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A CONVERSATION WITH SENATOR VAN HOLLEN  
ON U.S. DEFENSE AND FOREIGN POLICY

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PARTICIPANTS:

MICHAEL E. O'HANLON, Moderator  
Senior Fellow, Foreign Policy  
The Brookings Institution

THE HONORABLE CHRIS VAN HOLLEN (D-MD)  
United States Senate

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## P R O C E E D I N G S

SENATOR VAN HOLLEN: All right, go, Nats. We all stayed up a little late last night.

That's great.

MR. O'HANLON: Well, I was going to say, first things first. Before I properly introduce Senator Van Hollen, whom we're thrilled to have at Brookings, since you are perhaps the first elected official in the DMV to have the stage right after Nats victory, leaving aside any Howard Dean war whoops, any other message you'd like to give the audience and convey to the crowd.

SENATOR VAN HOLLEN: Well, it was obviously a great victory. For somebody who grew up as a Senators fan and then they left, it was great to see Washington come together. We thought we might get there in previous years, but being the underdogs, so just go, Nats. There's a lot of celebrations.

MR. O'HANLON: Go, Nats. Happy Halloween and thanks to all of you for getting up early despite whatever celebrations you might have been part of last night. I'm thrilled here at Brookings, I'm Mike O'Hanlon with the Foreign Policy Program, thrilled to have Senator Chris Van Hollen.

Senator Van Hollen was born in Pakistan. His dad was a Foreign Service officer. In fact, I believe the first time I ever met a Van Hollen was living in Bethesda when your dad campaigned for you in one of the sweetest moments.

SENATOR VAN HOLLEN: Right.

MR. O'HANLON: My wife and I still talk about, knocking on doors. And Chris Van Hollen has been serving the people of Maryland, first in the State Assembly and then in Congress since 2003, and as senator now since 2017. And he is one of the most important voices in the Congress and especially in the Senate on many matters, including economic opportunity, including job creation, and for today's purposes on foreign policy and defense. Being certainly a proud Democrat, but also from a district that has important defense firms, he is sort of a centrist pro-defense Democrat, and I think it makes it especially interesting to be able to talk about defense policy with him today.

So could you all please join me in welcoming Senator Van Hollen to Brookings?

SENATOR VAN HOLLEN: Thank you. And with that introduction, I should say I'm particular sensitive about this idea that the President and his team have floated that if you were born

overseas you somehow can't be a patriotic American. So it's one of the most outrageous things we've seen in the last week, and that's just one of many, but we can go there later.

MR. O'HANLON: Well, so let's talk about the President's National Defense Strategy, though, right off the bat because, of course, it's his strategy, but it's also fashioned by Secretary Mattis and it also in some ways is a logical outgrowth of the latter Obama years with the so-called "third offset" beginning to focus more on China and Russia. So there is a certain amount of bipartisan and nonpartisan thinking that went into it. So I just wondered your overall reflections on this strategy which is now, what, over a year old and has helped us focus more on great power competition even as we continue to do other things around the world. Your overall thoughts, please.

SENATOR VAN HOLLEN: So my overall assessment of the strategy, and as you rightfully described really put together by Secretary of Defense Mattis, is a positive one. I mean, I do think we do need to prepare for increased competition, certainly with China; a Russia that is sort of once again feeling its oats; and, at the same time, as they pointed out in that strategy document, not forget about the non-state actors like ISIS and the continuing terrorist threat, but recognizing that's not the only threat to the United States.

What I would say about the strategy is while I agree with what's written, this administration is not applying that strategy. I mean, there's a reason Secretary Mattis left. Right? And Secretary Mattis was concerned about a couple aspects of Donald Trump's policy. One related to his first effort to withdraw U.S. Special Forces from Syria, opening the way to the Kurds, which I see as part of deterrence. But also from day one President Trump has sort of questioned our relationships with our key allies, both in Europe as well as Japan, essentially saying that maybe Japan and South Korea should get their own nuclear weapons and other things like that.

So, you know, in my view it's a good document, but, you know, having a strategy, if the commander in chief is not aligned with that strategy, it doesn't allow you to implement the strategy.

MR. O'HANLON: I know you're just back from some trips overseas, especially to the Central Command region, so we'll get to that, as well. But I wanted to bear down a little bit on both China and Russia.

SENATOR VAN HOLLEN: Sure.

MR. O'HANLON: Key elements. But, you know, in some ways, in the National Security Strategy and the National Defense Strategy they're sort of conflated. But I know that you have separate thoughts on each as is -- one of them is declining, but still, you know, a huge superpower with 5,000 nuclear weapons across 11 time zones and 135 million people. The other one has 10 times as many people, is the fastest-growing major economy on Earth, only has 300 nuclear weapons, but still a lot of firepower.

So maybe we can start with Russia and just how do you think about overall U.S. policy towards Russia today, in addition to what's in the National Defense Strategy, how we're doing in deterring Vladimir Putin and dealing with election security, the whole gamut of issues with Russia?

SENATOR VAN HOLLEN: So as you say, Russia remains certainly a strong military power, but not such a strong economic power. Whereas China, which we'll get to in a moment, obviously is growing -- has been growing rapidly as an economic power. So with Russia, it seems to me our challenges remain similar to what they've had in the past. We've had a policy of deterrence. We've had a policy of strong alliances. And we need to make it clear to Russia that things like taking Crimea or taking parts of Ukraine are unacceptable. We did that jointly with our European allies when we responded with sanctions, which remain in place against Russia for its actions in Ukraine.

I think it's really bad when you cut \$770 million out of Europe special fund to pay for a wall. That sends the wrong signal.

And I would also say that when it comes to what just happened in the situation in Syria, we have essentially handed even more influence to Russia than it already had. Now, look, I mean, there's no hiding the fact that Russia already had a lot of influence in Syria. After all, they have a naval base there. But when you essentially do a deal that allows the Turkish forces to come in and attack our Syrian Kurdish allies, we essentially drove, you know, everybody into Russia's hands. And so now you have Turkey, at least in name still, a NATO ally making common cause with Russia. So my view is that this administration has made a lot of unforced errors.

That said, with Russia we continue to have an interest, in my view, of extending our nuclear arms control agreements. New START will, if we can extend that another five years, it will provide the United States and the world with more stability. And it also accommodates, the New START

agreement accommodates, our current nuclear modernization program. So there's nothing to be gained, in my view, from the United States not continuing with New START.

Finally, on elections, we've done a terrible job of protecting the United States from elections. The reality is the President really doesn't even acknowledge the threat of Russian interference in our elections. We need to do two things: we need to harden our systems here, our election systems and improve our social media monitoring, but my view is that the best defense is a good offense.

So Senator Marco Rubio and I introduced some time ago something called the DETER Act, which would make it clear to Vladimir Putin up front that if we catch Russia interfering in our elections again, there would be immediate and very tough economic sanctions, and not just against a few oligarchs, but against the Russian banking system, energy sector. The whole idea, like nuclear deterrence, is you don't want it to go off. Right? You want to create a penalty that's certain enough and tough enough that when Putin's thinking about interfering in our elections, he'll realize there's a big price to pay. Right now it's cost-free. In fact, he's benefiting, he's creating division and disruption.

So if we don't raise the cost to the Russians and Putin up front, let them know, then they're going to come in. So that idea we're working on the NDAA, the Defense Authorization bill. I can't think of a better place than, you know, a bill that's supposed to deal with our national defense, including defending our democracy.

So yes to extending New START. It's, I think, in our interest and in Russia's interest. But for goodness sakes, let's defend our democracy.

MR. O'HANLON: And you're hopeful that DETER Act will make its way through the legislative process maybe as part of the NDAA?

SENATOR VAN HOLLEN: I'm hopeful. Unfortunately, we still have resistance from some in the Senate, including the Senate Republican Leader Mitch McConnell.

Nobody can give us a good reason not to support this. I mean, if you go to -- I haven't found a single Republican senator that can tell me why this is a bad idea. And the fact that it hasn't moved forward suggests that there is something going on with the Trump administration, you know, undermining this idea from behind.

MR. O'HANLON: One more question on Russia, if I could, then we'll move on to China

and then maybe defense spending.

SENATOR VAN HOLLEN: Sure.

MR. O'HANLON: So with Russia, I'm curious how you feel about the overall stability of Eastern Europe. Because, on the one hand, ever since the Obama years, we've been, along with NATO allies, putting some forces into Poland and the Baltic states. It's a small presence, but at least it's steady and it's a deterrent, at least a trip wire if nothing else. And that's continued under President Trump even though he's been ambivalent about NATO as an entity itself.

And we've seen sanctions applied by the European Union and the United States against Russia over Ukraine. So those parts have been steady. And yet, you know, General Dunford when he was still Chairman was here in the spring and I tried to give him some credit for sort Europe feeling a little more stable today than it maybe had been four years prior when he became chairman, he didn't want any of my compliments. He felt that things were just as much sort of on edge as they had been and he's just as nervous as before about the overall state of the Russian threat.

One more part of the backdrop is that we've been promising Ukraine and Georgia since 2008 that they would someday be in NATO, but there's no timetable, there's no interim security guarantee. I personally question whether it's a realistic or desirable approach.

But anyway, that whole Eastern European swath of territory, how do you feel -- you've mentioned Ukraine already in the context of obviously the economic assistance and the controversy over that, but I wondered you felt about the stability and security of Eastern Europe these days.

SENATOR VAN HOLLEN: Well, overall, I do believe that our strategy's been successful. Obviously, the Russian incursion into the Ukraine as a chink to the armor, but we did respond jointly with our European allies with sanctions. So I think we sent the right signal there.

As to your question about Ukraine's NATO membership, I kind of -- my view is we shouldn't be rushing into that. And I think there's a fair debate to be had about exactly if and how we would move forward on that.

So, look, I think our greatest concern with respect to the Eastern flank goes back to the fundamental question of credibility of deterrence. Right? And so you need a robust military deterrent, but, as you know, deterrence also includes perception. And that is where this administration has, to some

extent, undermined our credibility not just by questioning NATO, but just by questioning American commitments around the world. To our NATO allies saying, you know, if you don't -- I'm all for more burden-sharing. This has been a debate. You know, we've been engaged in this debate for 20 years on burden-sharing and we should use our leverage. But essentially saying, you know, we don't think it's a good deal for the United States and if you don't pay up, we're out, that undermines our credibility. As does saying to Japan, you know, I don't think we have a good deal there and you should develop your own nuclear weapons.

So as does -- you know, I did bring a prop today because I think this is significant. *The Economist* magazine is not prone to sort of overstatement and here is the headline, right: "Who can trust Trump's America? The consequences of betraying the Kurds."

The point being made here is that people's perception of our ability and willingness to stand up for our allies is a critical part of deterrence. And when you have a commander in chief making statements that question those commitments, then I think you undermine those.

But I would say from a military perspective in Eastern Europe and from an economic perspective I think things are relatively stable. I think Russia probably will not take further actions in Ukraine. That's my best guess at this point in time.

MR. O'HANLON: So moving to the Western Pacific region, I want to ask you about China and maybe even about North Korea in passing at least before we come to the defense budget. But I wondered how you felt about our overall posture in East Asia.

And, of course, we have the U.S.-Japan and U.S.-Korea alliances. Fortunately, we have the forces in both countries that despite President Trump's words the forces are steady and they're always there, so that gives some degree of steadiness and resoluteness.

But I wondered how you felt overall about our efforts to compete with a rising China, now number two in the world in GDP and military spending, in research and development on advanced technology on a whole host of areas, and ahead of us in some manufacturing indices. So how do you feel about that competition going forward and the broader state of the U.S.-China relationship?

SENATOR VAN HOLLEN: Sure. Well, I do think that that is our main arena of competition going forward. And I say, you know, competition in some areas it's, you know, they're an

adversary. I hope we can avoid, I don't think it's in our interest to get into some kind of new Cold War with China if we can avoid it. But we do need to take the economic competition very seriously because if you look at the way China has gone about building their economy, in some ways it's as a result of allowing -- you know, unleashing more market forces, but it's also been largely driven by sort of state-run command strategy of investing in key technologies, starting their own state-run businesses, stealing a lot of U.S. technology over a very long period of time, and essentially saying to U.S. companies operating in China, if you want to operate here, you got to hand over the keys to your technology.

So in my view there are two things we need to do with respect to China. One is really on us totally. What I mean by that is back here at home we have great strengths. I mean, in my view our market economy is a great strength. But we have to invest a lot more as a federal government in basic research and R&D. I mean, China's got a 2025 plan, right, where they seek to dominate manufacturing in high technology by 2025. We're talking about in AI, we're talking robotics, we're talking about in quantum computing, we're talking about clean energy. And the United States is not doing what we need to in terms of investing in basic R&D.

You see this happening right now with a component of the 5G network where there's no U.S. company right now that deals with the radio component of 5G network. Now that's something we should have seen coming, right, as a matter of a strategic technology. So we need to be investing a lot more.

I just introduced a bill to expand funding in ARPA-E, the clean energy sector. Right? Battery storage, I mean, this is going to be a huge part of the world's future economy. We need to do that in these other key areas.

We need to focus on our education system. We need to make sure that we have students who are equipped to compete in the world. So that's something totally under our control.

Number two, we can defend ourselves against some of their sort of unfair practices or targeted practices. So in the Banking Committee last year we strengthened what's called the CFIUS Law, where we monitor a lot of China's investments in the United States so that we're sort of on alert if they're purchasing, you know, a Silicon Valley firm that we think is really important to our advanced edge in technology, so we've done that.



The one area where I -- one of the very few areas where I agree with the Trump administration strategy has been with respect to, for example, Huawei and putting them on the so-called Commerce Department blacklist because that is sort of hitting China where it hurts and where, in my view, they acquired a totally unfair advantage through theft of technology and IP. So I support that. In fact, I supported the point that Tom Patton and I introduced a bill that prohibits the administration from taking them off of the blacklist without congressional approval.

Why did we do that? Because my biggest concern is the President has a tendency to trade off like tariff issues and national security issues. Right? And that is not a trade we should be making. We can have a discussion on trade issues and we should have a discussion and a position on national security issues, but I shouldn't say, okay, I'm going to Huawei off the blacklist if you give me a better deal on tariffs on something else. So that's why we took that action.

And the other piece of this is internationally China has the Belt and Road Initiative. So, you know, we have to stop wringing our hands about what they're doing and we need to do a lot more to support U.S. investments overseas. We did adopt legislation that's gone into effect recently to sort of merge OPIC into a new entity to provide more financing, but financing support for some U.S. investments overseas.

So those are the kind of things we can do. While we remind some countries that China's Belt and Road Initiative often leaves them in a really bad economic situation where, you know, China will lend you a lot of money to build a port with China's labor and then when you can't pay the bill, they can take the port or take the property. So we should warn other countries about that model, but we should also have a proactive approach there.

So we haven't talked about the military component. As you mentioned, China, you know, obviously it has a nuclear force, but I think it's about one-tenth the size of our nuclear forces, which is why I think it's a total red herring for the administration to say they don't want to move forward on New START until you have China in the agreement. They're right and we should be thinking about China and we should be thinking about what they're going to do going forward in terms of their military, but extending New START for five years, we should do that without worrying about China right now, at least in that context.

MR. O'HANLON: Are there any military scenarios in the Western Pacific that worry you more than others? I mean, of course, China's been talking about this so-called Nine-Dash Line, more or less trying to treat the South China Sea as an inland lake. Not necessarily physically enforcing that, but trying to get in the way of a lot of ships as they try to move in that area.

They have an unresolved dispute, obviously, with Taiwan. And we have a Taiwanese presidential election coming up where President Tsai appears likely to be reelected and she's not seen as friendly towards Beijing, so that could be touch. And then, of course, there's Senkaku Island dispute with Japan.

Anything that concerns you more than anything else or are these just all areas we've got to keep our eye on?

SENATOR VAN HOLLEN: Well, I'm glad you raised that. I mean, you've got, you know, China sort of testing us in the South China Sea and other areas in that region, so I think we need to continue to operate our military vessels in a way that makes it very clear that we're not going to allow China to sort of rewrite the rules unilaterally as to freedom of passage and freedom of the open seas. We need to make that clear not just for ourselves, but our other allies in the region because, as you know, China has also built a lot of artificial islands and they're encroaching on fishing rights and other things in that area of many of our allies. So we need to make that point.

With respect to Taiwan, we need to continue to maintain our relationship with Taiwan and make it clear that any effort by China to use military force would be a very bad idea.

As to the islands, I know you've written on this recently, you know, I think I agree with your assessment of the islands. These are worthless from a -- they're a lot of worthless rocks. But we have said we would defend Japan even though we haven't taken a position on who actually owns these islands.

I do think we need to think through, as you wrote in a recent paper, exactly how we would go about dealing with that kind of situation, right, where you have to think very clearly how you want to escalate a situation in that kind of circumstance. But for now our position has been clear, which is that we support our allies.

And we need to remind our allies that they -- this is a defense pact. That doesn't mean

that we are a screen for any of our allies, and I'm not talking about anyone in particular, to be aggressive against other countries thinking that, you know, therefore, they can hide behind the U.S. nuclear umbrella.

MR. O'HANLON: Thank you for the book plug, by the way. I realize bleary-eyed Nats fans may not want to read books today, but the bookstore will be open on your way out. (Laughter)

SENATOR VAN HOLLEN: Yes, I recommend *The Senkaku Paradox*.

MR. O'HANLON: But if I could ask a question briefly about North Korea and then come back to the defense budget.

SENATOR VAN HOLLEN: Yeah.

MR. O'HANLON: And I guess in addition to the military preparations that we continue to make on the Korean peninsula, I wondered if you had any comment or advice, whether for President Trump and his negotiators or even for Democratic presidential candidates who might replace or what to replace President Trump, about North Korea and the nuclear situation.

Because I could just give an additional word of background, it strikes me that however unconventional President Trump's approach and however regrettable some of his comments about the alliance, there may be an opportunity that's come out of this diplomacy with his new bromantic partner Kim Jung-Un, and I'm not totally against what President Trump's been doing, I sort of fear the moments may be slipping away and we don't really know where we're headed.

But is there a course forward that you would encourage Americans, Republican or Democrat, to consider supporting with regard to North Korea? Do we have to go for sort of the Libya model with complete denuclearization? Is that the only realistic near-term goal? Or is there a possibility of sort of interim deal or a more step-by-step process? Any thoughts you have on that situation because it is so central to defense planning, even though we're not talking about it as much in the National Defense Strategy.

SENATOR VAN HOLLEN: No, it is central to our defense planning. And as all of you know, we've been working on the North Korea issue for a very long time. And I'm certainly not opposed to any administration talking with our adversaries. I mean, I supported President Obama's decision to engage with Iran, and I don't know if we want to talk about that, but, I mean, that's obviously another hotspot. Because after engaging with Iran and getting the JCPOA, the United States ripped it up.

So I'm not opposed at all, but how you go about it is important to me. Because there's no doubt that Kim Jung-Un loves the spotlight. And what the President has done by engaging in sort of two big photo op sessions is elevate the North Korean leader on the international stage, which is something that they really wanted. So they got something out of that in the sense of, you know, on the world stage and yet we have not accomplished our goal.

In fact, just this morning, there's another report, as you may have heard, of North Korea launching some kind of missile. We don't know exactly what it was, but it was another sort of acting out.

So, look, we should be negotiating with the North Koreans. I do believe our goal, I mean, how you get there is another question, but our goal should be the denuclearization of the Korean peninsula. I mean, we've taken our nuclear weapons out of South Korea. So I think that should be the goal. Again, you know, timing and all that is another matter, but I think that we need to keep the pressure on.

And one of the downsides of this sort of high-profile engagement with the North Korean leader is that it's actually made it harder for us to maintain strong sanctions. So I do believe, as I believed in the case of Iran, sanctions brought Iran to the negotiating table, tough sanctions. And it's only tough sanctions, in my view, that will keep or bring North Korea seriously to the negotiating table.

And one of the impacts we've seen from over the last two years of this, you know, personal diplomacy is countries like China have actually reduced their partnership with us in some ways on the sanctions front. In fact, President Trump's acknowledged it. So that doesn't do us any good in my view.

So actually Senator Toomey and I, this is another bipartisan bill, we passed something called the BRINK Act in the United States Senate and it is right now fully incorporated in the NDAA, which would keep the pressure on North Korea while we engage in discussions. Because it's really important, in my view, that they have a very strong incentive to remain at the table and negotiate a path toward the denuclearization of the Korean peninsula.

MR. O'HANLON: So you mentioned Iran, I want to ask you about that and then come back to South Asia, where I know you recently traveled. Finish up my part with a question on the defense budget and then look forward to, as I know you do, to the questions from the crowd.

So on Iran, you've already mentioned your concern about the state of the JCPOA. Any other thoughts about where we stand? And specifically, also, if we need to actually use military responses to the kind of provocations we've seen Iran use in recent months or is President Trump right to sort of withhold fire for the moment and let the economic sanctions be the main weapon that we employ?

SENATOR VAN HOLLEN: Right. So, look, Iran has been a bad actor in the region for a very long time. But the decision that the Obama administration made, rightly so in my view, was that what's worse than a non-nuclear-armed Iran acting up in that area and (inaudible) activity is a nuclear-armed Iran. And they were absolutely right in my view. And so the JCPOA was a good agreement, reached after painstaking negotiations with our allies, many of our allies. And so we ripped up that agreement.

And so Iran obviously no longer gets the benefit of that agreement because the United States has imposed new sanctions and those sanctions impact European companies. So despite the efforts of our allies to try to find other avenues for Iran to get some of the economic benefit of the bargain, they're not. So it's not really a surprise that they're acting out.

Now, how should we respond to that? I do think in that area so far we've shown the right amount of restraint, but now Iran's going to continue to test this. They're now talking -- they've taken three steps to sort of incrementally exceed the provisions in the JCPOA.

Next month they're talking about ratcheting down some of the inspections provisions, which, again, in my view is just highlighting the importance of this agreement. I mean, it has unprecedented inspection and transparency provisions, but they're sort of saying you guys tore it up, we're going to test you.

And this is an area, you asked earlier about sort of our leadership role, you know, we threw our European allies under the bus on this. Go back very briefly to China. Really our strategy with China should be working with our European allies on sort of trade negotiations with China, dealing with Huawei and 5G. Instead what we've done, we've slapped what we call 232 tariffs on some of our allies, including Canada, national security-related tariffs. So it's kind of hard to get your allies together with you as part of a strategy when you're poking your finger in their eye.

So on Iran, you know, I know President Macron tried to put something together. My view

is that we should be engaged in a lot of quiet diplomacy here to see what we can do at this point. I mean, the administration put a list of, what is it, 12 demands. There's no way Iran's going to accede to those demands.

And by the way, I think everyone knows who's here, but we've done is strengthen the hardliners in Iran who now say to those who helped negotiate the agreement, see, we told you so. You can't trust the Americans. And on this issue actually the Iranian people, who generally are pro-American if you look at polling, are actually -- you know, we're actually sort of throwing them more in the arms of their regime in terms of our current strategy, which is a losing proposition.

MR. O'HANLON: On the Iran deal, one last follow-up if I could, do you think that a Democratic presidential candidate should aspire simply to return to the deal as-is or are there elements of the 12-point proposal that Secretary Pompeo I think articulated last year, for example, extending the duration of some of the nuclear restrictions, that should be considered as a way to get back into sort of a compliance mode?

SENATOR VAN HOLLEN: So, look, my view is this was an agreement and we should go back to the agreement. But we should immediately engage discussions about extending the timeline of the agreement. And, you know, there are other levers we can use consistent with the agreement that would encourage them to extend the nuclear provisions.

You know, when you get into a much sort of broader area of discussion and include Iran's activities in the region and their ballistic missile program, those are also all things that we should be talking about. But adding those as conditions of an agreement that the United States and our allies already agreed to I think is unrealistic. And we were not able to achieve that then and I don't think it's because we had bad negotiators. I think it's because we -- every agreement that's toughly negotiated, it's never perfect, but this is -- it was a case where you don't want to make the perfect the enemy of the good.

MR. O'HANLON: So I'm very curious what your impressions might have been on your trip recently to South Asia. And it's an area, of course, where at least there's some good news in the form of India's economy and U.S.-India ties. But with Pakistan and Afghanistan we continue to have frustration and it just seems like the record that gets stuck and keeps playing the same way. And I wondered if you saw anything more encouraging or any other impressions you have from that part of the world.

SENATOR VAN HOLLEN: Sure. Well, thanks for asking. Yeah, I took a trip about six weeks ago to India, Pakistan, and Afghanistan. And in New Delhi, yeah, we talked a lot about the economic relationship, we talked about climate change. I mean, India's expected to have the world's biggest population in about three or four years. So we talked about those issues.

We talked about issues of U.S.-Indian cooperation in the Indian Ocean and the Pacific. We also talked about the Indian decision in Kashmir, where I've been very concerned about the human rights situation there with turning off all communications, locking up a lot of people. I asked to go to Kashmir. The Indian government did not allow me to go at the time; maybe we'll try again. And so that was an issue.

And of course, Kashmir also is a flashpoint between India and Pakistan, having been probably one of the biggest longstanding areas of conflict. And just on that piece, before we get to Afghanistan, I mean, when you look at hotspots around the world, Iran's obviously one, but people often sort of forget about the India-Pakistan conflict, two nuclear-armed countries, neither are members of the Nonproliferation Agreement. Back in March, you know, we had quite a clash, a short, but intense military clash over issues relating to Kashmir and some other things. So we do need to keep our eye on the ball there.

So then I went to Pakistan, where I discussed with the prime minister issues of India-Pakistan relations and Kashmir, but also the situation in Afghanistan.

So in Afghanistan, yes, we need to continue -- we need cooperation from the Pakistani government. You know, they've had this long-term relationship with the Haqqani network and others, which we need to make sure that we leverage that relationship in a positive way to deal with the situation in Afghanistan.

My view, you know, things move so quickly, right, in the world these days, but, I mean, it wasn't that long ago where there was going to supposedly be the big meeting at Camp David, right, over the agreement that got cancelled. My view on that is that I'm glad there was a pause. There was a lot of speculation about what was in this agreement, but the more you dig, the more I'm glad they took time.

So that being said, it's very important to be at the table with the Taliban. There's no military solution in Afghanistan. You've written about this for a very long time.

But it is important to get an agreement that, number one, achieves our objective of making sure Afghanistan cannot become a haven again for al Qaeda or any other terrorist organization. And the biggest concern and you've probably heard this from our commanders on the ground looking forward was less al Qaeda, although that's still a virulent potential, but ISIS-K, ISIS-Khorasan, which is sort of one of the ISIS franchises in Afghanistan. So we need to make sure of that.

We need to make -- and to do that, we need to make sure that there's an agreement that prevents the Taliban from overrunning the country if and when the United States withdraws all its forces. So I have no problem reducing our forces to the level outlined in Phase 1 of that agreement. But the rest of it should be conditions-based in my view and not an artificial deadline. We all want to make sure that we -- we want to do a drawdown in Afghanistan, but we want to do it in a way that doesn't allow the Taliban to overrun the country and allow it to become a haven again.

So the last thing on this is, because there was some ambiguity, we need as part of this agreement to have either a ceasefire or a measurable reduction in violence. And that is the goal now that they're, I think, you know, sort of doing a dance to get back to the table, but it was not part of that original proposal. That was not part of that one. It should be part of what's next.

And also the agreement suggested that the United States was going to, after drawing down to about 8,600 troops in Phase 1, was going to be totally out of there. That's what they were potentially telling the Taliban, but then we were going to tell our Afghan government partners don't worry about it, it's condition-based. So there's a lot of ambiguity there that needs to be worked out.

MR. O'HANLON: Thank you. My last question will be on the defense budget. And it's sort of interesting to watch because in these last couple of years we've have a big increase. The latter Obama years we already had a pretty high level of defense spending. It was in the low 600 billion range, which was higher than the Cold War average in inflation-adjusted terms; already pretty robust. But in the Trump period we've had essentially a bipartisan consensus now to add another 100 billion and put that into the low to mid-700 billion range. Of course, that includes the war budget and other things and we continue to sort of, you know, recover from the period of the '90s and early 2000s, when we didn't buy a lot of equipment.

So there are good reason for this, but it's still been striking how fast we've gone up, but



also we have a deficit of almost a trillion dollars. And now perhaps in reflection of that, the longer term Trump administration plan is for the defense budget to plateau and maybe even tick down slightly in real terms.

So where are you on where the defense budget should go from here? And, you know, where do you suggest that the Democratic Party put its stock in making a case to the American people about what defense spending should be?

SENATOR VAN HOLLEN: So this is obviously a big issue and there are a couple of elements to this. Number one, we need to make sure we invest in readiness of our forces. We also need to make sure that we address sort of the wear and tear on big parts of our military from extended wars, one of which, in my view, just to be clear on the record, the war in Iraq in my view was a huge mistake and remains a huge mistake and we're still suffering from the implications of that, including, by the way, what became al Qaeda Iraq, which was not there before we went in, which morphed into ISIS, and we're dealing with that today.

So that being said, we still need to deal in our budget with the fact that our military force has experienced a lot of wear and tear. I do not think that we need to spend what the Congressional Budget Office estimates to be \$1.3 trillion on a nuclear modernization plan. Yes, we need to keep our nuclear forces modernized for deterrent purposes, but we should, number one, do it within the New START agreement and we also don't need to do everything in there certainly on the pace that we're talking about right now in my view.

And so I think that we -- and the other thing about our budgeting, and this is -- you know, Mick Mulvaney used to be in the House. Talk about strange bedfellows, we actually teamed up on an amendment that passed the House not to use what we call our Overseas Contingency Fund for base defense expenditures. In other words, as we wind down our overseas commitments in places like Iraq, that money that we're spending there, we shouldn't be using that money back here at home. That was always budgeted separately as something called the Overseas Contingency Operation Account. And what's happens is the Pentagon has started essentially using the money that was just for overseas operations to augment their base budget. That was never the intent, and so we need to address that issue and, in my view, bring down overall military spending consistent with readiness and look for

savings.

The other thing, one of the things that has resulted in this higher number goes way back to something called an agreement negotiated during the Biden agreement and later on this goes way back to when Republicans took control of the House, where we had an agreement with the sequester. And essentially Republicans -- essentially the way it works is that, you know, we want a certain amount of domestic spending to fund education, healthcare, and all these other priorities, and there was kind of an agreement at that time for parity. And so as part of these agreements, you know, when Republicans want to keep defense spending at a certain level, the parity principle applies. And that's not necessarily the right way to do a budget. You should budget based on priorities, not on this artificial number agreement.

But that is another piece of this sort of political reality on Capitol Hill right now.

MR. O'HANLON: And that expires in 2021, right?

SENATOR VAN HOLLEN: Yes, it does.

MR. O'HANLON: So we got this year's budget to finish and then next year's and then we'll be done with the Budget Control Act.

SENATOR VAN HOLLEN: That's exactly right.

MR. O'HANLON: For better or worse, probably for the better.

SENATOR VAN HOLLEN: Yes.

MR. O'HANLON: Well, we've got about 15 minutes, so please we'll start way in the back. And please identify yourself and ask a question for the senator.

MS. KELLY: Good morning. My name is Laura Kelly. I'm from The Hill.

Senator, what are the chances that yours and Senator Lindsey Graham's Turkey sanctions bill will get a vote in the Senate?

SENATOR VAN HOLLEN: Well, thanks for asking. Just a bit of background here because I mentioned it at the beginning, but we didn't go into a lot of detail.

So, well, we are -- let me answer your question very briefly and then provide a little bit. So we are pushing very hard to get a vote in the United States Senate on a bill that would impose sanctions on Turkey for its attacks on the Syrian Kurds. And again, the conditions are written in a way that, you know, we'd prefer the sanctions not take effect or stay in effect. So if Turkey stops killing Syrian

Kurds and Turkey pulls back to where it was before the attacks began, then the sanctions wouldn't apply.

Now, there's no sign right now that Turkey's doing it. In fact, there are signs that Turkey is actually moving their forces outside of what was sort of called the "safe zone" and launching attacks now on Syrian Kurdish allies outside the area that Turkey was supposed to, you know, be in at least for a while in Northeast Syria.

So the House, as you know, just passed the other day, two days ago, a sanctions bill. The bill that Senator Graham and I introduced is stronger, but, at this point in time, my view is I'd be happy just taking up the House bill and passing it. I prefer our bill, but the House bill, again, it sends a strong message.

We have not heard, I should say, from the administration where they are. You have President Trump saying, and this is, you know, part of the -- that he's going to destroy Turkey's economy. Right? He said that like two or three times, if they do bad things. Well, they're doing bad things. And so we would like to see this administration use its own sanctions authority. But if they're not going to, we are going to pass this legislation.

I should say the House bill has some things that require sanctions for the S-400, the CAATSA sanctions. That would be non-waivable under the House provision like it is in the bill I have with Graham.

So we need to take this action. You know, Turkey's never been with us in the fight against ISIS. Their priority was first going after Assad. And as they said just yesterday that, you know, the head of the YPG, the Syrian forces, they equated him, who's been working with the United States to destroy ISIS, they equated him to Baghdadi, the leader of ISIS. And right now, the Turkey proxy forces include a lot of people who are ideologically aligned with ISIS. I mean, these are some really bad people, al Qaeda, Al-Nusra elements.

So this is a very dangerous situation. I couldn't agree more with *The Economist* cover question because we essentially threw our Syrian Kurdish allies under the bus and we need to take action in Congress to respond.

And the other big concern is that Erdoğan is talking about relocating a couple million Syrian refugees who do not come from Northeastern Syria into this area of Northeastern Syria, trying to

change entirely the demographics of that area. So lots of issues here and we need to move forward on the sanctions bill as soon as possible.

MR. O'HANLON: And your bill would require that Turkey pull its military entirely out of Syria or is it more about its behavior while it's there?

SENATOR VAN HOLLEN: Our bill has both components. There has been some discussion about defining on a temporary basis the area, the so-called "safe zone" area, which is a very geographically prescribed area, which is actually primarily, that area primarily populated by non-Kurds, but a Syrian Arab population. But right now Turkey, by reports yesterday, they're operating outside of that. So that would definitely under -- that should definitely be sanctioned activity.

In fact, when I asked Ambassador Jeffrey at a hearing about five days ago if Turkey's proxy forces went outside of that area, would he support administration sanctions, his answer was yes. We'll see. And this is why it's really important for the Congress to take action.

MR. O'HANLON: Come up here to the fifth row, please, the woman two seats in.

MS. KIM: Thank you, Senator. Connie Kim from VOA.

You just mentioned that the BRINK Act as part of the NDAA bill. How likely is that going to pass this year? And will we be able to see a large Chinese bank sanction due to this? And if I could add just one more, how would you assess today's provocation coming from North Korea when the talks are stalling?

SENATOR VAN HOLLEN: Yes. So the BRINK Act, which is the bill that Senator Toomey and I passed out of the Banking Committee and then was incorporated in the NDAA, I think there's a very high probability that we will have that in the NDAA. The bigger question at this point is whether we have an overall NDAA. I think we're going to get there, but there are a lot of big issues still to be resolved there. This BRINK Act is not one of them. This is not a matter of contention right now in the NDAA, which is why I say if the NDAA passes I think that will be part of it.

And as to the question of whether it would sanction banks in China, if banks in China are doing business with the regime in North Korea the answer is yes. I mean, this bill is patterned after the Iran sanctions bill which imposes secondary sanctions because there have been a number of U.N. reports that document the leakage in the current sanctions regime and this is intended to plug the holes.

And so that's the whole purpose of it.

With respect to today, you know, what I see is it's more sort of, you know, provocation. And as we said, I'm for having dialogue. I think it's much better when you kind of try to at least get some understanding of your agreement before all the flashbulbs are going off. Because I think when all the flashbulbs are going off, at least under this President, there is a tendency to just try to claim success even when there's not success.

We have a pattern of foreign leaders wanting to short-circuit our national security agencies and folks and get the President directly on the line. That's what happened with Erdoğan, right? He got Trump on the line and when they hung up, Erdoğan started attacking the Syrian Kurds. That's the way it works. I know the administration says that the President didn't give him a green light. I'd like to see the transcript. Okay? I'd like to see the transcript. But without the transcript all I can do is judge it by what happened. And what happened was when the phones got hung up, Erdoğan attacked the Syrian Kurds. And what happened, we hung up, we moved our Special Forces out, about 200 of them, and Erdoğan went in.

MR. O'HANLON: The gentleman here in the fourth row I think. Fifth row.

MR. STAAL: Yeah, Tom Staal, recently retired from USAID and a Kodai School alum.

SENATOR VAN HOLLEN: All right. The Kodai School is in Southern India, by the way. I went to school there.

MR. STAAL: Thank you very much. And thanks for your comment about people being born overseas can also be patriots.

SENATOR VAN HOLLEN: Thank you.

MR. STAAL: Thank you. Speaking of international development, obviously this administration has not shown itself to be a strong support of international development, proposed major cuts in the budget every year. Thank you to Congress for putting that back in. And recently has talked about using international development, in effect, as a way to, you know, reward our friends and withhold from people who aren't supporting us.

Does international developments play a role in our national security and in our defense strategy? Or is it just something that is a good thing to do, protects American values, but maybe, you

know, is it something important for defense?

SENATOR VAN HOLLEN: So thanks for the question. Yes, in my view our overall National Security Strategy has three elements, right, at least, but defense, diplomacy, and development. And, you know, development ranges from everything from an educational or health program in a particular country which both strengthens the situation and stability in that country, but also has a benefit to the United States.

But I'd say the best testimony for this has been a series of secretaries of defense, including Secretary Mattis, who essentially said to the extent you cut the State Department's budget, which is puny in comparison to the Defense Department's budget, it means you have to use more bullets, you know, not less. That's a really important part of our strategy and it's not just sort of U.S. charity.

In my view it is really essentially to building relationships with countries, strengthening our institutional connections, but also, as I said, trying to reduce instability. Now, you know, there are lots of places where you're going to make those investments and you're still going to have a pretty unstable situation. But I think if you look at the investments we're making, the amount that we're investing, you can make a very strong case that it has strengthened U.S. interests broadly around the world.

And look, China is sort of trying a strategy on steroids. Right? I mean, they've got the Belt and Road strategy, and you have a lot of countries now that go, you know, where's the United States?

Now, we've tended to focus more on some of these areas like healthcare and education and I always remind these countries that, you know, China's not spending a lot to help eradicate disease in your country. They want to build a port and maybe take the port. So don't forget that the United States has been, you know, providing important development assistance.

Should we consider larger infrastructure projects or at least financing mechanisms to support sort of U.S. investments? Yes, we should. And there was this new legislation vehicle that was enacted to merge OPIC into that kind of entity that's just being stood up now. But I do think that that's been a very important dimension of our foreign policy.

And I've seen it firsthand. You know, I lived in Sri Lanka. I remember going to a very remote village in Sri Lanka and this was in -- this would have been in the last '70s or early '80s, going to a

hut and, you know, in a sort of dimly lit hut there was a picture of John F. Kennedy. It was because the Peace Corps had been there and they had built some wells at the time.

And, you know, it's easy to underestimate the impact and good will that provides. That doesn't mean there are lots of examples where, you know, we made investments and the population doesn't necessarily appreciate it. But most of these countries, while they may disagree with the particular policy of our government at a time, I would argue a lot of that work that we've done is, in addition to our values and our fight for rule of law, which at least historically we've been there for, it's also because of some of these important investments that we're making in these countries.

MR. O'HANLON: See if we can do one more question from this side of the room and then people have to wrap up. So, yeah, in about the seventh row there, please.

MR. REINERT: Hi. Manuel Reinert, American University.

So let's say because of a lack of candidates you enter the primary race tomorrow and you end up winning the presidency. What would be your grand strategy for the Middle East in terms of finances, which actors would you talk to, which goals do you think the U.S. should be trying to achieve?

MR. O'HANLON: Wow, that's a big one.

SENATOR VAN HOLLEN: That's a big one.

MR. O'HANLON: I'm sorry, I was going to ask the guy with the Nationals jersey and ask whether we should have Oko to give Rendona a deal on the contract. That was going to be the last question, but he left.

SENATOR VAN HOLLEN: There you go, okay. He left, all right.

MR. O'HANLON: So we got to do the Middle East.

SENATOR VAN HOLLEN: Well, we should do that deal.

So, look, the Middle East, you know, I will say that no recent administration has with respect to, for example, Syria had a policy that has accomplished a lot of the goals we want to see. But in the Middle East broadly, my view would be that we, the United States, try to avoid getting in the middle of sectarian sort of war, conflicts, between the Shia world and the Sunni world.

Now, so what do we do? I think we should restore the agreement with Iran, recognizing that that's not going to transform them into sort of a good actor in the Middle East, but, as I said earlier, a

nuclear-armed Iran doing bad things is worst than a non-nuclear Iran doing bad things.

I think that in Syria, which is really -- the goal in Syria is to, in my view, have -- you know, protect the territorial integrity of Syria. I would argue that certain regions should have a fair amount of local autonomy, for example, in the northeast area, you know.

Syrian Kurds do not want an independent country. They want some local autonomy as you have in Iraq, in the northern part of Iraq. So I think -- you know, but we have to negotiate. That needs to be a negotiation. The United States has sort of lost a lot of leverage in that negotiation.

And then, you know, my view with respect to other issues is the United States should be working very hard to try to at least preserve the opportunity for a two-state solution between Israel and the Palestinians. I think that this administration has veered off totally outside of what had been a pretty bipartisan consensus in the United States over a period of time and formalized with George W. Bush in the early 2000s, where it was our policy to push for a two-state solution in the region. I think that that would -- that also create -- obviously the situation there now, creates a lot of tensions throughout the region.

So I think there are a number of things we could do to provide increased stability. Lebanon remains, you know -- I mean, we have protests going on in Lebanon right now and in Iraq, so.

And that gets me back, the last piece on this is in Iraq. We need to -- it's one of those out of -- you know, somehow we aren't paying attention to Iraq, but as people may have seen, Iraq when our U.S. Special Forces began to leave Northeast Syria and go into Iraq, the Iraqi government said not so fast. Not so fast. You're not coming through here.

And if we're actually going to -- that's a whole other issue dealing with these oilfields, but, you know, you need Iraqi cooperation to achieve a lot of our goals in the region. And right now we're not doing a very good job. The president of Iraq, Barham Salih, just gave an interesting interview recently where he pointed out a lot of the problems with current U.S. policy in the region.

MR. O'HANLON: That's a pretty good start to a Middle East strategy. You sure you don't want to run for President? (Laughter)

SENATOR VAN HOLLEN: Yeah.

MR. O'HANLON: A quick housekeeping note before we thank the senator. We have an



event here at 10, so could you please take your cups with you. I'm sorry we don't have any bubbly to keep the Nats celebration going or at least Halloween candy, but please, if you could.

And then could you please join me in thanking Senator Van Hollen. (Applause)

SENATOR VAN HOLLEN: Thank you. Thanks a lot. (Applause)

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