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WEBINAR

THE NATIONAL DEFENSE STRATEGY AND GREAT POWER COMPETITION: A CONVERSATION WITH MARK T. ESPER

Washington, D.C.

Thursday, July 14, 2022

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Conversation:

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P R O C E E D I N G S

MR. O'HANLON: Greetings, everyone. Good afternoon. And thank you for coming. It's great to see so many faces unmasked and here for a discussion with Dr. Mark Esper, who is our nation's 27th secretary of defense and has written this magnificent book that I hope many of you have read or are reading, “A Sacred Oath,” largely about his time in office, but also covering other topics in defense policy.

I’m Mike O'Hanlon, the Phil Knight chair in defense and strategy here at Brookings and I'm really privileged to host Dr. Esper today. Thank you for coming back to see us. We had previously spoken here when you were secretary of the Army. A couple of brief words of introduction before I will ask you to join me in welcoming Secretary Esper back to Brookings.

But he hails from the great state of Pennsylvania, went to West Point, was part of Operation Desert Storm, and the Screaming Eagles. So, began his connection, which we'll come back to in a second with Kentucky and Tennessee, often shows up in his life thereafter. Stayed in the active army for 10 years including commanding a rifle company in an airborne brigade in Italy. Retired from the army after 10 years in the active and 11 years in the guard force in the mid-2000s. But as you know, has continued his public service in many ways thereafter.

A number of stints on Capitol Hill working for Senate Majority Leader Frist from Tennessee and Senator Thompson from Tennessee, who also ran for president and Dr. Esper helped with that. And then some stints in industry, including with Aerospace Industry Association and Raytheon.

And also served on the U.S.-China Economic and Security Commission, which is, as we know, a very important group that's been really doing work on the U.S.-China relationship for a long time. And I think prepared you for a lot of what you tried so importantly to do with the National Defense Strategy and its implementation, focusing more and more on peer power competition and specifically on China. And we'll talk largely about that today.

So, Dr. Esper, welcome back to Brookings. Thank you very much for coming.

MR. ESPER: Good, thank you, Michael.

MR. O'HANLON: So, the book is -- I'm not going to spend a whole lot of time on the book right now. You all will be welcome to do so in discussion and we'll spend at least the last half hour with

your questions and also from the remote audience. Folks have already sent in questions by email, and they could still do so if you wish at events@brookings.edu.

But first we'll have a conversation up here on stage. And I wanted to begin primarily with U.S. Defense Strategy, and we'll save the chronology of your time as secretary perhaps for more of the discussion period because I really value what you saw your main goal as secretary of defense to implement the strategy that you had contributed to under Secretary Mattis --

MR. ESPER: Mm-hmm.

MR. O'HANLON: -- and that I think really, you know, established some pretty high standards and goals that you thought the most important thing you could do would be to try to focus the department like a laser beam on those goals. So, I wonder if you could just begin by summarizing what those 10 goals were. You don't have to go through every one but maybe one or -- I think they tend to converge on the five-letter word China. But also, on readiness and a few other things. And I wonder if, in your own words, if you could explain how, you prioritized your job as Secretary.

MR. ESPER: Well, thank you, Michael, and thank you also, for the invitation to come back and for that kind introduction. So, you were very generous. Look, you're right, when I became secretary of defense in 2019, I made my focus was warfighting. I mean, that's the mission of the United States military to fight and win our nation's wars. And I felt it important to implement the National Defense Strategy.

The NDS was established, or it was published, I should say, in January of 2018. I had not seen much work done on the implementation as secretary of the Army, which was the role I was in at the time. And I at that point in time, I was on my fifth tour in the building, in the Pentagon. And I knew what it was like when strategies come out and they're often very well written and very well done. But the hard task is really implementing it. So, I decided that if I -- when I became secretary of defense, I was going to make it my job to implement what I thought was a very sound document. Not perfect, but a very sound document.

And so, with a focus was warfighting, the three lines of effort, which as I recall were lethality and readiness, number two was strengthening allies and growing partners, and number three

was reforming DOD. That I would pursue those. But again, the missing part was how do you translate that strategy into something tangible?

So, we came up with 10 objectives and the 10 objectives that I worked with my leadership team over a period of months and then implemented over a period of 15 were things such as focus on China as our pacing threat. Implement new readiness concepts like such as dynamic force employment and immediate reaction forces. Update our China and Russia war plans. Develop a new warfighting concept. And develop a new strategy toward allies and partners. And the good news is many of those, as best I can tell, have continued.

MR. O'HANLON: Mm-hmm.

MR. ESPER: I think the warfighting concept is well on its way. Secretary Austin has continued the notion of China as our pacing threat, although they call it the challenge. So, all those things are underway. I think it's something we understood. And I really thought it was key to keep the department focused, particularly in some of the challenging times we faced in 2020. Keeping the building focused in our mission was critical.

MR. O'HANLON: So, let me take a step back now and ask you to place that defense strategy in broader historical context because like myself, we've both been around Washington a while. You've seen various iterations of post-Cold War defense strategies. And I guess my question is, you know, as we went away from the sort of focus on Iraq, North Korea, the so-called extremist or rogue states, --

MR. ESPER: Right.

MR. O'HANLON: -- and the major regional contingency concept more towards peer competition, how do you see that process beginning? When did that really have its roots? And to what extent was the Mattis-Trump NDS of 2018 breaking ground or was it building on things that had been ongoing for a while? And then as you said, we don't yet have an unclassified version of the Biden strategy, but from what you've seen and heard of their thinking so far, to what extent are they deviating from the course you set out and to what extent are they building on it?

MR. ESPER: Yeah, a few things there. So, I think the most important thing about the

NDS of 2018, was the first one that I can recall identified China as our number one focus country. I think we called it a challenge, if you will, then. I don't know the words we put around it. It was a strategic competition in an era of great power competition. So, I think it was the most significant thing was that change.

And you got to give the Trump administration credit, I think, for finally consolidating and forming consensus within the United States government that China was our strategic competitor. Again, I would describe them today as our adversary because that's to me it's clear that's what they are.

And so, I thought it was important to build upon that, upon those themes. Like I said, too often strategy documents get caught up in buzz words and catch phrases that don't have much meaning. It's hard for people to understand and implement, which is why I made it my task, my challenge to go out there and put real meat on the bone, identify these objectives, and then move forward from there.

So, with regard to the current administration's strategy, I think the challenge, as you just said, is we haven't seen it. I haven't seen it. There's a page and a half document online that you can read what it says. And I think that's a challenge. I think not just the building, the Pentagon needs to know what the strategy is, but our allies do. Congress needs to know. People in town, the defense industry needs to understand what the strategy is. All those things are important if the broader D.C. community and then our allies and partners are going to help us effect that strategy. So, look, I think it's critically important that that be published in greater detail sooner rather than later.

The best I can tell though from that page and a half is that they've kept up the theme of identifying China, then Russia as our strategic competitors. Again, I think they're being called the challenge right now. Then there's the second tier of Iran and North Korea. And then the third tier of violent extremist organizations. I think all that's good. That's consistent.

I think a lot of the words coming out of the Pentagon that I've seen track along the lines of the 2018 NDS. But again, I don't have a good sense of what the lines of effort are. There's talk about campaigning and integrated deterrence. Again, those are just words, a continuation in some ways. You really got to dig deeper. And I think that's what really is required now is to get a really well-defined, well-articulated document out to the force and everybody else that we can really, again, start pursuing and

make sure we understand so we can be effective against the Chinese and to a lesser extent, the Russians.

MR. O'HANLON: Yeah. It makes sense because the last Obama defense strategy, they didn't call it the National Defense Strategy. They called the 2014 Quadrennial Defense Review.

MR. ESPER: Yeah.

MR. O'HANLON: And that as I look back, what sticks with me from that it was notable for wanting to say we've reached the end of doing these big stabilization missions. And a relative deemphasis on army forces to some modest extent, but really not the big new vision. Then you had the third offset, but that wasn't a formal strategy. That was sort of the last couple of years of under Ash Carter and Bob Work and Chairman Dunford. And then, of course, you folks were the first to really come up with a formalized defense strategy that really prioritized peer competition.

So, yeah, I have read the strategy because I'm on the Defense Policy Board, but it's --

MR. ESPER: And you can share it with us.

MR. O'HANLON: -- but only in the semantic sense that I think that you're right, China's the pacing challenge. Russia's the acute threat. And so that is the framing. And I want to come back to ask you about Russia in a little bit.

But let me ask you more about China because I know that's been, you know, a big part of your focus and you just said today that you think it really should be and must be for the Department of Defense. You mentioned a lot of technologies. And of course, they're now commonly discussed. Artificial intelligence, directed energy, hypersonic missiles, small satellites that can be more resilient in the great power context.

But I wanted to ask you about scenarios. And I realize this straddles the line of what's sensitive and classified. But when you look at China as a potential adversary, what worries you the most? What kind of contingency? Is it the gray area threat with, you know, the small islands being contested? Is it the Taiwan question? And if it's Taiwan, is it the all-out invasion attempt? Or is it more limited uses of force? Blockade or partial blockade, et cetera. I just wondered what worries you most when you look at the China challenge.

MR. ESPER: Sure, and look, this is the reason -- a reason why I wrote my memoir because I cover this entire chapter on China and my concerns and actually give -- talk prospectively about what we should and should not do.

So, to me, my biggest concerns with regard to China, the two scenarios were some type of incident in the South China Sea involving PLA naval forces and U.S. naval forces, if you will. Or it could even be aircraft, right? Some of us remember the incident when George Bush -- George W. Bush came to office and the downing of -- landing of a U.S. reconnaissance aircraft on Hainan Island.

MR. O'HANLON: Right.

MR. ESPER: So, that was number one. The number two scenario, of course, is Taiwan. And people talk about the Taiwan scenario. They were aspect -- various different type of scenarios that can play out. Is there an invasion? Is there an isolation of the island, right? Where it's cut off from everything else. Is there some type of covert operation to do that? So, those were the things, the first two scenarios were the ones I was concerned about.

But as I write in the book, I try and broaden that out because there is so much focus on Europe and particularly now. I obviously wrote the book before Russia invaded Ukraine. But in my view at the time and remains that the greatest strategic flashpoint in the world is Northeast Asia. And people say, wow, you know, why is that? Because in that part of the world, I see obviously a potential for conflict on the peninsula, Korean Peninsula that could escalate into a nuclear exchange. But of course, you have to deal with China as well.

And what's really consequential about that part of the world, I'll get the numbers wrong, but if you do the quick math, there are four or five nuclear powers right there in Northeast Asia. You have three or four of the world's top economies. Certainly, Japan, United States, and China, the top three are engaged there. So, any type of conflict involving those three countries is going to ripple globally, right, and have impacts. You have technological powerhouses, China, Japan, United States, South Korea, others that you can fold into there, Taiwan, obviously.

So, there's all these consequences that are not directly military-related, but because of the economy, the trade, the technology, so forth, and so on, to me again, makes the world's greatest

strategic flashpoint. And we have to look at that and pay attention to it and keep that under control as best we can.

MR. O'HANLON: By the way, I'm sure you want to join me in honoring Prime Minister Abe.

MR. ESPER: Absolutely.

MR. O'HANLON: This may be the first public event at Brookings where I've had the chance to say that. And I know he was a big supporter of the U.S.-Japan alliance and you folks worked together as governments to make that stronger. Can you say a word about the U.S.-Japan alliance as you saw it evolve over these years in handling the challenges of Northeast Asia.

MR. ESPER: Well, first of all, an important point about Prime Minister Shinzo Abe, I mean, he was a great leader, a visionary leader. And as you all know, tragically murdered the other day. And look, he's the one that coined the phrase “free and open Pacific,” Indo-Pacific. And advanced that vision and talked about in indirect terms the growing threat of China. And also, reached out, was a great ally of the United States, but reached across the, you know, the waters, if you will, to Korea. He saw the importance of that benefit of that relationship. And then, of course, it expanded to become the quad. Not with Korea, but he had the idea of the quad. So, a very important visionary leader who left us way too early. I think he had more to contribute on an international scene. But he gave us a strong vision and inspiration.

And we see now that the government in Tokyo is acting on that. They're looking at really significantly raising their defense budget, adapting their constitution to the times, which I think is appropriate. I've called for that publicly on a few times. So, we really lost a great ally there. But he leaves a legacy of people who worked for him, the government behind. And I think Japan continues to be probably our most important ally there in the region and it's -- glad to see that coming together.

They, of course, have big concerns about China with regard to the East China Sea, the Senkakus, and all that. I personally reaffirmed our commitment to extending the defense treaty to those islands that they administer. And, of course, where there's been talk that Japan would involve itself if China invaded Taiwan. I think it's inevitable that they would have to. They'd get drawn into the fight, if

you will.

So, all those things are important. And look, we shouldn't be looking for a fight with China, right? What we should be looking to do is to shape China's assent, if you will, in a way that's more positive for the Indo-Pacific region and then, of course, globally, in a way. Because this comes down to a communism versus democracy. And, you know, the international rules and norms and values that we all share as democracies and a different view being perpetrated by China on the world. So, that's kind of how I see things playing out.

MR. O'HANLON: So, to delve into a little bit more detail on the South China Sea and the naval competition. How do you feel about our standing right now or if you want to refer back to two years ago when you were still secretary, in reinforcing freedom of navigation, making sure that China did not actually operationalize this claim to more or less own the South China Sea and the nine-dash line, to push back against that?

Do you think we have now convinced China that the world will never allow it to turn the South China Sea into a Chinese lake? Or do you think that that is still an idea they have in their head that we're going to have to keep worrying about? I mean, obviously, we need to keep doing patrols and reinforcement of our claims to access. But do you think the Chinese are starting to get the message or do you worry they haven't really yet?

MR. ESPER: Well, I'm worried they really haven't yet. Look, I think we increased significantly the number of freedom of navigation operations. We call them FONOPS in the Pentagon during my tenure and just prior. And they seem to have continued, which I give the administration credit for. But what's interesting when you see what's happening, we now have the Chinese claiming that there are no international waters between Taiwan and the mainland. And if you understand, of course, their claim to Taiwan, that makes sense from their perspective. But look, this is a new development, which should cause us to pause and figure out what they're trying to assert.

So, I think that's all the more reason why our freedom of navigation operations should continue. You know, during my tenure what I wanted to do was get our allies and partners to join us as well. The Australians, the Brits. I think the more we have other players aside from the United States with

us asserting those freedoms, the better. I'm glad to see the past few years that some of our European allies have really picked up. You see a greater presence in the Indo-Pacific particularly in the Western Pacific. I think that's good. That's sending the right signals to the Chinese.

MR. O'HANLON: So, now back to the Taiwan case, specifically. And I wanted to ask you again, recognizing you can't give us all details, about two types of scenarios one at a time. First, the invasion attempt and then the blockade. Maybe the blockade combined with cyber-attack or covert operations as you alluded to. I guess I'm sort of curious which one worries you most. I'm sure the answer's going to be both. But I would love to hear if one strikes you as the more plausible or likely.

And then against the amphibious invasion attempt, there have been people like David Ochmanek at Rand who have written about a suite of technologies that we might be able to buy now that could make us more capable of preventing that because they wouldn't depend as much on aircraft carriers or big, long runways, you know, underwater permanently stationed vehicles that could fire sensors and antiship missiles into the airspace around Taiwan, for example.

You had your vision for a 500-ship navy that would include a lot of those kinds of systems. So, when you look at the invasion attempt scenario, how much do you think that China really might try it? And do you think -- what's holding us up from some of these investments that if Ochmanek is right that perhaps could make it a lot harder for China to pull it off?

MR. ESPER: And what the second --

MR. O'HANLON: We'll come back to the blockade scenario. That's the other one that's on my mind.

MR. ESPER: Amphibious. Okay. Well, as you announced in my biography in the beginning, I'm not a marine, so, I won't speak for the marines. But look, amphibious operations are hard. In World War II, we crossed the English Channel, what is it, 13 miles, to invade Northern France. And it takes a lot of effort. And frankly, the Chinese, as best I recall, do not have that capacity right now to cross, you know, 13 miles, let alone 100 miles.

And so, it's a significant challenge. It's a real undertaking and we would be able to see that happening. You'd be able to see the combat power build. And what's nice about having those

strategic indicators, it gives you the chance to exercise diplomacy to intercede on that front, diplomatically. If that doesn't work, economically, through allies and partners, you name it. But to preamp that in some ways or try and prevent that in some ways. So, amphibious operations are hard.

But that said, look, deterrence is about capability and will. And this gets to your second point. And I told you I'll be traveling to Taiwan soon to meet with their leadership in Taipei. I think Taiwan needs to invest more in their defense and invest in the right capabilities so that they become incredibly capable in the sense of deterring an attack in the first place. And then demonstrating the will to do so.

I want to believe that any people will fight for their own self-survival. And a Chinese invasion, of course, would be for survival because there's no such thing as one country, two systems. That's already been disproven in Hong Kong. And unlike Ukraine, if you get invaded by your big neighbor, there's no crossing the border into Romania or Poland or somewhere. You're on an island.

And so, I think the challenge for Taiwan is to increase that defense budget, invest in the right type of technologies. Not purely asymmetric, but more asymmetric technologies. I think of thinking about lengthening and broadening your conscription so that you have a real true territorial defense force that acts as a deterrent. And then tactics to go with that. And then, you know, we need to do our share in terms of helping them consistent with the Taiwan Relations Act.

So, that's the messaging I would send, and I think that's critically important to deterring any type of Chinese operation to begin with.

MR. O'HANLON: And on the blockade scenario, this one worries me a little more than the amphibious assault in the sense that China could do it in increments. They could just use submarines and occasionally sink a ship. They wouldn't have to make it airtight. Try to drive up insurance rates. Try to put the economic squeeze on. If they see the 7th Fleet reinforcing, they can back off for a while. They don't have to necessarily put all their eggs in one basket and risk tens of thousands of troops in one operation.

And I've tried to model it out and it looks pretty hard to predict who would win to me. If China tries to do the blockade and then we try to break the blockage. So, I wondered about your thoughts on that scenario. And if we properly implement the NDS of 2018, and then its successor, do you

think it's realistic that we can really regain enough superiority to break any Chinese blockade? Are we going to have to live with uncertainty going forward for many years and decades to come on that kind of a scenario?

MR. ESPER: Yeah, I mean, I think at first blush, I do agree with you. The blockade scenario seems trickier, right? Because there's not overt aggression against, you know, the freedom loving people of Taiwan, an unprovoked aggression. So, that does make it trickier in terms of determining your policy.

But again, it buys you more time to pursue aggressive diplomacy with Beijing. It gives you more time, frankly, to position your military in case things go worse. To me, the military option is always the last option. But it does get a little trickier when you have stuff like that or you have even more anonymously cyber-attacks, things like that that you could hurt the Taiwanese economy to try and get them to bend the knee toward Beijing.

So, those are all different things that we have to think through. And again, it's not just us. I think it's the democracies of the world, particularly those most vested in Asia and the Indo-Pacific. In this case it would be Taiwan. Japan, Korea, Australia. I'd go so far as to say the Pacific Island countries that are often overlooked to our detriment. And there are numerous others, right? ASEAN, you can involve all these countries. Because if you don't, look, at the end of the day, if you don't stand up to countries, autocracies like China, they read it as a green light, right?

This is why Putin invaded Ukraine on February 24th. Nobody really ever stood up to him when he invaded Georgia in '08. When he invaded Crimea, annexed Crimea in 2014. And then tries to take all of Donbas in 2014. He thought that we were going to roll again, roll over. And so, I think at some point, you've got to stand up and say we're not putting up with this anymore.

And hopefully, that the West standing up to Putin in Ukraine is a signal to Xi Jinping that we will do the same with regard to Taiwan. And I'm hoping that's a muscle that we're building also within the Western Alliance. And Western Alliance just doesn't mean Europe. I've been very pleased to see Japan, Korea, Australia, for example, stand up for the people of Ukraine, opposite Putin. I think those are all good things about the democracies of the world coming together to oppose autocracies.

MR. O'HANLON: If I could stay on that point. Of course, I hope very much that that's the way President Xi reads it as well. But of course, there's the other possibility, which is that he says, hey, the U.S. doesn't have a treaty with Taiwan. They didn't have a treaty with Ukraine. That seemed to matter a lot for limiting President Biden's willingness, or frankly, almost any American politician. I don't hear Republicans or Democrats on Capitol Hill clamoring that we get involved in this fight directly. And there's a danger that President Xi could say, well, they probably wouldn't in the end fight for Taiwan either.

Are you worried about that? And do you think the policy of strategic ambiguity that we've had for so long, therefore, should change? Or is it enough when we sort of keep that policy, but then President Biden misspeaks and says, yeah, I think we would have to have their back. Maybe that's one of President Biden's better misstatements, if you will. And I'd just be curious where you come down on that question of policy towards our commitment to Taiwan.

MR. ESPER: Look, I think President Biden's instincts were right. We would, should come to their defense. And he said it three times. I think the worst part about that was his White House staff corrected him three times. And that's not good, right? So, I think his instincts were right.

And I talk about this in the book, right? I think strategic ambiguity has run its course. It's not an inconsequential decision, but I think there should be a debate, a national debate, or a debate here amongst the elected leaders in Congress and the executive branch about strategic ambiguity and how far we will go.

I think so much has changed since the Taiwan Relations Act was passed in 1979 and we opened relations with the Chinese in the early '70s. I mean, if you go back to the basics, of course, and this is the fundamental underlying basis of the one China policy is both peoples on the mainland and Taiwan no longer agree that there is one China, right? That has fundamentally changed.

Number two is the Taiwanese people, a majority now identify as Taiwanese, not as Chinese, right? You now have a very robust democracy that's been around since for 20 years now, 20-plus years in Taiwan. It's a self-sufficient country. I mean, it's got its own culture and identity. So much has changed.

And at the same time, under kind of the understanding between the United States and China, that there would be no, you know, there would not be coercion, if you will, to determine the final outcome of the Taiwan question, if you will. Well, look, we see Chinese coercion all the time. Ships sailing into Taiwanese waters. How many times do we have mult (phonetic) intrusions of Chinese aircraft in the air defense identification zones. I mean, dozens of aircraft. We see economic bullying. We see what's happening going on in international bodies.

I mean, the fact that during a global pandemic, right, we wouldn't allow Taiwan to participate with the WHO is just ridiculous. So, I think the fundamental basics have changed to the point where the whole issue of one China and the relationship between all the players needs to be reassessed. And certainly, understood far better because most people don't understand the history to begin with. But needs to be reassessed so there is not this ambiguity that leads Xi Jinping to think I can conduct a lightning strike. I'll go across. I'll seize Taiwan and that'll be it. And, you know, the United States won't intervene.

MR. O'HANLON: When you look out 5 and 10 and 15 and 20 years, and, of course, a lot of your thinking as secretary of defense did involve that because you gave that major speech on the navy, which it takes 20 years to build a different navy. And so, when you think about the U.S.-China relationship out over that period of time and beyond, what's your vision for, you know, how it can be successfully managed in the long-term? Do you think that we're going to basically be adversaries as you describe China today until their government changes? Or until the Taiwan question is somehow resolved to the mutual satisfaction of everyone? Or until they sort of arrived as a second superpower and found a way to be socialized into the rules-based order more than they perhaps have so far? I mean, what's sort of the best case, the positive vision of what we're trying to get to in the U.S.-China relationship maybe 20 or 30 years from now?

MR. ESPER: Wow, that's quite a prediction. And I'm not sure my crystal ball is that good.

MR. O'HANLON: Yeah.

MR. ESPER: Look, I think we'll always be competitors with China. But look, we're

competitors with Europe, right, in the economic realm as well. But certainly, competitors in the economic realm with China, diplomatically as well, I'm sure as the UN and international bodies. So, that's fine. That doesn't concern me as much.

The question is, you know, does it take the government changing, right? A non-communist government or Xi Jinping? I think it begins with Xi Jinping. I mean, he's the one that took China in a darker direction when he came to power, what eight, nine years ago, at this point in time. He took them in a much different direction, I felt. And I had met the previous Chinese presidents during my time on the Hill. So, that's number one.

But I think in the long run, right, and a core American value is that democracy is the best form of government out there. It's messy, right? But it's the best form of government out there and you'd love to see the Chinese people with this great culture they have, and country have the same rights and freedoms that we all have, right? Speech and assembly, so forth, and so on.

And you saw that crackdown just recently in China that occurred. And of course, you know, the crackdown on Shanghai, 25 million people because there's a few outbreaks of COVID.

MR. O'HANLON: Right.

MR. ESPER: I don't believe that people want to live under that form of government. So, I think in the long run you'd want to see people have a participatory government where they can play, you know, have more of those rights and freedoms that we all believe and share in.

MR. O'HANLON: So, I got just three more questions. One's going to be on AUKUS, one's going to be on Korea, and one on Russia. So, AUKUS, the U.S., Australia, UK Agreement that was famously created last summer. It looked to cynics like a way to steal a submarine deal away from France and bring it to U.S. defense industry, and a way to sort of wrap that in a broader, you know, aspiration for joint research and development across three major allies.

But to others, it looks like a lynchpin of our stronger commitment to the Asia and Indo-Pacific. And but most of all, I'd like to get your impression as to what is it? And I've got a couple of good friends and colleagues who are working on it day by day and it involves R&D collaboration. But I guess to put a point on it, what is it that this, you know, new creation allows us to do that we couldn't do before

since we were already allies with both those countries?

MR. ESPER: Yeah, great questions. First of all, I think it was a great move. And if I was a real politician I'd claim credit for it, but I can't. You know, I had a meeting this morning with the deputy prime minister of Australia and this topic came up. And I think it's critically important that we look for ways to build the relationships between all of our allies and partners. And certainly, Australia's one of our closest. It's one of our Five Eye partners. And I worked very closely with my counterpart, the minister of defense, Linda Reynolds at the time. We were looking at all these issues and how to improve intelligence sharing.

But I think the biggest challenge we have, what this gets -- I think this gets at a few things. First of all, as you know from the naval force structure that we proposed during my tenure, Battle Force 2045, my belief was that we should -- the force should be more distributed, smaller ships, more of them. And if you're going to build more of anything, we should build more submarines, attack submarines. That's a very important advantage we have.

And so, I think the Australians accruing advanced nuclear propelled submarines is critical. I think that's a great move from a military perspective. If you elevate up a little bit, the broader thing is that we have to improve technological cooperation between the United States and Australia, but also between the United States and Great Britain, the United States and other countries.

And look, I've worked on the Hill, I've worked in industry. This is a challenge. We make it too hard and much of it is caught up in bureaucracy and the processes we go through that we don't enable us to have -- to share technology more intimately, if you will, more closely in terms of what we share, but also more quickly. And I think that's what that's getting at as well.

So, when I had this meeting this morning, we were talking about how might you go about that making the process quicker? Making sure that industry can talk to a government with less bureaucracy. That industry could talk to industry, right? Between Australia and the United States. I think these things are critical.

And because the big disruption these days is technology. And the Chinese are advancing their own technologies as well. So, we got to get ahead of them. And we got to stay ahead of

them. And we have to do so with allies and partners. So, tech sharing is critically important. There's no reason why we shouldn't be able to share amongst our closest allies like the Brits and the Australians.

So, I think in that sense, it's a good move. But again, the tough task of being in government, of being a senior leader, is implementing a great idea. And too often, we move from one great idea to the next great idea, to the next great idea. And I always saw my role as, yeah, certainly doing that. But on the things that really matter, dig into it. Commit your personal time, follow through, implement because that's where you can move government and you can get people headed in the right direction.

MR. O'HANLON: In 2017, you were secretary of the Army and by some accounts we came closer to war against North Korea than we had been in decades. And I wondered if you wanted to share a reflection about that time period? There was an irony. That was the period with the National Defense Strategy was being written with the effort to focus on peer competition and yet, we came closer to war with a so-called rouge state than we had in a long time. And this would have been a nuclear armed rogue state.

So, how should we think back to that period? How close to war were we and, you know, how scary was it for you at the time? And then, you know, looking back, is there a way to make sure that doesn't happen again?

MR. ESPER: Yeah. Well, again, I cover this in the book. I think it's the second chapter because I talk about coming into the army in late 2017 and at this point in time, there's saber rattling going on both from Washington and Pyongyang. And if you recall at that point in time, Kim Jong-un is testing nuclear weapon -- nuclear devices, I should say. And he's testing long range ballistic missiles, ICBM capable. And President Trump is amping up the rhetoric as well. Remember the my button's bigger than your button discussion?

MR. O'HANLON: Mm-hmm.

MR. ESPER: And so, I described being at this point maybe 60 days on the job. I'm in Huntsville, Alabama and I get a call saying we're withdrawing all families from the peninsula immediately. And, of course, as secretary of the Army, I got, you know, thousands and thousands of family members.

And this is not something you just do like that, right? But more important than the impact it would have on service members and their families, is the impact it would have geopolitically. Because any world leader, the North Koreans are going to say, hmm, they're pulling their dependents out of South Korea? This must the prelude to something else.

And then you got to take it to the next step, right? This is the challenge of thinking through these things, is well, if they're thinking that and Kim Jong-un thinks we're maybe getting ready to do something, then maybe he should strike first. You know, the first mover advantage. And those were the things that was going through my head is how do we prepare? Not just how do we prepare to get families out, but how do defenses go up and make sure that we're prepared?

And, you know, just like as I would learn later, as secretary of defense, this call comes, and we get spun up. And within an hour or two it goes away. And I never really found out what happened and why it was talked back. But that was kind of my early introduction into working in the administration and kind of the things that the unpredictability that I had to worry about.

And then, of course, tensions calmed down and this is where I do give President Trump credit. It was unconventional for him to meet with Kim Jung-un. A lot of your traditional foreign policy experts poo-pooed it as, you know, we shouldn't give Kim Jung-un the stage with the president. But look, to his credit, we also didn't have two to three years of nuclear device testing and ICBM testing. So, it kind of calmed things down. We didn't get a nuclear agreement, but it calmed things down long enough to get us another three years.

And in this business, you know, if you can buy another day of peace, if you can buy another day without conflict, without people getting killed, that's a good thing. And so, but that was kind of North Korea at the time. And here we are, you know, the Biden administration is facing this now is what do you do with North Korea? They're talking about a nuclear test. They certainly are testing missiles. You get a more aligned government now in South Korea that they have to work with. Those things are --- that's a positive. But Kim Jong-un's not going away anytime soon, or North Korea for that matter.

MR. O'HANLON: So, my last question is about Russia and the Ukraine war, a place where we didn't manage to buy another day of peace, tragically. And I guess it's a two-part question.

One, what surprised you or strikes you the most about that war so far? What's most militarily interesting to you? Both in terms of maybe Russia's initial frustrations, but now it's partial recovery and yet not really. I mean, it's a -- and, you know.

And then speaking of your crystal ball, on this one I won't ask you to look out 30 years, but I will ask you to look out for the rest of this year and into next. Do you think that fighting is likely to continue? Are we now in a long war of attrition? Do you have any read or feel on this conflict you want to share with the group?

MR. ESPER: Yeah, my crystal ball works a little bit better on this one. I said on the eve of the conflict in day one that it was it was a strategic failure for Vladimir Putin, and I think that's been validated, right? The things he wanted came true. He didn't want more troops on his border, and he got more NATO troops on his border. He didn't want Ukraine closer, more closely aligned with the West, and he got that. And he didn't want NATO unified, and he got that. And plus, he got two more NATO members, right? Sweden and Finland. Finland with an 800-mile border up along the Baltics. Now we have coverage not just in Europe, but we can cover the Arctic Circle, which is important. We can talk about the Arctic. And so, look, it's been a loser, loser, loser across the board for Vladimir Putin, right? So, that's a good thing.

I think the biggest surprise was the performance of the Russian military. I think maybe we thought they were eight feet tall, and now they look like they're four feet tall. Just the lack of competence on the battlefield at every single level. From the soldier, the privates, to the NCOs, or lack of NCOs, to the generalship. It's just been terrible. It's been embarrassing for them. And I think when you look at the performance of the weapons systems, again, across the board, I think we need to go back and ask ourselves what did we get wrong? How did we overestimate the capabilities of the Russian military? And, of course, the answer that everybody goes back to immediately, which is probably one of the reasons, is corruption within the Russian military.

The other big surprise for me was the tenacity and the grit and the fighting spirit of the Ukrainian people who really rose up and said, no, this is our country. We're going to fight for it, inspired by President Zelenskyy. And look what they have done. They've, you know, defeated one of the top

three largest -- not defeated, but they held off one of the top three largest militaries in the world to their credit.

So, anyways, and again, to me, that comes down to leadership and will because conflict is a battle of wills at the end of the day. And this gets to your second part of your question. So, where does this turn out? It remains a strategic failure for the Russians and will. An operational failure still. I think tactically, you see them gaining on the ground. They've captured Luhansk province. They're trying to seize Donetsk now and that would accomplish the Donbas. But the question is can they do it? You know, obviously, they're suffering from low morale. The troops are worn out. They've been fighting for three months. That takes a toll on you.

And they're expending a lot of material and resources and weapons. And at the same -- and so, again, they're gaining tactically, and they may eventually seize all of Donbas, but we now see the Ukrainians still recruiting troops. You now have U.S. and allied weapons systems entering the fray with great impact. You read every day about, you know, a command post, some weapon caches being destroyed with HIMARS.

And you could see the ground shifting over time as Russia continues to deplete itself and Ukraine continues to build up. But at the end of the day, it's a contest of wills between Vladimir Putin who cannot afford to lose, right? Now, he may redefine victory. But he cannot afford to lose. And Volodymyr Zelenskyy, who I don't think is going to quit either. The Ukrainian people aren't.

So, I see this dragging on for months. Certainly, through the end of the year. It could go on longer. But it's going to come down to when does everybody say we've had enough, right? Almost like World War I. And who claims victory and what are the Ukrainians willing to live with? I'd like to see it go back to the status quo ante of 2014, right? Ukraine is a sovereign country with the Crimea restored. But that's a decision for President Zelenskyy and for the Ukrainian people.

The last thing I'd say is it gets into the question you didn't ask that I think is important. It's great to see NATO unified. I think we were proven true about Russia. Putin is a bad actor that we need to deal with. Glad to see that the Germans have promised to raise their defense budget. We'll see if they follow through. That'll be important to keep the alliance unified and not weakening in the face of

continued Russian aggression.

And the only thing I'd add is I'm glad to see the adjustment being made in Europe by the U.S. military. I think that's important. If you read one chapter in my book, I talk about at the end of my tenure, we made a number of moves to shift more forces from Germany east into Romania. Poland, I wanted to put some in Bulgaria as well. Certainly, in the Baltics. I wanted to move fighter squadrons. I had given the order to move destroyers into Roda, Spain. A number of things. And I'm glad to see the Biden administration doing that. I think that's good. I wouldn't necessarily put more troops in Europe. I would just move them further east.

And I think we still got to go back to focusing on China. And that's doesn't mean more troops in China. We actually have a majority of our forces in Asia right now. But we need to retain that focus on Asia because that is still -- China's still our most lethal, dangerous, strategic adversary out there.

MR. O'HANLON: Just a quick follow-up on that last point. So, when you say we don't necessarily need more forces, right now, we've got about 100,000 U.S. forces, including the 20,000 that have been added this year during the crisis and conflict. Is that the number that we should stay at or should we come back down to the 80,000 or so total when you were secretary? And I think right now we have four army brigades, maybe five at the moment coming down to four. Is that the right number? Or is it better to go back to three like we had when you were there?

MR. ESPER: I would go back to where we were at the end of my tenure with the forces I had already ordered to move east and stick with that number. I would not add to that. I would add to that number. Look, the Russians have been unable to defeat Ukraine. They're not going to defeat NATO. So, to pile on more forces, more U.S. forces on the continent, I don't think is necessary.

I do think it's important to move them further east because I think it provides reassurance and capability to the Baltic States. I think it helps with Hungary, Romania. Again, I think the alliance -- the challenge is the alliance line never really -- the line of forces never really moved at the end of the Cold War from where it was drawn in Germany and Italy, it didn't move east. It should have moved east. And there were reasons why it didn't. But now we're beyond that. Now, we should move that line east and reinforce the front-line states. And I think that is sufficient in terms of deterrence and capability on the

ground.

Again, we're going to have two new allies as well, Sweden and Finland. And if the Germans do their share and invest, that'll be important. And other countries live up to their obligations, that'll be important. But we got to be cognizant of the long-term strategic threat and to me, it's coming from Asia, not from Russia.

MR. O'HANLON: Fantastic. Thank you. Let's now open it up. So, please wait for a microphone and identify yourself, please, and we'll start here. And again, for those in the audience remotely, you can email to events@brookings.edu. We're tracking your questions and we'll include those as well.

MR. PASRICHA: Hi, my name is A. J. Pasricha (phonetic), unaffiliated. Thank you for coming, Dr. Esper. So, the late Prime Minister Shinzo Abe mentioned that the U.S. -- Japan should host U.S. nuclear weapons. Do you think that's realistic anytime in the near future?

MR. ESPER: I don't think any of those questions are off the table in terms of doing it. But I do think our strategic umbrella is, of course, extended to support them. So, I'd want to understand the reasons why and look at it and all that. But look, they have our guarantee of extended deterrence. So, in this case, what I'd rather see them do is invest more in terms of the traditional warfighting capabilities needed to support a Korea fight. But, of course, to deter the Chinese particularly again in the South China Sea, but more importantly to them probably, the East China Sea.

MR. O'HANLON: There was a hand over here. My friend. Right there.

MR. NICHOLSON: Sure, George Nicholson, the Washington rep for the Global Special Operations Forces Foundation. Outstanding book. I should be getting a royalty. I've sent out 10 copies including to Doug Brown, Dell Daily (phonetic), and Rich Clarke. Also, your presentation that you gave was it the week before last out at the McCain Center, I thought that was outstanding.

The question is and Mike alluded to it, lessons learned from what's happening in the Ukraine. I think that General Miller -- I mean, not General Miller, but General Berger has hit the nail on the head. And it goes back to what General Krulak said at the National Press Club in 1997. You remember the speech? The Teutoburg Forest and various soundly defeating three legions, I mean, three

legions and soundly defeated the Germans. Four years later he came back and the legionnaires -- I mean, the Germanic tribes had learned their lessons and backed into the swamps and massacred over 24,000 legionnaires and as they cut off Barious' (phonetic) head, he's mumbling, you know, necross (phonetic), necross. It's not the same.

What's your comfort level is that our adversaries out there like the Chinese or other adversaries even the Russians are going to take lessons learned? What General Berger talked about last week we've given -- for assumptions, we're always going to have this huge logistic support. We're going to have all these C-5s coming in from the States. Our adversaries are going to say, ah, those got to come out of Dover Air Force Base and those are coming out of Travis. They depend on the in-route support lines, that they're going to learn that.

He talked about satellites that they're going to take out our satellite communications. What's your comfort level that those are being addressed? I think that Secretary Kendall understands that in spades. I understand that's what General Berger understands. But he's got a real fire storm from the marine corps about some of the things that he's doing.

MR. ESPER: Yeah, no, thank you for that. Look, General Berger is a real innovator. And I give him a lot of credit for what he's doing and he's doing it under immense pressure. But we always need to keep asking ourselves are we ready for the next fight, not the last one? And he's looking at that. Certainly, when I came into office as Secretary of the Army, I, General Milley, General McConville, under Secretary McCarthy, looked at this as well and we, of course, did a major overhaul of the army in a number of different ways. And we can talk about it if you want.

But I think, look, I think and I've said this publicly, the first shots of a future war with China will be in space, outer space, and cyberspace. Because of the reasons you listed, right? You could shut down our networks. You could shut down our transportation networks, our air hubs, you name it and that presents a problem for us. And we got to deal with outer space.

You know, one of the things I did and again, I talk about it in the book. And you read it, so you know. I'd have these meetings every week where we would review war plans. But I wouldn't just review the war plan with the Indo-PACOM commander as we went through different parts of it. I knew it

was critically important that a fight with China would be a global fight. So, I wanted in that room the head of transportation command, the head of northern command, because Northern COM had to defend U.S. airspace, right? From missiles, from aircraft. I needed to have South COM because of Chinese presence in Latin America.

So, it is a global fight when you're thinking about the Chinese who you have to have all those players and particularly when you think those first shots, as I do, will be in space and cyberspace. I put a lot of money and resources and time working with the generals in charge of that. Paul Nacasone, for example, figuring out how can I give you more capabilities, more resources, more authorities to deal with that? Because, you know, I said once to the detriment of my old service, I've given up a tank brigade if I meant I could build all the capabilities I need in cyberspace to do that because that's how strongly I felt about that.

MR. O'HANLON: Okay. We'll keep moving back and forth. I guess we'll stay up in the front of the room for the moment. This gentleman here in the second row, please.

MR. ESPER: Or you can shout it. I can hear you.

MR. TOMLIN: Thank you, sir. Colonel Greg Tomlin from the Army Staff. You mentioned DOD modernization --

MR. ESPER: Oh, you're going to report that I gave up an army brigade.

MR. TOMLIN: I don't have a -- well, I'll stick to the question, sir. So, when you were working for President Trump, we changed PACOM to INDO PACOM. You mentioned Northeast Asia has the potential flashpoint. So, could you assess for the past four years whether you think we've done enough on the INDO side of INDO PACOM?

MR. ESPER: Yeah, that's a good question. I hate to keep making this reference and it's not a pitch. But I talk about it in the book that the greatest strategic threat for the 21st Century for us, for the world's democracies, is China. I think the greatest strategic partnership that we need to build is with India. We've got to get that right. And I spent a lot of time with the Indians.

You know, we had two -- there were three major conferences between the United States and India over during my time. I was in two of them with Mike Pompeo. And we really pushed forward a

lot of initiatives, a lot of capability. A lot of folks don't realize or recall that, you know, when the Chinese invaded, crossed the line in the Himalayas in the spring of 2020, I mean, I was talking to my Indian counterpart about how can I help you? What do you need? Information, cold weather gear, you need it? It was almost a repeat of what happened in the '60s, between the Chinese and the Indians.

So, there's no love lost there. India, of course, is a great country, great culture, 1.3 billion people, right? Strategically located, a lot of capability. But we need them on our side. And they need us on their side too. So, to me, that's a very important strategic partnership. It's moving, but not fast enough. I think it needs to move quicker. It needs to be broadened, not just deepened.

I am a little disappointed on the stance they took with regard to Russia and its invasion of Ukraine. I think they should stand up alongside their fellow democracies. And but that's something we got to keep working. And I'm pleased to see that the building of the U.S.-Indian partnership, which I think began under the George W. Bush administration. Because I remember working it back then both when I was at the Pentagon, a tour there, and then also on Capitol Hill.

This has been a common theme through Republican and Democratic administrations alike. And I hope that will continue. I think President Biden has done some good outreach and Secretary Austin and Secretary Blinken. So, that needs to continue. We need to keep building that partnership while we also deal with the Chinese. So, the quad is an important function that the Indians are in right now. And I think we should expand the quad too, but that's a different conversation, so.

MR. O'HANLON: Expand it to more countries?

MR. ESPER: Yeah, particularly, I've spoken to Korea a lot. I think Korea would be a great candidate country to. It's a technological powerhouse. It's one of the top 12 economies in the world. It's strategically located. They have a remarkable military. I think they would be a good addition to the quad. You'd have to change it to quint. But, you know, names change, right?

MR. O'HANLON: Indeed. Okay. We'll keep working back. The gentleman here in the fifth row.

MR. SU LING: Wei Su Ling (phonetic), graduate student at Princeton University. About the war in Ukraine, I've seen a lot of discussion, debate about if there's any lessons or problems being

revealed about U.S. industrial capacity for the fundamentals of, you know, ammunition, et cetera. Are you seeing any lessons or problems with industrial capacity coming out of Ukraine?

MR. ESPER: Nothing that I wouldn't have anticipated. First of all, you brought something up that deserves answer. You said this why. I think one thing that the war in Ukraine has shown us is the importance of small unit leadership and well-trained small unit leaders. And I think that's an incredible capability that we have, a strong NCO corps. Because that's what wins fights, whether it's a battlefield like you're seeing in Ukraine or a World War II, right? Small unit leadership is vitally important. That's why the Russians are losing so badly by the way. It'll be curious to see -- hopefully, we won't see whether the Chinese have that capability or not. I don't think so.

Anyways, look, the U.S. defense industry is finely tuned. It's a very finely tuned instrument that responds to contracts put out by the U.S. Government and there's a good degree of predictability in terms of munitions numbers and types and timelines and things like that. I know they don't always make it and it's late and stuff like that. But it's a finely tuned machine. And they're not going to over produce and DOD's not going to over buy. Particularly when you have limited, you know, dollars.

And so, it's very easy to quickly expend your stocks if you're not paying attention to it. Now, I'm sure they are. I mean, I paid attention to that stuff all the time in terms of expending precision munitions or even deploying our hospital ships. You got to know where your strategic resources are and how they're used. And by the way, from my time in industry, these aren't lines you can just start up in a few days or weeks. It takes months. I mean, you have to create. You find the factory space. You have to train workers. You have to get the lines qualified. And then, of course, the sophisticated weapons that we use these days aren't things -- they're not dumb bombs, it takes months to build these things.

So, it is something that needs to -- we need to keep working on and figuring how to do that because you don't want to waste money buying things you don't need or that will expire. Because these things expire too, by the way. It was an issue I had to deal with as Secretary of the Army. They can expire. They can sit on the shelf too long, right? There's no, you know, best if used by stamp on it.

But on the other hand, you want to have enough to have capacity so that you can support an ally or a partner or reach deep in your own arsenal in case you get into a long conflict.

Because at some point in time, you know, there's all these things that affect the outcome of a conflict. One of them is your ability to crank up your industrial base and sustain the fight. I mean, this is one of the things that the Russians are facing right now, right? Is they're reaching into their boneyards to pull tanks out of, you know, out of the grave to resurrect them. The reporting indicates they can't build new precision weapons because of lack of access to certain technologies and chips and whatnot.

So, I'm a big believer in having a robust base that can expand but also, making sure that we have the supply lines, supply chains are reliable either through trusted partners or reshored back here in the United States. So, I'm a big supporter of, you know, for example, chip manufacturing back here in the United States.

All those things are important. But it's a finely tuned machine that's been disrupted. And it's exposed something that we've all known that you have to be able to deal with those contingencies. And there are a few ways to address it. And I'm sure folks at the Pentagon are kicking it around.

MR. O'HANLON: While we're talking army specifics, and before I come here to this next question, let me give you one from the audience that came in even before our event began today. And it's asking about the army's future Vertical Lift programs and the status thereof. You and I talked about this before when you were Secretary of the Army.

MR. ESPER: It came from one of the contractors.

MR. O'HANLON: Yeah, it probably did. But it's properly capitalized too. So, it's of course, somebody who knows army lingo.

MR. ESPER: It's the PEO too.

MR. O'HANLON: Right. But do you want to make any comment on the status of army modernization in general the future of Vertical Lift.

MR. ESPER: So, when I came into office, I knew one of the things that industry needed to be most responsive to the military, to government was predictability, right? And so, I thought it very important that we be very clear about what our modernization objectives were and that we don’t change them. There was this for the longest time, the services would change year over year over year and it just it doesn’t help industry to be good partner. So, we picked six modernization priorities. Began with long

range precision fires, which is proving itself out important in Ukraine today. And it ended with soldier lethality. But in between there was future Vertical Lift.

And so, I think the -- it is very important the means to be able to fly troops further, faster, with heavier loads is very important. And the helicopters today are great. I mean, I flew into combat in a CH-47. I've got hundreds of hours I'm sure flying in the back of a Black Hawk. But when you're thinking about a future flight in Asia moving in between the islands of the Pacific Island countries, you want something to give you range and speed and stealth, right? It's not as vulnerable to high-end, modern precision air defense weapons. So, I think those things are important.

So, it should continue. I think it will continue. We've had some great prototypes that are been -- I've kind of lost track but great prototypes that are proving their value. This has been an ongoing partnership with industry for some years now. And I think it's going to play itself out. I'm confident they'll build at least one of the -- there's the FARA and FERA, different types of aircraft with different purposes. But I'm sure one will be built for sure.

The army's in a budget crunch and it's a shame. And I hope Congress hears this and the Pentagon that the army's being forced to pay the bills for others who didn't do a good job in terms of reforming themselves internally. The army spent a lot of time beginning during my tenure and following, you know, looking, reforming itself, and finding money here and there to invest in the future. And now to lose more dollars in the intra Pentagon fight I just think is unfair at a point in time when the army's doing a great job modernizing itself and leaning into the future.

MR. O'HANLON: Thank you. Here, please.

MS. SHUN: This Shao Shun with *Voice of America*. So, Mr. Esper, I have two questions for you. The first one is --

MR. ESPER: The media, always two questions, maybe three.

MS. SHUN: Thanks. First one is as a Air Force Major General, Cameron Holt, warned last month that the Chinese military is getting its hands on a new military equipment five times to six times faster than the U.S. military. So, do you think the U.S. is falling behind China in its defense acquisition and procurement system and how to fix that?

Second one is about the South China Sea. So, a bunch of U.S. scholars they launched this maritime counterinsurgency project this month. So, basically, they argue that the China's illegal course of behavior in the South China Sea is insurgency, and we should push back and have the increase our persistent naval force in the South China Sea, not just a sporadic come and go FONOPS which fail to change their behavior. So, do you agree with that? Do you think it's time for the U.S. to take some counterinsurgency action, push back in the South China Sea?

MR. ESPER: Well, first of all, I'll take your second question first probably because I've already forgotten your first question. But look, we do have a robust presence in the South China Sea. It's just the FONOPS. I mean, we have carrier strike groups moving through at times often. And sometimes multiple strike groups. I think you could always call for more presence, if you will.

I think I would not just call for more, but I would call for more with our partners and allies. So, I'd like to see us sailing in the South China Sea challenging the Chinese in the Spratlys and other areas where they've claimed. You know, they've obviously claimed territory. All around the, you know, islands claimed by the Filipinos, by Indonesia, et cetera. If you go around there by the Vietnamese. We should challenge all that stuff. But we should do it with partners too. We should have the Australians sailing with us, the Brits. We've the French down there. But also, the militaries of the region.

So, I think it's important to show again, a multilateral, multi-country face to pushing back on their sovereignty claims. I mean, with the Spratlys, they've already lost -- it doesn't matter to them -- but they lost legally in the Hague, right? It was ruled years ago that they had no claims over what they're going. So, we need to continue pushing all those things as well.

And then, remind me your first question.

MS. SHUN: So, the Major Air Force General --

MR. ESPER: Oh, yeah, yeah, right. I got it now. Look, there's nobody's going to innovate faster or better than us. It's built into our culture. You know, we do great innovation work. But the Chinese are able to -- first of all they're stealing it, right? And they're able to steal it and adapt and integrate it and build it quicker than we are. And so, we need to keep working in terms of protecting our intellectual property, protecting the theft of all these things we design. Making sure that we close that

door from both illegal acquisition and legal acquisition. We could talk about, you know, Chinese investment in U.S. companies or how they're going about getting that.

But, you know, there is some -- a degree of brutal efficiency in a communist system that allows them to move things a lot quicker, right? They don't have a Congress. They don't have interest groups. They don't have to go through certain things. And that's why that discussion I had earlier today with the deputy prime minister of Australia said what can we do though within our system to be quicker? To do things much more quickly to share, integrate, adapt prototype test, you know, and then mass produce much more quickly and with our allies and partners. And, you know, it's going to take work, not just between us, but within the executive branch, with Congress, et cetera, to do that.

Because look, we got the most innovative culture in the world. The problem is taking that innovation, getting it to DOD and out the door. And look, I know this because I work in venture capital now. I see the challenges from that side that young companies, startups, innovators, and entrepreneurs face. And it's a challenge and we're hurting ourselves in the process in terms of technology adoption and adaptation.

MR. O'HANLON: Okay. Let me go the back of room so I haven't been. The gentleman in the third from the back in the red shirt.

MR. MCCARTHY: Thank you for your time and insight today. My name Gian (phonetic) McCarthy. I'm a student. You briefly mentioned, I guess, geopolitics in the Arctic. So, I wanted to inquire further. So, considering the pause of the Arctic Council now a NATO-dominated Arctic Council and kind of an emergence of China in the region as a self-programmed near Arctic state. What's the direction for United States foreign policy and geopolitics in the region? Thanks.

MR. ESPER: Well, look, the Arctic is very important. Partly because, of course, you know, with the climate changing, it's opening up more. So, it opens itself to, you know, transit, right? Mineral exploration, things like that. And Russia has laid heavy claims to the Arctic. It being an Arctic country itself. And you're right. The Arctic Council was NATO-dominated before and now it's -- all the countries except for Russia will soon be NATO countries. So, that's very important.

You know, the crazy one you mentioned is the Chinese claiming to be a near Arctic

country and they're like what 500 miles away. But it shows you the extent to which they'll stretch common sense to lay claim to things that clearly are not theirs, but they appreciate the strategic value of the Arctic.

Now, one thing I like about China's outrageous claim is it really ruffles Russian feathers. And the more of that that happens, all the better. So, we'll see what happens. Again, I think that -- I hope, because we haven't seen -- I haven't seen the Arctic Council since Russia's invasion. But hopefully, all the countries of the Arctic will now realize that Russia is not a benign actor and that their interests and what they're doing in the Arctic are not for, you know, altruistic reasons and be much formal when to push back. At the same time, make our own investments in terms of what needs to be done in the Arctic to protect our own interests up there.

MR. O'HANLON: So, we'll stay in the back a little. Yeah, the gentleman right next to you in the middle. Thank you.

MR. THIED: Hi. Thank you so much for being here and sharing all the good insights. My name is David Thied (phonetic). I'm a student at Grinnell College from Grinnell, Iowa. But since you're not a real politician you probably don't care much about me from Iowa. But anyways --

MR. ESPER: Love ya, go on.

MR. THIED: But well, so, I've been doing some research in game theoretical research modelling the relations between China and Taiwan. And, you know, I'm not from the media, but probably have several parts of the question.

MR. O'HANLON: One part --

MR. THIED: So, --

MR. O'HANLON: One part question, please.

MR. THIED: All right. So, basically --

MR. ESPER: It's in subparts.

MR. THIED: So, this brinkmanship model, I guess. So, we're talking about lower bound with what the Biden administration reacted to the Ukrainian crisis, do you think we're sending them a good enough probability of threat. So, that's the lower bound of brinkmanship. And the upper bound is what do you think between China and Taiwan with U.S. helping in China and the U.S. who has a higher

tolerance of risk of the war because really for brinkmanship gain that's what matters. And also, back in a situation. So, -- do you want me to stop there?

MR. O'HANLON: Yeah.

MR. THIED: Okay.

MR. O'HANLON: Thank you. Good question though.

MR. ESPER: So, you know, both these -- in both cases, right, Ukraine and Taiwan, they're far way, right? In terms of distance, but in terms of Americans understanding of what it means. And so, I think it's important for America's political leadership and leaders generally to talk to the country, explain why it's important to stand up to autocracies, right? Because if you don't stand up, they're just going to keep gobbling up different things. So, it's important to stand up. That's why as I said earlier in this conversation, I think we need to have a national discussion about Taiwan and strategic ambiguity.

Look, clearly, China sees Taiwan as part of China. If you've ever been to the Peoples Hall, they have a number of rooms and as I recall, it's been a while since I've been there, the rooms are dedicated to the provinces of China. There is a Taiwan room. And so, there is -- and by the way, the People of China have been told for years now that Taiwan is theirs. So, asymmetry of interest, who's more interested? China is, Beijing probably than we are.

That doesn't mean we shouldn't fight and stand up for the Taiwanese and stand up for democracy. But it does mean that we need to educate the American people and talk about it and make sure that we have a common understanding of what we will and will not fight for. And then, extend that to our partners around the world, principally the Europeans, who have capable militaries. And, of course, our Asian partners, Australia, Japan, Korea, India, for example. All those countries who we're going to need to help stand up to the Chinese.

Again, I don't have a problem with China modernizing and ascending and so forth and so on, but they have to do so within the international rules-based order. Within international rules and norms and behave like a normal country and not bully others and not, you know, use their military to gain what they otherwise can't get.

MR. O'HANLON: So, as we prepare to wrap up, let's take one more from the live

audience and then we'll take one from remote audience and wrap up. So, let's where are we? Back in the next to the last row in the middle, please.

MS. WADKA: Hi. I'm Gabby Wadka. I'm with AEI. I'm currently a student. What do you see is a realistic role for the army in the Indo-Pacific? And is there one?

MR. ESPER: The short answer is absolutely, yes, right? I mean, the army had a major role in the Pacific during World War II. And I know this will sound parochial, but I mean, it's -- the army did conduct more than its fair share of amphibious landings. I mean, the army is the country's largest ground force. And I think it is mistaken to believe -- and at times we tend to simplify things and we tend to say oh, well, the Asia fight's going to be the navy with some air force, no army. And the Europe fight will be the army with some air force, but no navy. And both scenarios are just not realistic, right?

We fight as a joint force, which means army, navy, air force, marines, space force, and then logisticians, you name it. Everybody gets involved in this fight. And so, I think the role for the army, and we need to keep articulating that, is going to be akin to what the marines plan on doing, that General Berger we talked about is planning. You're going to see the army using long range precision fires. That was why it was number on the modernization list. But long-range precision fires to either hold the Chinese at bay to the mainland or the ability to sink ships passing through or passing by any number of Pacific Island countries.

You know, I was the first SECF I think to visit Palau because of its strategic significance. Then, of course, -- so, anyways, if you limit your capability just to the air or the sea, then you're ignoring another capability. That's ground capability, the ability to employ weapons, to effect violence from the ground. And there is a lot of -- there are a lot of islands in the Pacific from which you could do that.

And so, that's why I think it's a critical role of the army is to articulate that to use long range fixed -- I'm sorry, rotor wing aircraft to move between islands to move long range precision fires to put up air defense umbrellas, if you will, over key aspects. So, that is -- and at some point, maybe seize key terrain much like we did -- we and the army and the marines did during World War II.

MR. O'HANLON: Alejandra for a question from the remote audience.

ALEJANDRA: Hi, Dr. Esper. There is a common perception of declining U.S. influence

throughout the world. Given this perception and rapidly worsening economic conditions in the U.S., how optimistic are you that we will be able to effectively lead our allies and partners in navigating against prominent threats such as China and Russia?

MR. ESPER: Yeah, it's a good question. And look, it's been around -- that question has been around as long as I can remember that America's declining role in the world. And it ebbs and flows, right? It was at a high during the Gulf War, which is my war where George H. W. Bush led an international coalition. And then, of course, you know, we turned inward for a number of years and we're at a point now -- I'll set aside Russian and Ukraine -- but look, there's a inward look right now. We have a lot of political partisanship in this country, which I think is the greatest threat actually our country faces.

We're dealing with rising inflation. We have any number of other challenges, major domestic issues on the table right now that we could run through. So, Americans are looking inward. And I think it's important that we as our elective leaders explain the importance to remain engage externally as well. Because otherwise, those problems come home at some point in time. And better to deal with them early and better to help allies and partners deal with them as well.

So, I think we have to guard against isolationism. It's built into our history in some ways. And look, I think, I've said about the Biden administration, I think their response to Ukraine and to Russia initially was slow and mixed. And we could talk about some of those issues. But I think right now, I mean, we have a good thing going with western leadership of the response. I think it's going to be incredibly important that our European allies don't weaken on standing up to Putin. But I think we've stood up to him and I think that's a good show. That shows good international leadership.

If you look at the amount of resources, dollars, equipment, and material, by far, we're putting in more than all the other countries combined if my math is right. And at this point at least $40 billions going up to $65 billion, which is the same amount, by the way, of the announced publicly available Russian defense budget is what we've given Ukraine.

So, there should be no question about America's leadership when it comes to Ukraine. But is something you have to continue to nurse and nurture and educate the American people about because if you don't again, at some point in time those problems come home, and you have to deal with it

one way or the other.

MR. O'HANLON: So, please, give us about one or two minutes to exit ourselves before you leave. But also, most importantly, thank you for being here today and please join me in thanking Dr. Esper.

MR. ESPER: Great.

MR. O'HANLON: Thank you very much.

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I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

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