacific and home to a handful of important initiatives. More needs to be done to operationalize it and make the most of members' common interests.
1. At the August 2021 Quad Senior Officials Meeting, the four countries "discussed the importance of peace and security in the Taiwan Strait."⁴⁶ Whether in a joint statement or individual statements, all Quad members should make clear that they are actively discussing

and concerned about China's threatening gestures toward Taiwan. Members should also make clear, in the context of their own China policies, that are looking for ways to support Taiwan. Amid the COVID-19 pandemic, urgent support is needed for Taiwan's meaningful participation in the World Health Organization and the WHO's World Health Assembly as recently endorsed by the G-7. Other organizations could include the International Civil Aviation Organization and Interpol.

2. Although permanent membership in the quadrilateral Malabar naval exercises should remain fixed for now, the Quad should consider inviting partner nations to serve in temporary roles, either as observers or Malabar-Plus partner participants. The British and French navies are making growing numbers of forays in the Indian Ocean and South China Sea and have been active in helping to monitor compliance with U.N. sanctions on North Korea. Given their capacities, the recently concluded AUKUS (Australia, United Kingdom, United States) agreement, and steadily growing U.S.–France naval cooperation in the broader region, the U.K. and France would make strong candidates. Indian Ocean countries like Bangladesh, the Maldives, and Sri Lanka could also be considered as rotating observers or temporary participants, as could the Philippines, Singapore, and South Korea. Other opportunities for Quad-plus exercises, like the French-led La Perouse exercise in the Bay of Bengal in early 2021, should also be pursued.
3. While the four capitals have launched several parallel unilateral, bilateral, and multilateral regional infrastructure initiatives in recent years, there has been no signature Quad infrastructure initiative. The four countries should recognize that there is an urgent need for infrastructure investments and a growing appetite among regional capitals for higher-quality, more reliable alternatives to the Belt and Road Initiative. An enterprise initially targeted at the island states of the Indian Ocean and Oceania would make strategic sense and would serve as a valuable test bed for a project that could be scaled up and expanded in the future.
4. The FY 2021 National Defense Authorization Act as introduced in the Senate included a plan to train air force pilots from Australia, India, and Japan at Anderson Air Force base in Guam.⁴⁷ This and

other creative multilateral training exercises and initiatives involving Quad militaries should be supported and explored further. For its part, India might also consider hosting a series of exercises at its Andaman and Nicobar Command (ANC) with Quad members. Positioned at the mouth of the Strait of Malacca, the ANC is ideally positioned for intelligence, surveillance, and reconnaissance in the Indian Ocean and South China Sea, and might be a suitable host for a future Quad maritime domain awareness fusion center.

- **Help partners with training and defense infrastructure that can complement the U.S. presence in the region.** An increased U.S. presence relies on a combination of shared interests, political will, and resources. In some cases, the U.S. can help itself by helping willing regional partners.
 1. Fully fund the Maritime Security Initiative (MSI).⁴⁸ Initiated by Congress in 2015 to provide training and assistance to five countries in Southeast Asia in areas of maritime security and maritime domain awareness, MSI has since been expanded to cover the entire U.S. Indo-Pacific Command (USINDOPACOM) area of operations. Congress should take a careful look at current levels of funding to determine whether they are sufficient for the initiative to cover its greatly expanded geographic scope. MSI is an important effort to help build the capacity and resilience of American security partners throughout the region and should be resourced to meet the demand for material partnership with the U.S.
 2. Secure the Compacts of Free Association (COFAs) and take up offers of new bases. These compacts with the Pacific Island nations of the Marshall Islands and the Federated States of Micronesia expire in 2023, and another with Palau expires in 2024. Under these COFAs, in exchange for less than \$300 million a year in assistance, the U.S. military is free to operate on the islands and to deny access to them by other countries' militaries. The U.S. needs to make securing updated compacts before the end of 2023 a priority in order to plug into the 2024 budget cycle. Micronesia and Palau have also offered to host new American military facilities. Given China's growing ambition in the region, the U.S. should take these Pacific Island allies up on their offers to facilitate a more consistent U.S. presence in the South Pacific.

- **Make common cause with European partners.** Europe is America's strategic breadbasket. The history, shared values, relationships, and habits of cooperation that it has with partners in Europe make them natural allies in Asia.
 1. Enhance U.S.–France cooperation in Indo-Pacific. France is a key player in the South Pacific, and several things can be done to improve U.S.–France cooperation in the region such as regularizing and increasing the number of joint U.S.–France military exercises, expanding France's current presence at U.S. facilities (including at USINDOPACOM), and expanding and intensifying the sharing of military intelligence.⁴⁹
 2. Enhance U.S.–U.K. cooperation in the Indo-Pacific. The U.K. is recommitting to the Indo-Pacific in a big way through the Australia–U.K.–U.S. partnership and by increasing its modest military presence in the region. The U.S. also can do more to apply the benefits of the Anglo–American alliance to security challenges in the region. For example, the non-submarine–related elements of AUKUS could be expanded to include other partners like Japan, Canada, Taiwan, and New Zealand, and the number of joint regional exercises could be increased. The U.S. should also press its closest global ally to expand the size, capability, and firepower of the Royal Navy.⁵⁰
 3. Expand allied and regional space and cyber cooperation. The space and cyber/network domains are not subject to national boundaries. Therefore, any threat to operations in those domains will rapidly have global repercussions. The United States should push NATO to plan for operations in the space and cyber/network domains that include Asian partners, not to expand NATO to the Asian region but because any conflict that involves NATO is likely to include space and cyber operations that also involve or affect Asian states.
- **Give development assistance a clear strategic focus.** When it was proposed, the Development Finance Corporation (DFC) was billed as a new tool to advance U.S. strategic interests and enable countries to seek infrastructure investments that are free of the strategic baggage that accompanies China's BRI. Unfortunately, this goal was not explicitly included in the legislation, and project selection has not reflected this priority.

Congress should reform the Better Utilization of Investments Leading to Development (BUILD) Act of 2018,⁵¹ the legislation that created the DFC, to make countering Chinese influence explicit in the DFC's statement of policy and purpose. The DFC should be required to report to Congress on how it has incorporated this goal into its project selection process and assess its impact in meeting this objective, especially in energy, transportation, infrastructure, mining, and other sectors that are the targets of BRI efforts.

Countering China in International Organizations

For too long, the United States and the West in general have ignored China's inroads into various international organizations—inroads that too often have enabled China to achieve easy wins, helping it to expand Beijing's influence, shut out Taiwan, and limit any Western reaction. China has managed to install allies in key international organizations, many of which play an outsized role in setting international norms and standards.

- **Focus U.S. effort, resources, and influence strategically in international organizations to advance American interests.** You cannot beat something with nothing. The U.S. must step up its own game of influence in international organizations.

1. Not all international organizations are equally important, and the U.S. should not squander finite time, effort, and resources on international organizations of dubious merit. The U.S. should instead focus its effort and resources on countering Chinese influence, advancing U.S. policy preferences, and increasing employment of U.S. nationals, particularly in senior positions, in organizations whose activities affect key U.S. interests.
2. The U.S. must counter Chinese financial and political pressure in international organizations. The Chinese have skillfully used their historical relationship with developing countries to advance their efforts to elect Chinese nationals to leadership positions in international organizations. China has complemented its historical relationships with extensive loans and investments in order to enhance its influence in developing countries. The U.S. must use its own influence and assistance to counter Chinese financial leverage and convince developing countries, which overwhelmingly are the

beneficiaries of the projects and programs offered by international organizations, that independent management serves their interest more than the head of an organization who is beholden to and acting at the direction of Beijing does.

3. Identify and carefully vet highly qualified candidates for leadership positions well in advance of elections in international organizations. China has successfully placed its nationals in leadership positions in many U.N. organizations. Unlike the nationals of most other nations, Chinese nationals cannot act independently and are compelled to shift policy and positions to the benefit of Beijing. The U.S. and likeminded countries should support individuals for leadership positions who are well qualified, support the core purposes and mission of the organization, are not beholden to governments whose priorities are antithetical to U.S. interests, and are committed to ensuring that the organization operates efficiently, accountably, and transparently.
 4. Seek to increase the employment of U.S. nationals in the U.N. system. In general, the number of U.S. nationals employed by the U.N. and specialized agencies is below where it should be. With support from Congress, the State Department has established an International Organization Careers portal and office in the Bureau of International Organization Affairs to “recruit highly-qualified candidates for professional posts, to assist Americans interested in such employment opportunities, and to promote American representation in these organizations.”⁵² If this office yields results, Congress should continue to support this effort.
- **Directly target Chinese efforts to dominate international organizations.** The Chinese have made a concerted effort to dominate international organizations. The U.S. should work with allies to counter this effort.
1. Periodically assess the scope and objectives of Chinese influence in international organizations. As it did during the Cold War when Soviet influence in the U.N. was a major concern, the U.S. intelligence community should conduct assessments of China’s objectives, tactics, and progress in influencing international organizations and report its findings to Congress. The executive branch should use

the information in these reports to adjust U.S. policy and allocate resources to counter Chinese influence where it undermines U.S. interests or the independence and purposes of those organizations.

2. Oppose Chinese membership on the Arctic Council. The PRC seeks to insinuate itself into every international organization and body, regardless of whether Beijing has an actual basis for membership. Thus, the PRC has lobbied for several years for a full seat on the Arctic Council, despite having no territory north of the Arctic Circle (a condition for full membership). In the wake of the Russia–Ukraine war, Beijing is likely to pressure Moscow to support its effort in exchange for its political and economic support. The United States and key allies like Canada, Denmark, and Norway need to make clear that, whatever Moscow’s arguments might be, China has no right to a full seat on the Arctic Council.
3. Improve accountability of the International Olympic Committee (IOC) and the U.S. Olympic and Paralympic Committee (USOPC) in the wake of Beijing’s selection to host the 2022 Winter Olympic Games. Even with the Beijing Olympics in the past, Congress should take steps to hold the USOPC accountable for the way it conducts itself in the context of the IOC. The USOPC serves as “the coordinating body for all Olympic-related activities in the United States.”⁵³ The Carter Administration considered revoking the USOPC’s tax-deductible status,⁵⁴ and others have suggested the possibility of revoking its federal charter.⁵⁵ Because the USOPC is federally chartered, even though it is privately funded, oversight comes from the federal government.

Rebuilding America’s Defenses and Strengthening Its Posture in the Pacific

While there is a need to implement changes in American trade, diplomacy, and intelligence policies to counter China, there is also a continuing need to rebuild American defense capabilities. During the past two decades, the U.S. military has focused on counterinsurgency rather than on preparing for war with a peer competitor that is able to operate in force on the land, in the air, at sea, and in outer space. America’s armed forces need to restore their focus on preparing for a conflict with a nation like Russia and China rather than countering insurgents in Afghanistan and Iraq.

-
- **Fund the military we need to deal with the China threat while not ignoring other threats to U.S. interests.** The U.S. is a global power. Weakness or the abandonment of interests or allies in one area of the world has ramifications for others. The debacle of the 2021 withdrawal from Afghanistan is a case in point. The Chinese have capitalized on it to denigrate American power and steadfastness.⁵⁶ America needs a bigger defense budget that is designed for an era of great-power competition.
 1. Like it or not, total defense spending is an indispensable measure of America’s capacity and commitment to defend its interests around the world. Under current circumstances, spending should increase to roughly \$965 billion by 2031.⁵⁷ In addition to increasing overall defense spending, it is equally important to make sure those resources are focused on the right priorities and capabilities.
 2. The U.S. Navy is central to the U.S. presence in the Indo-Pacific. It must make progress toward the legal requirement of 355 ships—but ideally 400—in order to meet global commitments.⁵⁸ The Administration’s FY 2023 budget cuts 24 ships and adds nine.⁵⁹ That will leave it far behind the 355-ship goal and with only 280 ships in 2027 when Chinese military action on Taiwan starts to become most plausible.⁶⁰ The budgets of the other services reflect similar shortfalls.
 3. Break the cycles of dysfunction in the appropriations process that hobble the military’s current readiness and planning for future needs.
 - **Continue to focus on the value of nuclear weapons.** Nuclear weapons remain a critical part of any effort to deter Chinese aggression, especially at a time when the PRC is becoming a nuclear peer of the United States. U.S. military operations rely on U.S. nuclear deterrence, which strategically underwrites all state–state military operations short of nuclear war.⁶¹
 1. Counter Chinese nuclear modernization with our own. In 2021, think tanks examining commercial satellite images of western China identified hundreds of new missile silos being built in China’s western desert. Conservative estimates suggest that China is

going to more than double the number of warheads that can hit the United States. If the PRC places multiple warheads on those missiles, the numbers escalate rapidly. It is essential that the United States modernize its own nuclear triad to ensure that its nuclear deterrent is never questioned.

2. Do not engage in nuclear negotiations with the PRC. If generals are always trying to fight the last war, diplomats and arms controllers are always trying to renegotiate the last treaty. Not surprisingly, there already are calls for some kind of multilateral arms control agreement among the U.S., Russia, and China over nuclear weapons. But there is no evidence that Beijing is interested in pursuing arms control, and China's behavior with respect to treaties ranging from Hong Kong to human rights suggests that this is a regime that cannot be trusted. Until the United States has modernized its own nuclear arsenal, pursuing arms control with China is at best a pipe dream.
- **Prioritize the Indo-Pacific.** There is bipartisan consensus that whatever claims other threats may have on American defense resources, China is the "pacing threat" and the Indo-Pacific is the military's "priority theater."
1. Fully fund the Pacific Deterrence Initiative (PDI) and refine the accounting of expenditures so that it most accurately reflects U.S. force posture in the Indo-Pacific. The Biden Administration's \$6.1 billion FY 2023 budget request represents a decrease of \$1 billion from the amount that Congress authorized for FY 2022. Equally important, however, it remains difficult to understand exactly what this means to the U.S. military presence. PDI's principal purpose is to help Congress evaluate what DOD is doing vis-à-vis the China challenge and augment it as necessary. It cannot do this without a more precise accounting of military operations focused on contingencies involving China.
 2. Reinvigorate the Industrial College of the Armed Forces (ICAF) to focus on wartime mobilization needs and training in industrial planning focused on a prospective war with China. As recent battles in Ukraine have demonstrated, modern warfare involves massive

expenditures of munitions, potentially high casualties and losses, and therefore the need for a rapid buildup of equipment and weapons in substantial amounts to replace losses and equip new units. This is within the purview of defense mobilization, a major feature of U.S. World War II and Cold War planning that included creation of the Industrial College of the Armed Forces at the National Defense University. Since the end of the Cold War, however, the study and analysis of mobilization have received less attention. If the United States is going to deter the PRC, especially in the wake of the Ukraine conflict, Beijing must be made to understand that the United States has the capacity to wage a sustained war, and this includes the ability to mobilize industry and finance. Reinvigorating the ICAF, including modernizing the curricula to incorporate financial mobilization and analyzing global supply chains, is therefore essential.

Detering Further Chinese Aggression

The United States is not looking for a war with China. At the same time, however, it must make clear that further Chinese aggression and expansion will incur a heavy price.

- **Confront Chinese expansion in the South China Sea.** China's island-building in the Spratlys was a preamble to militarizing those same islands. It may make another move in the east on land features that include Scarborough Shoal and Macclesfield Bank. If China is allowed to succeed in this, it will have locked up the South China Sea, through which some \$5 trillion in trade moves every year and through which the U.S. Navy must move to meet any contingency to the north.
1. Deter Chinese reclaiming and militarizing of Scarborough Shoal in the South China Sea. The U.S. needs to deter China from "reclaiming" land or building facilities at Scarborough Shoal or in the broader area (including Macclesfield Bank). The U.S., in conjunction with its allies, should make clear that any Chinese or Hong Kong company that is found to be engaging in land reclamation activities in this area will face sanctions and will not receive any Western funding. Those companies also should not be allowed to purchase or otherwise acquire spare parts for any equipment sourced from Western companies.

2. Respond to South China Sea island-building. The U.S. should impose sanctions on Chinese individuals and entities, including corporations, state-owned companies, and financial institutions, that have contributed to China's seizure, development, and militarization of land features in the South China Sea. Senator Marco Rubio (R-FL) has introduced legislation to accomplish this goal in every Congress since 2016.⁶²
3. Change U.S. official position on the Spratlys. The U.S. has long held that disputed territory in the South China Sea does not fall under the purview of its security treaty with the Philippines. It should move to a position similar to that regarding Japan and the Senkaku Islands. Specifically, for the purposes of its security treaty, it should recognize features in the South China Sea that are currently occupied by the Philippines as "under its jurisdiction"⁶³ and thereby subject to protection. Such clarification of jurisdiction would be accompanied by all of the legal caveats concerning consultations and constitutional processes that apply to the treaty generally and prevent the U.S. from being dragged into conflict against its better judgment.

Reinforcing Taiwan's Security

Taiwan remains the most dangerous flashpoint between the United States and the PRC. China has never relinquished its right to use force to compel the island of 23 million to rejoin the mainland. The United States has long stated its interest in a peaceful resolution of the Taiwan Strait situation. Those two perspectives appear ever less compatible. Under the Taiwan Relations Act,⁶⁴ the United States is committed to helping Taiwan defend itself, but we should be careful to avoid the assumption that we necessarily know how best to do that.

- Push back against Chinese assertions about U.N. Resolution 2758. Resolution 2758 admitted China to the United Nations. It explicitly recognizes the PRC as the only legitimate representative of China on the Security Council, in the General Assembly, and across the U.N. system. There is no reference, however, to sovereignty over Taiwan itself—which remains disputed. Chinese diplomats falsely maintain otherwise, and this gives them leverage that they can exploit to oppose Taiwan's efforts to participate in international organizations and to restrict the access of Taiwanese citizens to U.N. facilities.

- Caution the Vatican about seeking closer relations with China. In 2018, China and the Vatican approved a deal that drew Beijing and Rome closer than they had been in years. While the Vatican recognizes Taiwan as the official representative for China, the 2018 deal (renewed in 2020) enabled the Pope to exercise veto power over Beijing-appointed bishops. At the time, this was seen as a precursor to eventual normalization of ties between the Vatican and Beijing. Given China's record of religious persecution, the Vatican should be discouraged from normalization and closer cooperation with the Chinese Communist Party.
- Actively support Taiwan's participation in international organizations. Taiwan has critical experience and expertise to share with these organizations. More broadly, Taiwan's meaningful participation would integrate its security policy into its broader relationship with global partners and deter China from coercing it into unification. Taiwan is boxed out of most international organizations by China. The Administration should prioritize membership, observer status, or other meaningful participation in Interpol, the World Health Organization, and the International Civil Aviation Organization.
- Do not force Taiwan to accept American taxpayer-funded weapons that it does not want. Taiwan and the U.S. agree on the need to develop asymmetric capabilities to deter China, but they do not necessarily agree on which weapon systems should be characterized as asymmetric. Under the Taiwan Relations Act, the U.S. is obligated to make defense articles and services available to Taiwan. It has done so for decades through a collaborative process that evaluates Taiwan's expressed interest against releasability. If there are specific capabilities that American officials believe Taiwan should have, this process is the way to settle any differences.

Conclusion

The Heritage Foundation's first China Blueprint identified China as the most persistent and consequential foreign policy challenge that will confront the U.S. for the next several decades. Nothing has happened in the two years since then to change that judgment.

Cold War analogies to the current confrontation with China are imperfect, but when Ronald Reagan summarized his strategy for the Soviet Union as “We win; they lose,” he captured something enduring about the way Americans approach competition. What the U.S. needs today is a game plan not for “managing competition” with China, but for winning.

Endnotes

1. The Heritage Foundation, “China Transparency Project,” <https://www.heritage.org/china-transparency-project>.
2. Dean Cheng, Walter Lohman, James Jay Carafano, and Riley Walters, “Assessing Beijing’s Power: A Blueprint for the U.S. Response to China Over the Next Decades,” Heritage Foundation *Special Report* No. 221, February 10, 2020, <https://www.heritage.org/sites/default/files/2020-02/SR221.pdf>.
3. Shannon Tiezzi, “During Latest Exchange, China Presents US with 2 Lists of Grievances,” *The Diplomat*, July 26, 2021, <https://thediplomat.com/2021/07/during-latest-exchange-china-presents-us-with-2-lists-of-grievances/> (accessed August 1, 2022).
4. *Ibid.*
5. Chen Qingqing and Fan Anqi, “China Elaborates Bottom Lines, Suggests Remedial Measures,” *Global Times*, July 26, 2021, <https://www.globaltimes.cn/page/202107/1229708.shtml> (accessed August 1, 2022).
6. Center for Strategic and International Studies, ChinaPower, “Is China the World’s Top Trader?” updated August 25, 2020, <https://chinapower.csis.org/trade-partner/> (accessed July 28, 2022).
7. Tianlei Huang and Nicholas R. Lardy, “Foreign Corporates Investing in China Surged in 2021,” Peterson Institute for International Economics, March 29, 2022, <https://www.piie.com/blogs/realtime-economic-issues-watch/foreign-corporates-investing-china-surged-2021> (accessed July 28, 2022).
8. Deloitte, *Rise of the “Big 4”: The Semiconductor Industry in Asia Pacific*, published August 31, 2020, pp. 3–4, <https://www2.deloitte.com/content/dam/Deloitte/cn/Documents/technology-media-telecommunications/cn-tmt-rise-of-the-big-4-en-082820.pdf> (accessed July 28, 2022), and Justin Hodiak and Scott W. Harold, “Can China Become the World Leader in Semiconductors?” *The Diplomat*, September 25, 2020, <https://thediplomat.com/2020/09/can-china-become-the-world-leader-in-semiconductors/> (accessed July 28, 2022).
9. Wayne M. Morrison, “China’s Economic Rise: History, Trends, Challenges, and Implications for the United States,” Congressional Research Service *Report for Members and Committees of Congress* No. RL33534, updated June 25, 2019, pp. 18–19, <https://sgp.fas.org/crs/row/RL33534.pdf> (accessed July 28, 2022).
10. Joshua P. Meltzer, “China’s One Belt One Road Initiative: A View from the United States,” Brookings Institution *Asan Forum*, June 19, 2017, <https://www.brookings.edu/research/chinas-one-belt-one-road-initiative-a-view-from-the-united-states/> (accessed July 28, 2022).
11. Evelyn Cheng, “China Will Raise Defense Spending by 7.1% in 2022, Faster Than Last Year,” CNBC, updated March 6, 2022, <https://www.cnbc.com/2022/03/05/china-defense-spending-to-rise-by-7point1percent-in-2022-says-finance-ministry.html> (accessed July 28, 2022).
12. See table, “2022 Index of Economic Freedom World Rankings,” in Terry Miller, Anthony B. Kim, and James M. Roberts, *2022 Index of Economic Freedom* (Washington: The Heritage Foundation, 2022), pp. 5–9, https://www.heritage.org/index/pdf/2022/book/2022_IndexOfEconomicFreedom_FINAL.pdf.
13. David Shepardson and Karen Freifeld, “Trump Administration Hits China’s Huawei with One-Two Punch,” Reuters, May 15, 2019, <https://www.reuters.com/article/us-usa-china-trump-telecommunications/trump-administration-hits-chinas-huawei-with-one-two-punch-idUSKCN1SL2QX> (accessed July 28, 2022).
14. Sam Shead, “Chip Industry Under Threat with Neon Production Set to Fall Off a Cliff Following Russia’s Invasion of Ukraine,” CNBC, updated March 25, 2022, <https://www.cnbc.com/2022/03/25/russia-ukraine-war-laser-neon-shortage-threatens-semiconductor-industry.html> (accessed July 28, 2022), and Emma Simpson, “Ukraine War ‘Catastrophic for Global Food,’” BBC News, March 7, 2022, <https://www.bbc.com/news/business-60623941> (accessed July 28, 2022).
15. Derrick Morgan, “California Dreamin’—A No-Choice Nightmare that Benefits China,” The Heritage Foundation (August 30, 2022) <https://www.heritage.org/energy-economics/commentary/california-dreamin-no-choice-nightmare-benefits-china>
16. Bentley Coffey, Patrick A. McLaughlin, and Pietro Peretto, “The Cumulative Cost of Regulations,” George Mason University, Mercatus Center *Working Paper*, April 2016, p. 8 and 39, <https://www.mercatus.org/system/files/Coffey-Cumulative-Cost-Regs-v3.pdf> (accessed July 28, 2022).
17. Mark Febrizio and Melinda Warren, “Regulator’s Budget: Overall Spending and Staffing Remain Stable: An Analysis of the U.S. Budget for Fiscal Years 1960 through 2021,” George Washington University, Regulatory Studies Center, and Washington University in St. Louis, Weidenbaum Center on the Economy, Government, and Public Policy, *Regulators’ Budget Report* No. 42, July 2020, https://web.archive.org/web/20220424020056/https://regulatorystudies.columbian.gwu.edu/sites/g/files/zaxdzs3306/f/downloads/RegulatorsBudget/GW%20Reg%20Studies%20-%20FY2021%20Regulators%20Budget%20-%20MFebrizio%20and%20MWarren_Weidenbaum%20Center.pdf (accessed July 28, 2022).
18. See Donald J. Trump, Executive Order 13959, “Addressing the Threat from Securities Investments that Finance Communist Chinese Military Companies,” November 12, 2020, in *Federal Register*, Vol. 85, No. 222 (November 17, 2020), pp. 73185–73188, <https://home.treasury.gov/system/files/126/13959.pdf> (accessed July 28, 2022), and Joseph R. Biden, Jr., Executive Order 14032, “Addressing the Threat from Securities Investments that Finance Certain Companies of the People’s Republic of China,” June 3, 2021, in *Federal Register*, Vol. 86, No. 107 (June 7, 2021), pp. 30145–30147, <https://home.treasury.gov/system/files/126/14032.pdf> (accessed July 28, 2022). See also U.S. Department of the Treasury, “Chinese Military Companies Sanctions,” <https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information/chinese-military-companies-sanctions> (accessed July 28, 2022).

19. Zach Coleman, "U.S. Gave Investors 'Green Light' on Blacklisted Chinese Companies," *Nikkei Asia*, June 6, 2022, at <https://asia.nikkei.com/Politics/International-relations/US-China-tensions/U.S.-gave-investors-green-light-on-blacklisted-Chinese-companies> (accessed July 28, 2022).
20. The Victims of Communism Memorial Foundation details some such relationships in its Corporate Complicity Scorecard. Nathan Picarsic, Emily de La Bruyère, and Adrian Zenz, *Corporate Complicity Scorecard: An Assessment of U.S. Companies' Exposure to Military Modernization, Surveillance, and Human Rights Violations in the People's Republic of China*, Victims of Communism Memorial Foundation and Horizon Advisory, February 3, 2022, <https://victimsofcommunism.org/wp-content/uploads/2022/02/Corporate-Complicity-Scorecard-2.3.22.pdf> (accessed July 28, 2022).
21. See U.S. Department of Commerce, Bureau of Industry and Security, "Entity List," <https://www.bis.doc.gov/index.php/policy-guidance/lists-of-parties-of-concern/entity-list> (accessed August 8, 2022).
22. Press release, "Rubio, Colleagues Push Amendment to Protect American Research from China," Office of Senator Marco Rubio, May 20, 2021, <https://www.rubio.senate.gov/public/index.cfm/2021/5/rubio-colleagues-push-amendment-to-protect-american-research-from-china> (accessed July 28, 2022), and S. 1260, United States Innovation and Competition Act of 2021, 117th Cong., introduced April 20, 2021, <https://www.congress.gov/bill/117th-congress/senate-bill/1260> (accessed August 8, 2022).
23. Adam Mossoff, "China Ignores Rule of Law to Dominate Global Telecommunications," RealClearPolicy, March 24, 2022, https://www.realclearpolicy.com/articles/2022/03/24/china_ignores_rule_of_law_to_dominate_global_telecommunications_823355.html (accessed July 28, 2022).
24. S. 3772, Defending American Courts Act, 117th Cong., introduced March 8, 2022, § 274, <https://www.congress.gov/bill/117th-congress/senate-bill/3772> (accessed July 28, 2022).
25. Adam Mossoff, "Innovation and Leviathan: The Patent System Is Assimilated into the Growing Administrative State," Heritage Foundation *Legal Memorandum* No. 300, April 5, 2022, <https://www.heritage.org/economic-and-property-rights/report/innovation-and-leviathan-the-patent-system-assimilated-the> (accessed July 28, 2022).
26. Possible measures include H.R. 5874, Restoring America's Leadership in Innovation Act of 2021, 117th Cong., introduced November 4, 2021, § 106, <https://www.congress.gov/bill/117th-congress/house-bill/5874/text?r=8&s=1> (accessed July 28, 2022), and S. 2082/H.R. 3666, STRONGER Patents Act of 2019, 116th Cong., introduced in the Senate and House July 10, 2019, § 106, <https://www.congress.gov/bill/116th-congress/senate-bill/2082> and <https://www.congress.gov/bill/116th-congress/house-bill/3666/text> (accessed July 28, 2022).
27. Roger Severino and James Jay Carafano, "Biden's Solar Power Scam," *The Washington Times*, June 28, 2022, <https://www.washingtontimes.com/news/2022/jun/28/bidens-solar-power-scam/> (accessed July 28, 2022).
28. Committee on Foreign Investment in the United States, self-described as "an interagency committee authorized to review certain transactions involving foreign investment in the United States and certain real estate transactions by foreign persons, in order to determine the effect of such transactions on the national security of the United States." See U.S. Department of the Treasury, "The Committee on Foreign Investment in the United States (CFIUS)," <https://home.treasury.gov/policy-issues/international/the-committee-on-foreign-investment-in-the-united-states-cfius> (accessed August 13, 2022).
29. Rachele Peterson, Flora Yan, and Ian Oxnevad, *After Confucius Institutes: China's Enduring Influence on American Higher Education* (New York: National Association of Scholars, June 2022), back cover, https://www.nas.org/storage/app/media/Reports/After%20Confucius%20Institutes/After_Confucius_Institutes_NAS.pdf (accessed July 28, 2022). See also *ibid.*, pp. 26, 28, 37, 58, and 59.
30. *Ibid.*, p. 152.
31. 22 U.S. Code § 611 et seq., <https://www.justice.gov/nsd-fara/fara-index-and-act> (accessed August 18, 2022).
32. Zack Smith, Thomas Jipping, and Paul J. Larkin, "Can Congress Limit the Ability of China (or other Foreign Nations) to Lobby U.S. Officials? Statutory and Constitutional Considerations," Heritage Foundation *Legal Memorandum* No. 307, July 18, 2022, <https://www.heritage.org/the-constitution/report/can-congress-limit-the-ability-china-or-other-foreign-nations-lobby-us>.
33. Katherine Jacobsen, "CPJ Calls on U.S. Justice Department to Stop Compelling Media Outlets to Register as Foreign Agents," Committee to Protect Journalists, February 15, 2022, <https://cpj.org/2022/02/cpj-calls-on-us-justice-department-to-stop-compelling-media-outlets-to-register-as-foreign-agents/> (accessed July 28, 2022).
34. Op-ed, Paul Rosenzweig, "The Georgia Legislature Stood Up to China. Can America's Companies Say the Same?," *Georgia Recorder*, April 19, 2022, at <https://georgiarecorder.com/2022/04/19/the-georgia-legislature-stood-up-to-china-can-americas-companies-say-the-same/> (accessed July 28, 2022).
35. H.R. 6256, To Ensure that Goods Made with Forced Labor in the Xinjiang Uyghur Autonomous Region of the People's Republic of China Do Not Enter the United States Market, and for Other Purposes, Public Law 117-78, 117th Cong., December 23, 2021, <https://www.congress.gov/117/plaws/publ78/PLAW-117publ78.pdf> (accessed August 14, 2022).
36. U.S. Department of State, "Country Reports on Human Rights Practices," <https://www.state.gov/reports-bureau-of-democracy-human-rights-and-labor/country-reports-on-human-rights-practices/>; "International Religious Freedom Reports," <https://www.state.gov/international-religious-freedom-reports/>; and "Trafficking in Persons Report," <https://www.state.gov/trafficking-in-persons-report/> (accessed August 14, 2022).
37. The Heritage Foundation, "Why the US Should Extend 'Priority 2' Refugee Status to Uyghurs and Hong Kong Citizens," *Factsheet* No. 225, February 4, 2022, <https://www.heritage.org/asia/report/why-the-us-should-extend-priority-2-refugee-status-uyghurs-and-hong-kong-citizens> (accessed July 28, 2022).

38. Monique Beals, "FBI Chief Says Espionage Threat Posed by China 'Unprecedented in History,'" *The Hill*, April 24, 2022, <https://thehill.com/policy/national-security/3461869-fbi-chief-says-espionage-threat-posed-by-china-unprecedented-in-history/> (accessed July 28, 2022).
39. Alan Raul, Joan Loughnane, Stephen McInerney, and Laura Sorice, "Nation-State-Sponsored Attacks: Not Your Grandfather's Cyberattacks," *Treasury & Risk*, May 13, 2022, <https://www.treasuryandrisk.com/2022/05/13/%C2%AD%C2%AD%C2%AD%C2%AD%C2%AD%C2%AD%C2%AD%C2%AD%C2%AD%C2%ADnacion-state-sponsored-attacks-not-your-grandfathers-cyber-attacks-411-27200/?sreturn=20220417125348> (accessed July 28, 2022).
40. David Brunnstrom, "U.S. Congressmen Reach Back into Cold War Armory to Respond to China," Reuters, July 28, 2021, <https://www.reuters.com/world/us/us-congressmen-reach-back-into-cold-war-armory-respond-china-2021-07-28/> (accessed July 28, 2022), and H.R. 4747, Open Translation and Analysis Center Authorization Act, 117th Cong., introduced July 28, 2021, <https://www.congress.gov/bill/117th-congress/house-bill/4747?s=i&r=53> (accessed August 14, 2022).
41. See, for example, U.S. Department of Defense, Office of the Secretary of Defense, *Military and Security Developments Involving the People's Republic of China 2021: Annual Report to Congress*, <https://media.defense.gov/2021/Nov/03/2002885874/-1/-1/0/2021-CMPR-FINAL.PDF> (accessed August 14, 2022).
42. U.S. Economic and Security Review Commission website, <https://www.uscc.gov/> (accessed August 14, 2022).
43. Martin Matishak, "Senate Intel Committee to Revive 'Roadshow' on Chinese Threats," *The Record by Recorded Future*, October 4, 2021, at <https://therecord.media/senate-intel-committee-to-revive-roadshow-on-chinese-threats/> (accessed July 29, 2022).
44. Michael J. Ellis, "DOJ Emboldens China by Ending Initiative Against Our Greatest Counterintelligence and Economic Espionage Threat," Heritage Foundation *Legal Memorandum* No. 297, March 4, 2022, <https://www.heritage.org/crime-and-justice/report/doj-emboldens-china-ending-initiative-against-our-greatest>.
45. U.S. Department of Justice, "FY 2023 Budget and Performance Summary, Part Two: Summary Information by Appropriation: National Security Division (NSB)," updated April 14, 2022, <https://www.justice.gov/jmd/page/file/1489511/download> (accessed July 29, 2022), and U.S. Department of Justice, "FY 2023 Budget and Performance Summary, Part Two: Summary Information by Appropriation: Federal Bureau of Investigation (FBI)," updated April 14, 2022, <https://www.justice.gov/jmd/page/file/1489476/download> (accessed July 29, 2022).
46. Press release, "U.S.-Australia-India-Japan Consultations (the 'Quad') Senior Officials Meeting," U.S. Department of State, August 12, 2021, <https://www.state.gov/u-s-australia-india-japan-consultations-the-quad-senior-officials-meeting/> (accessed August 14, 2022).
47. See S. 4049, National Defense Authorization Act for Fiscal Year 2021, Section 1257, in Senate Report No. 116-236, *National Defense Authorization Act for Fiscal Year 2021*, Committee on Armed Services, U.S. Senate, 116th Cong., 2nd Sess., June 24, 2020, p. 303, <https://www.congress.gov/116/crpt/srpt/236/CRPT-116srpt236.pdf> (accessed August 16, 2022): "The committee recommends a provision that would commend the memorandum of understanding agreed to by the United States and the Republic of Singapore on December 6, 2019, to establish a fighter jet training detachment in Guam. The provision would require that, not later than 1 year after the date of the enactment of this Act, the Secretary of Defense submit to the congressional defense committees a report assessing the merit and feasibility of entering into agreements similar to the aforementioned memorandum of understanding with other United States allies and partners in the Indo-Pacific region, to include Japan, Australia, and India." The bill as finally enacted, however, included less specific language. See H.R. 6395, William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021, Public Law 116-283, 116th Cong., January 1, 2021, Section 1073(a), <https://www.congress.gov/116/plaws/publ283/PLAW-116publ283.pdf> (accessed August 16, 2022): "Not later than March 15, 2021, the Secretary of Defense, in coordination with the Chairman of the Joint Chiefs of Staff, the Commander of United States Indo-Pacific Command, and the head of each of the military departments, shall submit to the congressional defense committees a report containing a plan to integrate combined, joint, and multi-domain training and experimentation in the Pacific region, including existing and future ranges, training areas, and test facilities..."
48. S. 1356, National Defense Authorization Act for Fiscal Year 2016, Public Law 114-92, 114th Cong., November 25, 2015, Section 1263, South China Sea Initiative, <https://www.congress.gov/114/plaws/publ92/PLAW-114publ92.pdf> (accessed August 14, 2022).
49. Walter Lohman, "The U.S. and France Should Double Down on Security Cooperation in the Indo-Pacific," Heritage Foundation *Issue Brief* No. 5232, October 20, 2021, <https://www.heritage.org/asia/report/the-us-and-france-should-double-down-security-cooperation-the-indo-pacific>.
50. Ted R. Bromund, "How the U.S. Can Support the U.K.'s Return to the Indo-Pacific Region," Heritage Foundation *Issue Brief* No. 5267, June 2, 2022, <https://www.heritage.org/europe/report/how-the-us-can-support-the-uks-return-the-indo-pacific-region>.
51. H.R. 302, FAA Reauthorization Act of 2018, Public Law 115-254, 115th Cong., October 5, 2018, Division F—BUILD Act of 2018, <https://www.govinfo.gov/content/pkg/PLAW-115publ254/pdf/PLAW-115publ254.pdf> (accessed August 14, 2022).
52. U.S. Department of State, Bureau of International Organization Affairs, International Organization Careers, "Who We Are," <https://iocareers.state.gov/Main/Content/Page/who-we-are> (accessed August 17, 2022).
53. United States Olympic & Paralympic Committee, "About the U.S. Olympic & Paralympic Committee," <https://www.teamusa.org/about-the-usopc/history> (accessed September 28, 2022).
54. Helen Dewar and Nancy Scannell, "White House Looks at USOC's Tax Status," *The Washington Post*, April 9, 1980, <https://www.washingtonpost.com/archive/politics/1980/04/09/white-house-looks-at-usocs-tax-status/90bce140-a117-4ade-bald-eb4856d68d57/> (accessed September 28, 2022).
55. Michael Mazza, "Opinion: The U.S. Should Boycott Beijing's 2022 Winter Olympics," *Los Angeles Times*, November 29, 2019, <https://www.latimes.com/opinion/story/2019-11-29/boycott-beijing-2022-olympics-uighurs-camps> (accessed September 28, 2022).

-
56. “China Is Happy to See America Humbled in Afghanistan,” *The Economist*, August 21, 2021, <https://www.economist.com/china/2021/08/21/china-is-happy-to-see-america-humbled-in-afghanistan> (accessed July 29, 2022).
 57. The Heritage Foundation, “Budget Blueprint for Fiscal Year 2022,” <https://www.heritage.org/budget/>.
 58. Brent Sadler, “U.S. Navy,” in *2022 Index of U.S. Military Strength*, ed. Dakota L. Wood (Washington: The Heritage Foundation, 2022), pp. 387–421, https://www.heritage.org/sites/default/files/2021-09/2022_IndexOfUSMilitaryStrength.pdf.
 59. Megan Eckstein, “US Navy Budget Would Pay for 9 Ships, Decommission 24 amid Readiness Drive,” *Defense News*, March 28, 2022, <https://www.defensenews.com/naval/2022/03/28/us-navy-budget-would-pay-for-9-ships-decommission-24-amid-readiness-drive/> (accessed August 18, 2022).
 60. Brent Sadler, “One Year After Indo-Pacific Command’s Prediction About Taiwan, Where Do We Stand?” Heritage Foundation *Commentary*, March 10, 2022, <https://www.heritage.org/asia/commentary/one-year-after-indo-pacific-commands-prediction-about-taiwan-where-do-we-stand> (July 14, 2022).
 61. Patty-Jane Geller, “U.S. Nuclear Weapons Capability,” in *2022 Index of U.S. Military Strength*, ed. Dakota L. Wood (Washington: The Heritage Foundation, 2022), pp. 509–534, https://www.heritage.org/sites/default/files/2021-09/2022_IndexOfUSMilitaryStrength.pdf.
 62. See, for example, S. 1657, South China Sea and East China Sea Sanctions Act of 2021, 117th Cong., introduced May 17, 2021, <https://www.congress.gov/bill/117th-congress/senate-bill/1657> (accessed August 18, 2022).
 63. Wording from Mutual Defense Treaty Between the United States and the Republic of the Philippines, August 30, 1951, Article V, https://avalon.law.yale.edu/20th_century/phil001.asp (accessed August 18, 2022).
 64. H.R. 2479, Taiwan Relations Act, Public Law 96-8, 96th Cong., April 10, 1979, <https://www.congress.gov/bill/96th-congress/house-bill/2479> (accessed August 18, 2022).



214 Massachusetts Ave., NE | Washington, DC 20002
(202) 546-4400 | heritage.org