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The 2024 Presidential Inbox

Foreign Policy and National Security Recommendations for an Incoming Administration

ABOUT STIMSON

The Stimson Center promotes international security and shared prosperity through applied research and independent analysis, global engagement, and policy innovation.

Acknowledgements

Stimson's 2024 Presidential Inbox memo was the work of more than two dozen Stimson authors willing to drop everything to provide expert analysis and counsel to an incoming administration. We thank them all for their early mornings and late nights to present timely and thoughtful policy recommendations as a potential playbook for action for a second Trump term.

Thanks to our authors—Evan Cooper, Brian Eyler, Julia Gledhill, Dan Grazier, Carolyn Gruber, Kelly A. Grieco, Andrew Hyde, Pam Kennedy, Shreya Lad, Rachel Minyoung Lee, Madelyn MacMurray, Christina McAllister, Chris Preble, Allison Pytlak, Steve Ross, James Siebens, Barbara Slavin, Rachel Stohl, Yun Sun, Yuki Tatsumi, Elizabeth Threlkeld, Jenny Town, Courtney Weatherby, Geoff Wilson, Elias Yousif, Sally Yozell, and Elizabeth Zazycki.

Our thanks also goes to the Communications team, who helped to make this policy memo series possible—both digitally and in print. Thanks to Caiti Goodman, Joaquin Matamis, and Justine Sullivan for their tireless efforts to bring the fifth installment of the Presidential Inbox to new heights.

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Please Cite this Publication As

The 2024 Presidential Inbox: Foreign Policy and National Security Recommendations for an Incoming Administration. The Stimson Center, Washington, D.C., USA

Cover image generated by the text-to-image artificial intelligence model DALL-E

November 2024

The 2024 Presidential Inbox

Foreign Policy and National Security Recommendations for an Incoming Administration

By Evan Cooper, Brian Eyler, Julia Gledhill, Dan Grazier, Carolyn Gruber, Kelly A. Grieco, Andrew Hyde, Pam Kennedy, Shreya Lad, Rachel Minyoung Lee, Madelyn MacMurray, Christina McAllister, Chris Preble, Allison Pytlak, Steve Ross, James Siebens, Barbara Slavin, Rachel Stohl, Yun Sun, Yuki Tatsumi, Elizabeth Threlkeld, Jenny Town, Courtney Weatherby, Geoff Wilson, Elias Yousif, Sally Yozell, and Elizabeth Zazycki.

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Foreword

Since 1989, the Stimson Center has been committed to providing decisionmakers with the best available research and critical analysis to meet some of the world's most complex global issues. We have been proud to work across six U.S. presidential administrations—three Republican, and three Democrat—since our inception. Like our namesake, Henry L. Stimson and so many of his generation, we believe that partisanship stops at the water's edge. As a result, we have remained staunchly—indeed, stubbornly—independent and nonpartisan in our approaches to our shared foreign policy and national security challenges, delivering pragmatic and credible solutions to the policymakers who need them most.

This year, 2024, has been called, "the year the world votes," with more than half of the world's population headed to the polls in more than 70 national elections. The world's eye was trained on the democratic process and results of many of these polls, from the largest—India, with some 642 million voters casting ballots—to smaller elections with potentially outsized regional impact—Taiwan's January election, as well as the recent elections by Russia's neighbor Moldova—to elections whose results and fairness have been met with skepticism—Russia and Venezuela, among them.

It's safe to say, however, that the election most closely tracked, forecast, and analyzed this year was November's U.S. presidential election, when a near-record number of voters headed to the polls to return 45th President Donald J. Trump to the White House. As a second Trump administration builds out its priorities to advance American interests at home and abroad, Stimson's bench of global experts presents some of the most promising opportunities for action in the pages to follow through our 2024 Presidential Inbox.

Now in its fifth iteration, the Stimson Center's Presidential Inbox series offers a targeted set of policy recommendations designed for swift implementation. Each brief zeroes in on steps the president can take independently, addressing pressing international issues with minimal congressional intervention. The pages to follow serve as a playbook for action for the incoming administration—in twenty-one brief, concise policy memos, our experts unpack some of the biggest foreign policy and national security challenges, presenting the steps and stakeholders required for implementation and buy-in to deliver credible—and durable—solutions.

The path to progress is not easy. Indeed, there may even be multiple credible pathways at hand—you will see in some sections to come, multiple experts present a range of possible ways forward on challenges like Washington's Taiwan posture vis-à-vis China, and America's future strategy on national defense investment. All are offered here as expert counsel to inform durable American leadership at home and abroad for a second Trump term.

Stimson's scholars offer their expert analysis to seize the fullest opportunity of a new administration. We are motivated by the pursuit of pragmatic solutions to meet our most urgent challenges, and the latent greatness and leadership that the United States can continue to unlock for future peace and prosperity in the world.

In closing, I again share the words of Henry Stimson, who embodied the duty of public service and an inherent commitment to nonpartisanship, serving in the administration of five presidents, both Republican and Democrat. As we examine the challenges at hand—with both domestic and global instability at the doorstep—it can be all too tempting to give in to feelings of overwhelm or skepticism. But Henry Stimson's words ring in my ears—perhaps even more true today than they were in 1948:

"There is good as well as evil, and the man who tries to work for the good, believing in its eventual victory, while he may suffer setback and disaster, will never know defeat. The only deadly sin I know is cynicism."

Let's get to work—today is the day for leadership in action.

Brian Finlay
President and CEO, The Stimson Center

Rethink US Grand Strategy

By Christopher Preble

TOPLINE

The overly ambitious foreign policy goals of the United States are not matched with realistic means and effective ways. The bid to maintain primacy — often through the threat or use of force — has stretched the military thin, wasted trillions of dollars, and made Americans less secure.

Rather than doubling down on primacy, the United States should ruthlessly prioritize its foreign policy objectives, with a laser focus on advancing American security, prosperity, and freedom.

THE PROBLEM

U.S. grand strategy is insolvent. The foreign policy goals that the United States has set for itself far exceed the resources most Americans are prepared to expend to have a reasonable chance of achieving them. What's more, the primary tool that the U.S. government has employed in the past several decades — war, or the threat of it — has come up short. The ends, ways, and means of U.S. grand strategy are misaligned, ill-suited to our present era, and often in conflict.

This assessment may seem overly pessimistic, but the evidence is all around us. The American people are disinclined to expend precious resources on foreign adventures that they doubt will advance their security and prosperity. Polling by the Institute for Global Affairs, for example, found that around 65% of Americans favor reduced U.S. military engagement and believe the United States should negotiate with "any and all adversaries" to avoid war.

To be sure, there are important divisions between the two political parties, and even within them. But there is no evidence that a new political coalition lies in wait to be activated around the premise that more Americans should be fighting more wars in more places.

The step below that threshold — supplying arms to allies and partners as they fight — is also problematic. Despite astronomical Pentagon budgets, the U.S. industrial base has proved incapable of supplying multiple conflicts simultaneously. And the risk that the United States supplying weapons and material to belligerents will eventually lead to Americans becoming directly involved is ever-present. Given Americans' demonstrated aversion to new wars, being "partly in and partly out" is not a comforting alternative.

To put it more succinctly: U.S. grand strategy is writing checks that the body politic will not cash. A dramatic course correction is needed.

ESSENTIAL CONTEXT

Understanding what needs to change begins with understanding how we got here. U.S. grand strategy since the end of the Cold War has been characterized by an attempt to maintain primacy, or what others call deep engagement or liberal hegemony. The foreign policy establishment – both Republican and Democrat alike – still mostly reflects this primacist mindset.

The simplest expression of this mindset came from Madeleine Albright, secretary of state during Bill Clinton's second term. "If we have to use force, it is because we are America; we are the indispensable nation," she told NBC's Matt Lauer. "We stand tall and we see further than other countries into the future, and we see the danger here to all of us."

The primacist vision of U.S. foreign policy is still widely held, despite numerous setbacks to American influence in the intervening quarter century, including the wars in Iraq and Afghanistan, the global financial crisis, and the rise of China and a raft of middle powers. For example, the Biden administration's *National Security Strategy* — released in October 2022 — is wildly ambitious. "The need for American leadership is as great as it has ever been," Biden declares in his letter introducing the strategy, "There is nothing beyond our capacity."

The document commits America to "support every country, regardless of size or strength, in exercising the freedom to make choices that serve their interests."
And, after his disastrous debate performance in June 2024, Biden tried to convince ABC's George Stephanopoulos that he was still up to the job by declaring, "I'm running the world." He allowed that it "sounds like hyperbole, but we are the essential nation of the world. Madeleine Albright was right."

Such sentiments are not held just by Democrats of a certain generation. The Commission on the National Defense Strategy (NDS), an eight-person panel chosen by Republican and Democratic lawmakers, concluded in 2024 that "U.S. leaders must make the case publicly why … the United States remains the indispensable nation to maintain peace, stability, and a flourishing economy."

But the commissioners are mistaken. Primacy is not the right strategy for the United States, and any attempt to rally the public to such a goal is bound to fail.

For one thing, primacy fails to account for the many constraints — both internal and external — on America's ability to shape the world through military power. The fiscal and budgetary constraints are particularly acute. In 2024, interest payments on the national debt exceeded the Pentagon's budget — which is also near record highs in absolute terms. Since 2000, U.S. military spending has risen by nearly 50 percent, after adjusting for inflation, and yet even

these increases fall far short of what is required to fund a military that is supposed to stop every threat, in every part of the world, all the time.

Though it acknowledges that military spending has grown in recent years, the NDS Commission concludes that such increases have failed to keep pace with an ever-expanding set of missions. The Commission calls for spending far more, and argues that "increased security spending should be accompanied by additional taxes and reforms to entitlement spending."

The commissioners are careful not to say how much Pentagon spending must rise to meet the mission, but my Stimson colleague Julia Gledhill and I have estimated the cost at between $5 and $10 trillion in *additional* spending over the next decade, on top of the more than $9.3 trillion that U.S. taxpayers are already projected to spend on the military. At the end of that period, annual Pentagon budgets could approach $3 trillion.

Such figures are absurdly out of touch with the priorities of the American people. While the U.S. economy is large enough to sustain very high levels of military spending — and has done so —Americans want more of their tax dollars spent on things that improve their lives, including adequate housing, quality and affordable health care, and accessible education.

Meanwhile, older Americans, even those who are relatively affluent, expect politicians to protect Social Security and Medicare — one of the rare instances where both Donald Trump and Kamala Harris found agreement. Though some Americans see defense industries as key to the revival of domestic manufacturing, military spending is notoriously inefficient, and more of it will do very little to enhance America's long-term economic competitiveness.

So, it is hardly wise to continue to base U.S. grand strategy on an ever-expanding Pentagon budget. As former Trump National Security Advisor Robert O'Brien wrote earlier this year, "large increases to defense expenditures are unlikely regardless of which party controls the White House and Congress. Spending smarter will have to substitute for spending more."

Meanwhile, the United States is overextended. In the Middle East, the U.S. military has spent more than $4.8 billion striking Houthis in Yemen, while U.S. weapons deliveries to Israel have fueled a widening conflict. U.S. military personnel manning Terminal High Altitude Area Defense (THAAD) missile defense systems in Israel could easily be caught in the crossfire. U.S. forces at vulnerable bases in Syria and Iraq have regularly been targeted by Iran-backed militias since the Gaza War began. And, in Ukraine, where the United States has already delivered over $100 billion in aid, U.S. weapons have failed to tip the scales decisively in Kyiv's favor.

The trade-offs are obvious: at a time when most strategists call for focusing on the Indo-Pacific, money, materiel, and too much time and attention have been spent elsewhere.

POLICY RECOMMENDATIONS

Reject the Primacist Strategy: There is a straightforward path to escape the conundrum of overly ambitious goals not matched to realistic means and effective ways. It begins by rejecting the advice of primacists who insist that the only option available to the United States is to double down on past failures and spend many trillions more on the Pentagon – throwing good money after bad is rarely the answer.

The NDS Commission's contention that Americans will tolerate higher taxes and cuts to social welfare spending to support ever more for the military is laughable. In the election cycle just concluded, no politician campaigned on such a platform. Indeed, Donald Trump pledged to *cut* taxes and preserve Social Security.

Primacy was not necessarily the right strategy for the United States after the end of the Cold War, and it is particularly ill-suited to today's world. The United States is one of the world's greatest nations, but it is *not* indispensable. More to the point, U.S. policies should be focused on advancing U.S. interests. In an increasingly multipolar world, one in which competitiveness is measured in ways that have nothing to do with military prowess, U.S. policy must lean into rebuilding at home and shifting the burden to capable allies in Europe and Asia abroad. For their part, other countries must take responsibility for preserving peace and prosperity in their respective regions. Safeguarding global security is a task that can no longer fall solely on Americans' shoulders.

Rebuild U.S. Strength with Fiscal Discipline: Rebuilding U.S. strength begins with fiscal discipline. The government must stop spending beyond its means. And policy must be targeted at delivering tangible benefits to the many millions of Americans who believe that the system is rigged against them.

In foreign policy, specifically, U.S. government officials need to prioritize. As Frederick the Great famously said, "He who defends everything defends nothing." Policymakers should be laser-focused on advancing American security, prosperity, and freedom, and rigorously scrutinize whether a particular foreign challenge merits U.S. intervention, either military or otherwise.

Adopt Criteria for Military Intervention: A simple set of criteria for restraining the U.S. government's interventionist instincts is essential. Caspar Weinberger suggested such a course following the disastrous bombing of the U.S. Marine Corps barracks in Lebanon in 1982. A decade later, his former senior military aide, Colin Powell, offered a similar set of guidelines to govern military intervention. These included an understanding of the prospects for success or the risks of failure, a clear exit strategy, and an eye to the durability of public support. The 20-year-long War on Terror failed to meet any of Powell's benchmarks. When the United States

attempted to remake broken societies half a world away, the effort was both ineffective and enormously costly.

Some have complained that the Weinberger-Powell Doctrine made it too hard for the United States to deploy forces abroad, but a high threshold for the use of force was precisely the point. Americans who have come to adulthood since the Global War on Terror and the wars in Iraq and Afghanistan — Generations Y and Z, respectively — are more inclined to question the rationale for starting new wars than the generations who came before. And, in general, many more Americans of all ages sense that U.S. foreign policy has not been working very well. They seem open to the suggestion that we should try something different.

Craft a New Consensus on Foreign Policy: In the midst of the Second World War, the columnist Walter Lippmann observed, "Foreign policy consists in bringing into balance, with a comfortable surplus of power in reserve, the nation's commitments and the nation's power." When he wrote that, there was broad and deep consensus behind what the United States was doing overseas, and the vast majority of Americans were willing to sacrifice much to ensure that both Nazi Germany and Imperial Japan were defeated.

Today, there is no such national consensus on questions of U.S. foreign policy, or anything else, for that matter. Lippmann would therefore appreciate America's current predicament. It is up to the present generation of foreign policy thinkers to craft a credible way out.

Getting the Balance Right

Next steps in Transatlantic burden sharing

By Andrew Hyde

TOPLINE

The right balance of burden sharing between the United States and Europe for transatlantic security is important to shared interests, but getting it right is neither simple nor straightforward. Clear agreement on what constitutes security amid increased risk – and how the costs can best be divided – are essential to an effective response.

THE PROBLEM

The transatlantic security relationship is far from perfect and often lacks balance. European security dependence on the United States, beginning in the aftermath of WWII, has created an asymmetric arrangement whereby European states can underinvest in their own security in favor of social spending, while allowing the U.S. to maintain dominance on security objectives and direction. The United States spends approximately twice as much on defense spending as all the other NATO allies combined. As an Alliance, NATO members have repeatedly pledged to spend at least 2 percent of their GDP on defense – with 23 of 32 now meeting the requirement, according to NATO.

This asymmetry in power and spending has bred resentment on both sides of the Atlantic. Europeans chafe at American dominance and prioritization, at their perceived expense, of global U.S. security objectives, such as Washington's contest with Beijing or the growing militarization of outer space. Americans complain that Europeans won't take sufficient financial and political responsibility for their own security and are narrowly focused on their own backyard rather than accepting the evolving nature of global challenges.

Of course, the United States doesn't involve itself closely with Europe's security for charitable purposes. As 20th Century history has amply demonstrated on multiple occasions, threats to Europe's security impact and harm U.S. national interests. Wars both hot and cold in Europe have drawn in the U.S., sometimes contrary to existing U.S. popular opinion. Washington has had the dominant position to push its perspectives on the challenges and possible solutions – sometimes to Europe's delight but also often to its concern. So, is there a way to square the circle – to reliably and sustainably increase Europe's responsibility for the Continent's security while maintaining U.S. engagement and commitment?

The transatlantic partnership has many facets beyond security. It is the largest economic relationship in the world counting $1.3 trillion in goods and services trade and the U.S. has $3.95 trillion of investment in Europe. The close linkages extend across many other domains, including social, cultural, scientific and more. Defense cooperation is still at the heart of the relationship but these and other connections are often more apparent and publicly visible.

European leaders often paint a broader picture of burden sharing than just the security sector. They often point out how they lead on structuring and funding economic and development assistance in many areas that complements a strong U.S. security presence. As a whole, for example, the EU combined average on development assistance as a share of national income at 0.57 percent is closer to the aspirational 0.7 percent than the U.S.'s 0.25 percent. In two decades of grappling with how best to fortify the government of Afghanistan, for example, Europe took the lead on economic reconstruction and development while the U.S., through NATO, led on the military side.

Although defense spending is at the heart of security spending, there are enduring differences between Washington and European capitals as to what might constitute security spending, with some arguing that support for human capital in the form of education, health and welfare make a bottom-line contribution to national security. Spending on "softer" security such as migration, narcotics trafficking, and other law enforcement functions also is included into some calculations.

A related significant factor on both sides of the Atlantic in recent decades has been the shriveling of the defense industrial base due to underinvestment amid complacency, and industry consolidation. As weapon systems and equipment has grown more complex and expensive the political willingness has been minimal to fund their development in the absence (until recently) of a proximate hot conflict. A consequence has been how rapidly military aid to Ukraine in the past two years has depleted Western arsenals.

Despite these diverging views, however, it is worth noting that NATO's singular success over its 75 years has been the absence of a continent-wide hot conflict. Ukraine potentially poses a fundamental threat to that record and how NATO continues to respond will not only define European security for the next generation but the viability of the Alliance.

ESSENTIAL CONTEXT

As a grouping of Allies, NATO has long been cognizant of the need to balance and devote more resources to defense. As early as 2006, NATO Defense Ministers committed to a defense spending level of 2 percent, with a firmer leader commitment made at the 2014 NATO Summit in Wales to reach 2 percent in a decade. During his first Administration, U.S. President Donald Trump repeatedly cited the lack of progress in reaching this commitment as a key element of his visible disdain for NATO.

Europe has also taken some structural steps on its own in recent years to identify ways it can shore up the Continent's defense without U.S. involvement or funding. EU Commission President Ursula von der Leyen, a former German Defense Minister, has led efforts to give the 27-nation bloc more of a role in defense matters and incorporating some degree of strategic autonomy. Primarily this has been aimed at building off of strengths the EU already possesses such as developing support programs to reinforce and strengthen Europe's defense industrial base. This also reflected a determination to confront the reality, sometimes not always appreciated in Washington, that a significant portion of European defense spending goes to buying American weapons and equipment.

Russia's 2022 invasion of Ukraine has dramatically altered the momentum and sharpened the focus on how best to divide the responsibilities for helping Ukraine. Suddenly, an incoherent mix of concerns about Vladimir Putin's Russia before the invasion coalesced into a shared view of Moscow's its apparent intention to reconstitute the former Soviet Union. U.S. military aid to Ukraine from January 2022 through the end of August 2024 amounted to $61.1 billion, eclipsing the nearly $50 billion provided by European nations. Total European assistance to Ukraine, however, at €118 billion during the same time period outpaces the U.S.'s €84.7 billion.

Donald Trump's return to the White House in 2025 will introduce greater uncertainty into the transatlantic relationship and raise questions about the depth of the U.S. commitment to the Alliance and European security. Greater and more visible European financing for Continental defense may be the best way to counter that. The first Trump administration made burden-sharing an essential part of their European policy agenda, and made significant headway in raising European financial commitments. This past October Trump raised the stakes even further, indicating his goal for NATO would be for Allies to raise their defense spending to 3 percent of GDP. That represents a monumental challenge for most nations, but one that starts to be reasonable should the security environment with increased Russian belligerence continue to deteriorate.

POLICY RECOMMENDATIONS

Maximum Pressure Should Continue. Europe is facing the most challenging security environment since the Cold War or perhaps the Second World War. With the 2014 Wales Pledge of 2 percent coming due, all Allies need to take the difficult political decisions to ensure they have met their commitments. The pressure inside the Alliance is the responsibility of all Allies, even if the U.S. as the de facto leader is the most vocal. Summit and Ministerial statements, as well as the new Secretary-General, need to be consistent in reminding NATO governments and people of its importance and their commitment.

Global Context Matters. European security is intricately intertwined with global security challenges ranging from the emerging "axis of upheaval" to migration to cybersecurity to WMD proliferation. Any discussion about the resourcing and objectives of NATO needs to factor in this reality. NATO's European Allies need to be prepared to adopt a more global approach and acknowledge U.S. military responsibilities around the globe. The United States also needs to communicate how its responsibilities and national security strategy translate back into the NATO toolkit.

European Initiative Matters and Should Expand. NATO should retain its primacy in transatlantic and European security, however, there is proven scope for carefully coordinated actions by European countries outside of NATO to bolster key elements of Continental security. Recent steps by the EU to adopt a defense identity and role, along with improved coordination with NATO, have been encouraging and provide a degree of leadership balance with the United States. One area ripe for continued EU focus and support is building a resilient and capable defense industrial base across the Continent.

Calibrate U.S. Messaging. While U.S. pressure has made the difference over the past decade in lifting most Allies above the 2 percent threshold it has also come at a cost of some diminishment in the credibility of the U.S. commitment to the Alliance and increased unease over U.S. motives and plans. The new Trump Administration should consider carefully the effects it hopes to achieve in European capitals when crafting its messaging. Identifying key allies within Europe who can amplify and broaden the message would also contribute to measurable progress.

European confidence and commitment, even in the face – and, perhaps, because – of uneven commitments from Washington will be critical to ensuring NATO's continued military and political viability. Russia, while straining to maintain progress on the Ukrainian battlefield and facing for the past two years, a united Alliance committed to its defeat, will no doubt look in 2025 for any opportunity to exploit gaps and differences across the Atlantic.

Fix the Arms Transfer Enterprise

By Rachel Stohl and Elias Yousif

TOPLINE

President Trump is inheriting the largest arms transfer enterprise in the world. Amounting to billions of dollars in arms sales and military aid packages each year, these programs represent powerful instruments of U.S. foreign policy. Wielded prudently, they can make important contributions to international security, deterrence, and stability. But when exercised irresponsibly, U.S. arms transfers can fuel conflict, enable abuses of predatory governments, and undermine U.S. national interests. Accordingly, as a matter of national and international security, U.S. security cooperation and assistance demands consistent, evidence-based, and accountable stewardship centered on U.S. foreign policy priorities and interests.

THE PROBLEM

U.S. security cooperation and assistance suffers from two seemingly contradictory but practically linked problems. A failure to confront deep-seated and misleading assumptions underpinning U.S. approaches to arms transfers has dovetailed with the policy whiplash that has characterized the dramatically differing approaches recent administrations have brought to the enterprise. Extraordinary swings in the policy frameworks that define why and how the U.S. conducts arms transfers have removed the strategic ballast required to address more deeply ingrained flaws in security cooperation approaches. These dramatic swings have also prevented the U.S. from implementing even well-meaning political commitments, and all the while, transparency into the enterprise has diminished. The result is an arms transfer enterprise that consistently fails to see returns on U.S. investments while frequently contributing to conflict or human rights abuses in an increasingly opaque manner.

ESSENTIAL CONTEXT

A Conventional Arms Transfer (CAT) policy outlines how the whole of government will review and evaluate arms transfer decisions. Though not legally binding, these presidential memoranda are intended to orient U.S. security cooperation and assistance toward key strategic objectives and ensure that these objectives reflect broader policies and interests. But while the governing laws of U.S. Security Assistance have existed for more than five decades and the regulatory frameworks that operationalize those laws have seen relatively regular

updates to reflect changes in technology and geopolitics, CAT policies have turned into political posturing documents, rather than frameworks for thoughtful U.S. security assistance administration.

Though revisions to the CAT policy have been historically infrequent, between 2014 and 2022 Presidents Obama, Trump, and Biden each issued their own policies, equaling in just six years the numbers issued since 1977. The differences between the three most recent CAT policies have been striking. Following a 2014 update from the Obama administration to reflect post-9/11 imperatives around alliance management and burden sharing, President Trump's 2018 CAT policy revisions placed significant emphasis on the importance of preserving U.S. dominance in the global arms market, highlighting the benefits for the economy and defense industrial base. While President Trump's policy was the first to make explicit reference to reducing the risk of civilian harm, it also encouraged government-directed advocacy in support of defense commercial and industrial interests, departing from the historical conception of arms transfers as tools focused on meeting key foreign policy and national security objectives.

President Biden's CAT policy, released in 2023, placed a far greater emphasis on human rights, international humanitarian law, and restraint. Of particular note was a lowered threshold for assessing risks from U.S. arms transfers. Whereas past administrations had required "actual knowledge" that U.S. arms would be used to commit certain atrocities, the new CAT policy stated that arms transfers would be prohibited if the United States assessed U.S. arms were "more likely than not" to contribute to certain atrocities. The differences between the most recent two policies manifested in the application of vastly different processes and considerations for arms transfer decisions. President Biden's policy, for example, underwrote the development of the Civilian Harm Incident Response Guidance (CHIRG), a mechanism designed to evaluate reports of U.S.-origin items being used in ways that result in civilian harm. President Trump, on the other hand emphasized in his first term the economic benefits of arms deals to countries like Saudi Arabia, in the midst of a military campaign that resulted in significant civilian casualties in Yemen.

But while the structures and measures developed to service these different approaches to arms transfers differed, security cooperation outcomes remained (at least in the public domain) remarkably consistent, including in terms of risks, challenges, and pitfalls. In particular, both the first Trump and the Biden administrations defied significant political opposition to funnel arms into environments where the arms transfers made clear and acute contributions to civilian harm, violations of international law, and potential atrocities. Moreover, neither administration confronted why U.S. security partners so frequently engaged in behaviors or activities that were contrary to U.S. interests.

Despite swings in policy approaches, the consistently troubling outcomes of security cooperation point to the entrenched institutional attitudes that define the U.S. arms trade. Among the most pernicious is the familiar arms trade refrain, "If we don't sell them arms,

someone else will." The well-worn phrase implies that partners subject to constraints or conditions on their arms will quickly seek alternative defense relationships, including with U.S. adversaries. The argument has been frequently cited as justification for continuing arms transfers to partners engaged in human rights abuses and behaviors that are contrary to U.S. interests despite evidence that a partner's calculus hinges on a far wider range of political and practical factors.

Similarly, the U.S. government has consistently assumed that arms transfer transparency presents a wide range of risks to the security assistance and cooperation enterprise. From the lack of public reporting on direct commercial arms transfers to the absence of publicly available data on Defense Department-led military aid programs, to the deteriorating quality and quantity of arms transfer reports, key aspects of the U.S. defense trade remain dangerously opaque. But without transparency, meaningful oversight, accountability, and analysis become impossible. Under the current paradigm, lawmakers and civil society are deprived of their ability to act as guardrails against short sighted or irresponsible transfers. And specialists from academia, think tanks, and the private sector are prevented from lending the full weight of their expertise towards the development of more rigorous, evidence-based approaches to defense partnerships that might better maximize benefits and mitigate risks. In resisting demands for transparency, the U.S. government is missing critical opportunities to subject U.S. arms transfer to the sort of scrutiny and study that could raise standards and address persistent flaws in current practices.

POLICY RECOMMENDATIONS

Align security assistance with national security and foreign policy goals. In his second term, President Trump has an important, and powerful opportunity to rethink the U.S. approach to arms transfers and create a lasting impact that ensures security cooperation delivers returns for U.S. interests. Rather than creating yet another CAT policy, President Trump should focus on aligning U.S. security assistance to support larger national security and foreign policy objectives.

Make existing policy fit for purpose. On paper, the most recent CAT policy could support U.S. national security interests and foreign policy objectives. But a failure to live up to its promises and the lack of political will to implement its core tenants have diminished much of its practical impact. President Trump should consider capitalizing on the 2023 CAT policy – including its concentration on foreign policy imperatives, its ethos of restraint, and its elevation of human rights and civilian protection priorities – by making the political investments to implement and operationalize its promises and commitments in practice. President Trump can also look to the 2023 CAT policy's specific mention of the role arms transfers can play in supporting the defense industrial base and maintaining the United States' technological edge, within the context of strategic national interests. In more faithfully

implementing the 2023 CAT policy, President Trump has the opportunity to distinguish himself from his predecessor, and to address the political shortcomings that characterized the Biden administration's approach to arms transfers.

Refraining from developing a new policy would also provide important strategic and technical stability, ensuring both efficiency and a firmer foundation for addressing more deep-seated challenges in the US arms trade practice. This includes the "if we don't sell" paradigm, which has frequently led the United States to ignore the actions of partners that are contrary to U.S. interests or to sustain defense partnerships that have long outlived their strategic value.

Reform government decisionmaking for a more transparent arms transfer enterprise. Similarly, rather than focusing on a new policy framework, an incoming Trump administration could commit to a more transparent arms transfer enterprise. As a candidate, President Trump often criticized the opaque nature of government decision making. In the case of arms transfers, that opacity has undermined safeguards and oversight that could improve the efficacy and responsibility of security cooperation and assistance. The U.S. defense trade offers ample opportunity for the President to improve efficiency, diminish waste, and strengthen practice through improved transparency. Among various possible reforms, over the short term, the President Trump could make direct commercial sales notifications to Congress public; report annually to the American people on the value of security assistance and cooperation by individual programs and country; and address gaps and methodological problems in existing reporting on U.S. arms transfers.

How to Avoid a Nuclear Crisis with Iran

Muscular diplomacy still offers the best set of tools to prevent Iran from developing nuclear weapons

By Barbara Slavin

TOPLINE

Among the crises likely to appear in Donald Trump's inbox on January 20, 2025, is what to do about Iran's rapidly advancing nuclear program. With its 'forward defense' strategy of relying on regional non-state actors severely weakened over the past year, Iran may be tempted to develop nuclear weapons to deter further Israeli or possible U.S. attacks.

THE PROBLEM

According to a November 2024 report by the International Atomic Energy Agency (IAEA), Iran had amassed more than 6000 kilograms of enriched uranium, including more than 180 kilograms enriched to 60 percent – perilously close to weapons grade. This supply is sufficient to develop fuel for several nuclear weapons in short order if Iran makes the political decision to do so. The growth in Iran's stockpile follows the first Trump administration's withdrawal in 2018 from the Joint Comprehensive Plan of Action (JCPOA), a UN Security Council-approved deal that would have limited Iran's stockpile to less than 200 kilograms of low-enriched uranium until the year 2031.

ESSENTIAL CONTEXT

Iran has one of the oldest nuclear programs in the Middle East, dating to 1957, when the Eisenhower administration signed a civil nuclear cooperation agreement with the government of Shah Mohammad Reza Pahlavi, a U.S. ally, under the 'Atoms for Peace' program. Western cooperation with Iran's nuclear industry ended after the 1979 Islamic revolution; Iran's Supreme Leader at the time, Ayatollah Ruhollah Khomeini, halted the country's nuclear efforts but revived them in the mid 1980s during the Iran-Iraq war out of concern that Iraq was developing nuclear weapons. With assistance from China, Pakistan, and Russia, Iran slowly expanded its work. Enrichment-related facilities undeclared to the IAEA were revealed in 2002. The following year, according to the CIA, Iran abandoned a structured weapons research program but continued civilian development.

In 2015, under the JCPOA, Iran agreed to strict limits on its nuclear program and stringent monitoring by the IAEA. However, after the Trump withdrawal in 2018 and the Israeli assassination of a prominent Iranian nuclear scientist in 2020, Iran began to enrich uranium to

20 percent purity and to limit IAEA scrutiny. Iran retaliated for an Israeli sabotage operation against Iran's main enrichment facility at Natanz in 2021 with a decision to begin enriching uranium to 60 percent.

Efforts by the Biden administration to revive the JCPOA failed for a variety of reasons, among them an unrealistic demand for a "longer and stronger" deal, a change in Iranian presidents in the summer of 2021, Iran's demands for guarantees on the sustainability of sanctions relief and decreasing cooperation from Russia after its full-scale invasion of Ukraine in February 2022. A minor de-escalatory understanding was reached with the U.S. in September 2023 under which Iran agreed to slow its accumulation of 60 percent uranium and not to install any additional advanced centrifuges. In addition, Iran released five U.S. dual nationals in return for unfreezing $6 billion in Iranian oil revenues in South Korean banks to be used only to purchase non-sanctioned humanitarian goods. But the outbreak of the Gaza war the following month and regional escalation including direct strikes on Iran by Israel and vice versa have left the international community scrambling to find a new approach to address the nuclear problem.

POLICY RECOMMENDATIONS

Tighten enforcement to draw Iran back into negotiations. The incoming Trump administration has already made it clear that it intends to rachet up economic pressure on Iran by diminishing its ability to export oil. In the short term, this 'maximum pressure 2.0' stance may achieve some results, but Iran has mastered new circumvention skills and many of the small Chinese 'teapot' refineries that purchase Iranian oil are impervious to U.S. sanctions. A better approach would be to use the threat of tighter enforcement as leverage to get Iran back into negotiations on rolling back its production of 60 percent enriched uranium in a verifiable manner.

Encourage transparency and cooperation with IAEA. Work with the IAEA to improve transparency about the Iranian nuclear program. IAEA Director General Rafael Grossi visited Iran in November for the first time in many months to tackle the monitoring question as well as other outstanding issues regarding past Iranian nuclear work. The Trump administration should make it clear that better cooperation with the IAEA and an Iranian decision to improve IAEA access to facilities and knowledge about past nuclear work would have a positive impact on U.S. willingness to negotiate a deal with Iran and provide sanctions relief.

Host official – and direct -- talks to explore a new nuclear agreement. Reach out to Iranian officials for exploratory talks about a new nuclear agreement. Before the U.S. election, Iran already contacted individuals who worked in the prior Trump administration on Middle East issues to begin to gauge what U.S. policy toward Iran might be in a second Trump term. These contacts should continue. Talks can take place in Oman, a traditional mediator, Qatar, which facilitated the last U.S.-Iran mini-deal in 2023, Vienna, Geneva or New York. Ideally, the discussions should be direct and not via third parties to minimize misunderstandings.

Build a "Trump Plan of Action". Propose a realistic schedule of increased monitoring, concrete nuclear rollbacks and sanctions relief, including unfreezing of Iranian oil revenues still stuck in foreign banks for trade in food and medicine. It is unrealistic to restore the original JCPOA given how many deadlines specified in the agreement have already expired. Iran is unlikely to accept the old limitations on stockpiles and centrifuges but could take actions that would substantially increase the time it would take to produce a bomb's worth of fuel from the current "breakout" period of only a few days to several months. Any new deal could be dubbed the "Trump Plan of Action" rather than JCPOA 2.0 and its architects could suggest that Trump could win a Nobel prize for achieving it – indeed, this could be the President-elect's "Nixon to China" moment.

Put regional security issues on the agenda. Expand the agenda to regional issues, encouraging Iran not to respond to the latest Israeli missile strikes on Iran. Iran should also be urged to reduce support to its already battered allies in the 'Axis of Resistance' and to adopt a more constructive and peaceful approach to assisting Palestinians, including formal acceptance of a two-state solution. It would help if the Trump administration does not immediately rubber stamp potential Israeli moves to formally annex the West Bank and resettle Gaza.

Engage Arab allies on a new Iran policy. Listen to U.S. Arab allies as much or more than Israel when it comes to Iran policy. When Trump was last in office, powerful Arab countries such as Saudi Arabia and the United Arab Emirates cheered his decision to quit the JCPOA and resume sanctions on Iran. Their enthusiasm cooled when Iran responded by attacking Arab targets such as a major Saudi oil refining complex and Trump did not come to Arab allies' defense. Partly as a result, the Emiratis and the Saudis have patched up relations with Iran and are not looking for a new U.S.-Iran or Israel-Iran confrontation that would further destabilize the region and negatively impact their ambitious economic development plans.

Reach durable cease-fires in Gaza and Lebanon. Reaching a credible ceasefire in these areas will reduce pressure on Iran to continue to support Hamas and Hezbollah and allow the Houthis to stop attacks on commercial shipping in the Red Sea. Give Iran a seat at the table at international conferences about relief and reconstruction for Gaza and Lebanon.

Seek an end to cyberattacks and assassination plots. Iran reportedly sought to interfere in U.S. elections through hacking Trump-related accounts and the U.S. Justice Department recently brought charges against three individuals said to have been involved in plots to kill Trump in retaliation for the U.S. assassination of prominent Iranian general Qassem Soleimani in 2020 in Baghdad. It is hard to negotiate with a country that is engaged in such actions but for the sake of regional peace, it is imperative that Washington and Tehran make a concerted effort to do so.

Downplay the "military option." Continue to advise Israel not to bomb Iranian nuclear facilities and do not provide Israel with the ordinance necessary to hit deeply buried sites. It is too late to destroy Iran's nuclear program through military action and indeed, military strikes are likely only to further incentivize Iran to quit the nuclear Non-Proliferation Treaty and build weapons. Only diplomacy has succeeded in rolling back the program in the past and muscular diplomacy remains the best option to convince Iran not to cross the nuclear weapons threshold.

Engineer an Armistice in Ukraine

The United States must lead negotiations to end the fighting

By James Siebens

TOPLINE

After a third year of fighting between Russia and Ukraine, neither side has proven capable of achieving a decisive military outcome. Instead, hundreds of thousands of casualties have mounted, the war has expanded into Russian territory, and more outside forces from North Korea and other countries have entered the conflict. While American and allied support to Ukraine has helped to avoid the worst outcomes, the current trend in the war is that Russian forces are advancing, often at great cost, and Ukraine is losing more troops and territory. Earlier concerns that a protracted conflict could lead to horizontal and vertical escalation have proven well-founded in light of recent reports of North Korea deploying several thousand troops, including "special forces," to support Russia's war effort. It is vital that the United States develop a strategy to prevent the further expansion of the war, and ideally to engineer an end to the fighting.

THE PROBLEM

The incoming Trump administration faces a number of challenges in dealing with the war in Ukraine. First and foremost is the vital strategic interest in preventing a direct conflict between the United States (and its allies and partners) and Russia (and its allies and partners). Second is the strategic and ethical necessity of bringing an end to the killing, thus sparing Ukrainians from as much unnecessary suffering and death as possible through more prudent and realistic statecraft. Third is the desire to uphold the principles of national sovereignty, self-determination, and territorial integrity—perhaps the most basic tenets of the international order—which Russia has clearly violated in this war.

A key dilemma is that all three challenges are of the highest priority, yet in some ways conflict with one another. The government of Ukraine is currently making difficult choices about the inevitable trade-offs between Ukrainian lives and Ukrainian lands, for example. However, even as the United States helps Ukraine defend itself, the Trump administration must remain focused on its first responsibility of ensuring the security of the American people, and thus must prioritize its vital strategic interest in preventing the war from expanding further and increasing the risk of a direct conflict with Russia.

Ukraine has every right to defend itself from foreign aggression and to insist that its sovereignty be respected and its territorial integrity be restored. Unfortunately, that is unlikely to be the end result of this war, and the governments in Moscow, Kyiv, and Washington know this. As such, while the United States should continue to support Ukraine in defending its rightful territory, it will be difficult to convince rational and informed people that sustained investments in the defense of Ukraine – even over many years – will eventually achieve Ukraine's maximalist aims in the war. While high levels of military and financial support remain essential to Ukraine's ability to defend itself, that support is likely to diminish over time as Ukraine's supporters lose hope in the possibility of a military victory and as Kyiv's declared strategy for achieving a just peace loses political salience.

Time is most likely not on Ukraine's side. The Trump administration will need to find new ways to manage military assistance and diplomacy such that it helps to bring about an end to the fighting before attrition further diminishes Ukraine's prospects. To achieve this will require moving toward an understanding of U.S. and allied objectives rooted in more realistic aspirations – for example, ensuring Ukraine's survival as a thriving independent state – rather than stubbornly pursuing the unlikely goal of fully restoring Ukraine's control of its internationally recognized territory. The United States must help Ukraine adopt more realistic ends in line with its actual means, without undermining the principle of inviolable sovereignty by countenancing Russia's conquest of its neighbor.

ESSENTIAL CONTEXT

Since February 2022, the United States has provided Ukraine more than $64 billion in military assistance. This assistance has ranged from artillery to advanced precision missile systems and missile defenses, and from tanks and armored vehicles to multi-role fighter jets. Beyond materiel support, the United States and its NATO allies have also provided Ukraine extensive technical support for its cyber defenses and command, control, and communications capabilities, along with intelligence and other more covert forms of support. While the robust campaign of support for Ukraine has enabled it to withstand Russia's brutal invasion for nearly three years, it has not enabled Ukrainian forces to turn the tide in the war. Indeed, Ukraine has undoubtedly denied Russia the swift and easy victory that President Putin apparently hoped for, but it has not dissuaded him from pursuing a drawn-out, costly war of attrition in which Russia holds a number of structural advantages. Over the long term, it is difficult to see how Ukraine can prevail without a major intervention by outside forces, leaving it with only one realistic option for long-term survival: a negotiated armistice or ceasefire. The sooner Ukraine reaches that outcome, the more territory it will retain and the more people it will save.

Ukraine has achieved significant military successes in the last three years. It continues to degrade and deter Russia's Black Sea fleet—thus defending key coastal cities like Odesa—and its surprise incursion in Russia's Kursk region allowed it to seize control of more than 1,000 square kilometers of Russian territory. Ukraine has also increasingly resorted to long-range

strikes on Russian cities and military bases in an effort to push Russian forces back from airfields and staging areas near the Ukrainian border and to reciprocate some of the damage Ukraine has been forced to endure.

In response, Russia has recently increased efforts to retake control of Kursk and has apparently leveraged its new mutual defense pact with North Korea, signed in June, to gain some direct assistance from its ally. Russia has also continued to import significant defense articles and industrial equipment from countries like Iran, North Korea, and China. The current trajectory of the war indicates that Ukraine will likely continue to gradually lose territory as both sides attempt to improve their bargaining positions and carry out increasingly desperate attacks in a vain effort to compel the other to yield. At the same time, recent developments like North Korean forces joining the fight and the newly authorized use of U.S. missiles in support of Ukraine's occupation of Russian territory have already increased the risk of further escalation.

If a political decision is reached in Moscow to formally declare war – Russia's intervention has thus far been considered a "Special Military Operation" – Putin will have the option of a more significant mobilization campaign, leveraging Russia's larger population to try to overwhelm Ukrainian forces. To date, Putin has presumably been reluctant to do this out of fear that a major mobilization would be politically unpopular, but that does not mean that he won't decide to mobilize in the future. Further, while the involvement of North Korean forces may indicate that Russia's military is being strained by the war, it also signals an implicit threat and practical ability to further expand the war in order to meet Putin's declared objectives.

Since its failure to overthrow the Ukrainian government in the initial invasion, Russia's declared war aims have been largely consistent: It demands that Ukrainian forces be removed from Russian territory, including Kursk and the four Ukrainian provinces that Russia formally annexed in September 2022. Additionally, Russia demands that Ukraine declare neutrality (or that it be otherwise formally excluded from the NATO alliance) and that there be limitations placed on the Ukrainian military.

Ukraine's aims, on the other hand, are as righteous as they are unrealistic. For example, Ukraine's Peace Formula calls for the full restoration of its internationally recognized territory, the withdrawal of all Russian forces from Ukrainian territory, and the establishment of a special tribunal to investigate and prosecute Russian leaders and soldiers for war crimes. Ukraine also cites the need for security guarantees, as well as its inclusion in a new post-war European security architecture, as essential components of a peace deal. Some of these goals may be achievable in negotiations; others seem less plausible. For its part, Russia also has little hope of achieving all of its demands through negotiations.

China and Brazil have put forward a joint "Peace Plan" that sets out some basic goals to guide all sides moving forward, including preventing the battlefield from expanding; avoiding further escalation or provocation; and resuming direct dialogue and pressing for de-escalation, with the aim of an eventual comprehensive ceasefire and international peace conference recognized

by both Russia and Ukraine. While the proposal was poorly received by Ukraine and the U.S., it places appropriate emphasis on the need to deescalate to prevent further expansion or escalation of the conflict.

POLICY RECOMMENDATIONS

Thus far, the U.S. approach has been to provide Ukraine with large amounts of military equipment, financial assistance, intelligence support, and an organized international coalition of diplomatic and military supporters, all without taking an overt interest in how Ukraine defines its aims in the conflict. That approach is no longer viable, as international support has begun to show cracks, and the war of attrition has begun to tilt against Ukraine. As the National Security Council's former Russia Senior Director Thomas Graham has rightly argued, it is time for the next administration to take seriously the idea that Russia may be more interested in reaching terms with the United States than with Ukraine, and that only a change in U.S. strategy can alter the fundamental dynamic of the conflict, which does not currently favor Ukraine.

Preserve the principle that territorial conquest is illegitimate. It is difficult to see how the war in Ukraine can be resolved militarily, and even harder to imagine how it could be resolved in Ukraine's favor without a massive external intervention that would necessarily lead to further expansion and escalation of the war. For now, Ukraine is demonstrating to Russia that it will not be defeated, let alone conquered, and that Russia will eventually have to negotiate for an end to hostilities. The U.S. should continue to strengthen this impression for Russia. It is also important that the United States does not formally recognize Russia's annexation of any part of Ukraine's internationally recognized territory. Areas under Russian military occupation should only be described as illegally occupied territories for all diplomatic purposes moving forward in order to preserve the principle that territorial conquest is illegitimate.

Establish a realistic strategy for an achievable victory. As my colleagues Emma Ashford and Kelly Grieco have argued persuasively, the best hope for an eventual victory may be for Ukraine and its allies to redefine "victory" as Ukraine's successful defense and survival, unbroken by Russian aggression and integrated into the rest of Europe. While this would not achieve Ukraine's ideal vision of victory, it would mean adopting a much more realistic war aim of ensuring Ukraine's survival as an independent state. It would also simplify the military challenge for Ukraine's armed forces, which could concentrate on constructing a layered defensive system, rather than simultaneously developing both defensive and offensive capabilities, formations, and operational concepts. To this end, Ukraine has evidently begun to shift its focus away from reclaiming all of its lost territory and toward establishing as strong a defensive posture as it can to frustrate Russia's efforts to conquer more territory or bring about the collapse of the Ukrainian government, thus preventing Putin from achieving his strategic goals.

This shift to a defensive strategy might also allow Ukraine to become more self-sustaining and less reliant on Western assistance by concentrating on the production and deployment of defensive systems, armaments, and military formations. When Russia's leadership is persuaded that Ukraine's defenses are sufficiently strong to prevent it from achieving its aims through military force, Moscow may become more inclined to pursue negotiations to end the fighting.

In short, if Russia cannot produce the collapse of the government in Kyiv, it will likely continue its effort to take control of the Donbas region of Eastern Ukraine and attempt to effectively subjugate a smaller, weaker, more isolated Ukraine. America's goal should therefore be to prevent Russia from achieving most, if not all, of its strategic goals by ensuring that Ukraine does not become subjugated to Russia, isolated from its European friends, or weakened by the war to the point that it can no longer defend itself.

From a diplomatic standpoint, the Trump administration can do at least three things to ensure Ukraine's survival and prevent the conflict from expanding:

Signal conditional support for a ceasefire. Washington can convey to Moscow that the United States will continue to supply Ukraine with defensive arms and will not negotiate over sanctions relief or a resumption of normal interactions with Russia unless and until an armistice or ceasefire agreement is reached between Moscow and Kyiv. Putin must be persuaded that his war will not become easier and that allied support for Ukraine will persist if he continues to pursue a military outcome. The United States can also signal to Russia that it is willing to re-engage on issues of strategic stability, arms control, and transparency around military exercises and other issues related to shared security interests pending Russia's conclusion of an armistice or ceasefire agreement with Kyiv. This would present Moscow with a choice between continuing its costly war of aggression or moving toward more responsible great power relations.

Propose a process for de-escalation. The United States can propose a process for Russia and Ukraine to implement a phased de-escalation beginning with specific confidence-building measures, perhaps with a designated group of international observers or guarantors (for example, India, Brazil, China, Turkey, France, the UK, and/or Germany). This overture would simultaneously serve two functions: it would test Russia's willingness and ability to comply with an agreed upon de-escalation process, and it would provide a forcing function for the organization and eventual establishment of an adequately resourced, mutually accepted international monitoring or peacekeeping mission (in whatever form that can be negotiated by the belligerents). While such a mission is widely understood to be necessary under any terms that might eventually be negotiated, there has been little effort to date to establish the practical political and diplomatic scaffolding for such a complex mission, which will take longer than 24 hours to work out.

Negotiate appropriate security guarantees for both sides. Finally, the United States can reach agreement with Ukraine on the kinds of security guarantees that would be both

necessary and practical to give Ukraine confidence in pursuing a negotiated end to the fighting. These security guarantees can be conveyed as another condition for Russia. A major obstacle to the cessation of hostilities is that Russia could use any break from the fighting to refit and reorganize its forces to resume its aggression. Security guarantees must be designed to ensure that Russia is deterred from attacking Ukraine again in the future. In the end, however, both Ukraine and Russia will need to be dissuaded from reigniting the conflict once a ceasefire or armistice is reached, so they will both need to be reasonably satisfied that their security interests have been bolstered by any eventual negotiations. Russia's security concerns will also be a necessary part of any negotiations.

This new approach may not be embraced with any public enthusiasm in Ukraine or beyond. Russia would have a basis for declaring victory in capturing much of the Donbas region, which Ukrainians would undoubtedly resent for the foreseeable future. Unfortunately, this scenario is perhaps the least awful way the war can end. Those who advocate for the United States and NATO allies to redouble their efforts to bring about an outright military victory for Ukraine must face the reality that Ukraine cannot win this war on the battlefield without much more significant outside support – most likely the direct intervention of NATO forces. Some may genuinely not understand why establishing a NATO no-fly zone would require using force against Russia, or that sending uniformed NATO troops into the warzone to carry out combat or non-combat missions would almost certainly result in further escalation. However, these harsh realities present real dangers that the Trump administration would be wise to avoid.

A far better option for the United States, NATO, and Ukraine is to press for an early end to the fighting. This would save untold thousands of lives and allow Ukraine to preserve its freedom and democracy and chart a course toward deeper integration with the rest of Europe. The alternative is to continue along the current path, fighting an existential war that Ukraine is on course to lose.

Elevate Diplomacy in the Foreign Policy Toolkit

By Evan Cooper

TOPLINE

Of all the elements of U.S. power, the diplomatic tool can offer the best return on investment. Past dependency on the military tool and economic coercion has not left the United States better off. In its return to the White House, the Trump administration has an opportunity to rebuild a culture of diplomacy. The wars in Ukraine and the Middle East and the challenges posed by Iran, North Korea, and China all offer opportunities for the United States to constructively engage with a goal of stability, leaving it to rely on the military for its original and intended purpose – as a last resort. The administration should use diplomacy first, working with Congress to develop an efficient and effective diplomatic corps.

THE PROBLEM

U.S. diplomacy has atrophied, making it more difficult for the United States to take advantage of opportunities to advance its interests abroad. The problem is driven by interlocking issues: The United States has not adjusted its diplomatic approach to align with changes in the global balance of power, it has not appropriately funded its diplomatic corps, and it continues to take a destabilizing military-first approach to foreign policy that undermines earnest attempts to engage in diplomacy.

And yet, concerted U.S. diplomacy is desperately required in this moment. Wars in Ukraine, the Middle East, Africa, and elsewhere pose security risks to the United States and threaten global economic growth. Simultaneously, tensions between the major powers are mounting, increasing the chances of great-power war, which has not been seen in more than a quarter of a century. If the trend of increasing conflict is to be reversed, the United States needs an emboldened approach to diplomacy that empowers American diplomats to end ongoing conflicts, prevent new ones, and advance U.S. interests through new agreements.

ESSENTIAL CONTEXT

Since the end of the Cold War, U.S. leaders have neglected diplomacy within the foreign policy toolkit. The military has received not just the vast majority of funding but also been afforded a major role in policy formulation. Likewise, the intelligence community has carved out a larger and larger position within the executive branch, giving it greater sway in shaping policy imperatives for the president. At the same time, the State Department's role has shrunk from

that of the primary influencer of U.S. foreign policy to that of an implementer of an increasingly small section of the executive branch's foreign policy portfolio. As a result, diplomacy is not seen as the tool of first resort, and opportunities for the United States to prevent conflict, improve ties, and negotiate beneficial deals are missed. Instead, the military and intelligence community dominate the foreign policy process, leading to an overly securitized approach.

The post-Cold War strategic approach has been anchored in the belief that the United States is the global hegemon. This assumption allowed for a smaller diplomatic corps as countries were expected to go along with the United States with little compromise and negotiation required. American hegemony was the guiding principle for forming wartime coalitions for the wars in Iraq, Afghanistan, and Libya; the United States directs the positions other countries should take and expects partners to follow. While American diplomats would be quick to highlight the compromises required to reach agreements like the Joint Comprehensive Plan of Action nuclear deal or the New START treaty, over the past two decades, the United States has failed to secure major lasting agreements that advance U.S. interests. Instead, it has been persistently bogged down by costly wars, steadily losing its ability to influence other countries.

Rather than forcing hard choices and reform, U.S. foreign policy failures have fed a cycle of lower funding for diplomacy and more funding for the military. This doubling down on an unbalanced foreign policy toolkit has ballooned the deficit while ceding ground to adversaries. The State Department's budget has not outpaced inflation over the last decade, and the most recent budget makes cuts across the Department. These reductions have left the United States at a disadvantage in key areas, especially as it tries to compete with China. According to the Lowy Institute's 2024 Global Diplomacy Index, China now has a larger diplomatic footprint than the United States in Africa, East Asia, Pacific Island countries, and Central Asia.

The Biden administration failed to utilize diplomacy effectively, relying instead on massive security assistance. This led to tens of billions of dollars in new military aid to Ukraine and countries in the Middle East and Africa, without providing sufficient leverage to end the conflicts and promote stability. The administration also failed to reach any large multilateral trade agreements. Meanwhile, under the Biden administration, nuclear proliferation problems with North Korea and Iran expanded, and there was increased collaboration on alternatives to U.S.-led organizations. While the United States retains significant diplomatic power through the State Department as an institution and the ability to back its words with money and military might, the U.S. position of diplomatic leadership has been squandered. The unwillingness of the United States to commit to substantial international projects and U.S. reliance on the destabilizing use of force and economic coercion have left its diplomatic tool weakened.

POLICY RECOMMENDATIONS

The war in Ukraine, conflict in the Middle East, and a stagnation of U.S.-led multilateral trade agreements all pose opportunities for major U.S. diplomacy. U.S. leadership in these areas could create a virtuous cycle, both domestically and internationally. But to capitalize on those opportunities, the incoming administration will need to pivot away from the current approach and make longer-term changes to how it incorporates diplomacy into its foreign policy toolkit.

Empower the Secretary of State. The secretary of state is a critical member of every cabinet, but the role — and influence — the position takes on has varied significantly from administration to administration. The incoming secretary of state should be empowered to be America's chief diplomat, utilized by the president to negotiate with China, Russia, and other key states. The next secretary of state needs to be trusted by the president to put forward smart, creative policies to advance U.S. interests through diplomacy. This will reduce the securitization of foreign policy — which fixates on perceived threats and cannot address many of 21st century challenges — while shifting focus toward opportunities to engage in conflict resolution and prevention, cooperation on shared interests, and improving economic and cultural ties with partners. An empowered secretary of state could cut red tape and help turn State Department officials into policy entrepreneurs rather than limiting them to policy implementation. A stronger State Department can act as a balance against the recommendations from the Department of Defense and intelligence agencies, providing the president with a better array of options for how to use limited resources.

Narrow the National Security Strategy. Past National Security Strategies (NSS) have been bloated with so-called priorities, which has led to an unclear agenda for U.S. diplomacy. Given the limited resources available, the incoming administration should clearly prioritize national security challenges in its NSS and specifically highlight how diplomacy can be used to address them. Regardless of the issues that are prioritized, diplomacy will have a significant role to play, whether it is managing China's rise, ending the war in Ukraine, or securing American supply chains. But for U.S. diplomacy to successfully tackle the most pressing challenges, there needs to be clear communication from Congress as to how appropriate funds and limited personnel should be utilized. The scattershot approach of past National Security Strategies has led to incoherent funding of competing priorities within the State Department and offices working on issues with tenuous connections to overarching administration strategy. Resourcing is fundamental to strategy, and strategies that fail to weigh and rank – instead making everything a priority – cannot be appropriately funded with limited resources.

Work with Congress to implement a diplomatic posture review. To best connect the work of U.S. diplomats with the NSS, the administration should partner with Congress to implement a diplomatic posture review. This process would facilitate the training of personnel for areas of strategic importance and would provide Congress with a useful oversight tool to ensure that the State Department is responsibly utilizing appropriated funds to advance the diplomatic

prerogatives of the administration. A successful review process will point to the aspects of the State Department that need to be changed, such as areas with overlap between offices or technical areas that require more expertise.

Continue the modernization process. The previous administration made significant changes to the State Department through the first phase of its modernization agenda. Many of these reforms were desperately needed and have helped make the institution more capable for the 21st century. However, far more must be done to guarantee that reforms take root. The IT acquisition process requires additional improvements to provide America's diplomats with the tools they need to do their jobs, and the platforms that have already been acquired as part of the modernization process should be reviewed to ensure they are improving operations. Public diplomacy would benefit from additional focus, bolstering efforts to communicate with foreign audiences. There is also a need to better publicize the diplomacy done abroad to domestic audiences, thereby developing a constituency for diplomacy. Efforts to expand the diplomatic corps with a more robust training float, which is essential to improving the career development opportunities for personnel, are also critical.

Think Small to Win Big in the Indo-Pacific

By Kelly A. Grieco and Evan Cooper

TOPLINE

President-elect Donald J. Trump has an opportunity to turn his transactional approach to U.S. alliances and security partnerships into a strategic advantage in the Indo-Pacific. The US-China rivalry is growing, but its dynamics are very different from the Cold War between the United States and the Soviet Union, when the two major powers had an outsized ability to coerce and incentivize countries into joining their respective camps.

Instead of a bipolar system, where two superpowers lead rival security blocs, the Indo-Pacific is increasingly moving toward multipolarity, allowing states to pursue close economic and security relationships with multiple major powers, including China, India, Japan, Russia, and the United States. The unique geography of the region — both its vast distances and maritime environment — reinforces this trend toward multialignment. The next administration should align U.S. strategy with these geopolitical realities, pursuing a more flexible and fluid "mix and match" approach to coalition building.

THE PROBLEM

For the last four years, U.S. Indo-Pacific strategy sought to build an exclusive, U.S.-led security bloc — what the Biden administration called a "latticework" — pushing allies and partners to enhance their defense cooperation with the United States, as well as each other, and pressuring them to scale back their economic and security engagements with China. This effort to gather as many countries as possible and to lock them into a U.S.-led security architecture had limited success.

As much as the last administration touted a "new convergence" with allies and partners in Europe and the Indo-Pacific, it was often out of step with broader geopolitical dynamics. Even as it forged more links among U.S. allies — such as the quadrilateral among Australia, Japan, the Philippines, and the United States, dubbed the "Squad" — it made little headway in drawing Southeast Asia into its orbit. According to the ISEAS-Yusof Ishak Institute's State of Southeast Asia 2024 survey, if forced to take a side in US-China rivalry, 50.5 percent of Southeast Asians would choose China over the United States, up more than 11 percentage points compared with the previous year.

Even many close U.S. allies have pushed back at these attempts to force them into exclusive partnerships. For example, when the White House pressed Japan, the Netherlands, and South Korea to impose export controls on China's access to advanced chips and semiconductor manufacturing tools, all three U.S. allies resisted or opposed U.S.-led restrictions, forcing Washington to offer exemptions. Though most countries share Washington's concerns about growing Chinese coercion, they tend not to perceive Beijing as an existential threat and in turn are unwilling to follow America's lead in adopting a more aggressive approach toward China.

Washington's attempts to create this broad anti-China coalition mainly succeeded in drawing China into closer partnerships with countries hostile to the United States. In the last four years, for example, Beijing refused to support a United Nations Security Council statement condemning a North Korean intercontinental ballistic missile test, bankrolled the Iranian government by buying almost all its crude oil, and sold large amounts of dual-use technologies to Russia to keep its war machine running. These stronger ties have led to overblown fears about a new axis forming among these four countries, as well as counterproductive calls to push middle powers firmly into the U.S. camp. This is a quintessential mirror-imaging problem, which assumes China will take the same approach as the United States. If Washington continues down the same path of trying to cajole states into joining a U.S.-led security bloc as a counterweight to China, it risks the worst possible outcome of sending Beijing further in the arms of its other adversaries while alienating the countries Washington needs to balance against China in the first place.

ESSENTIAL CONTEXT

The last administration rightly recognized that the United States needs allies and partners to balance against China, but it seemed to believe that the number of states in the coalition mattered most, ignoring coalitional effectiveness. "Michael Jordan may have been the best basketball player to ever play the game," said Colin Kahl in 2023, then-the undersecretary of defense for policy, but "even if you're Michael Jordan, you'd like to have four other Bulls with you on the court." In this view, the more countries the United States has in its camp, the stronger the deterrent effect will be. It failed to consider if the individual players could form a team.

While a large and diverse coalition — like the one the Biden administration sought to build — would seem to offer a strong deterrent, in practice, a large coalition is often less — substantially less — than the sum of its parts. Specifically, as the size of a coalition grows, the coordination challenges become more difficult, especially managing differences in national interests. Take the Quad — a partnership of Australia, Japan, India, and the United States — as an example: all four countries are concerned about aggressive Chinese behavior, but Japan and the United States — and to a lesser degree Australia — would be far more likely than India to view a Chinese attack on Taiwan as a threat to their national security interests. Indeed, India's

reticence to become involved in a Taiwan contingency is likely why the Quad avoids any mention of the issue in its public statements.

Countries in the region — including many close U.S. allies and partners — refuse to choose between the United States and China. More important, they are actively seeking multialignment, pursuing economic and security partnerships with China, the United States, and other major powers based on where they identify having shared interests. For example, the Philippines has deepened defense cooperation with the United States amid the growing harassment of Philippine vessels by the Chinese coast guard in waters Beijing claims as its own. Despite its skirmishes with Beijing in the South China Sea, the Philippines has still pursued new trade and investment opportunities with China. The country's president, Ferdinand Marcos, Jr., captured his country's multialigned position, explaining, "We refuse to play by the rules that force us to choose sides in a great power competition."

The story is similar with other U.S. allies and partners in the region. Vietnam elevated its relationship with the United States to a comprehensive strategic partnership in 2023 but only months later joined China's "community of common destiny." Similarly, though Indonesia and the United States conduct regular military exercises, Jakarta recently agreed to resume military exercises with China for the first time in a decade. Even U.S. allies Japan and South Korea continue to deepen economic integration with China, agreeing in May 2024 to resume negotiations on a trilateral free trade agreement. Countries are opting for multialignment because they recognize security and economic interests as inseparable, and they see little need to sacrifice one for the other.

Multialignment is not only possible but desirable in the Indo-Pacific, both because the distribution of power is increasingly multipolar and because the region's vast distances and maritime environment promote strategic flexibility. First, the distribution of power has shifted over the past decade to China and other middle powers, limiting the U.S. ability to dictate the terms of international politics, including forcing countries to choose a side in the US-China rivalry. In this age of increasing multipolarity, when there is more uncertainty about future threats and the reliability of alignments, countries are hedging their bets, opting to maintain flexibility by working with a variety of countries through less formal coalitions and issue-specific partnerships.

Second, the geography of the Indo-Pacific reinforces this tendency toward multialignment. As Kelly A. Grieco and Jennifer Kavanagh argue, the region's maritime geography and vast size tend to reduce threat perceptions across the region — especially for Southeast Asia and the Pacific Islands — where the sea offers a natural defensive barrier against attack and the distances involved turn regional flashpoints like the Taiwan Strait into far-off concerns. Similarly, Europe — removed thousands of miles from the theater — views China mainly as a political rival and economic competitor rather than an immediate military threat.

In trying to build a large and diverse anti-China coalition over the last four years, U.S. Indo-Pacific strategy effectively worked against both the shifting distribution of power and regional

geography. Without a more balanced and inclusive approach to coalition building, one that prioritizes equally security and economic relationships, Washington will continue to cede political ground to Beijing.

POLICY RECOMMENDATIONS

Given these strategic realities, the next administration should recalibrate its approach to the region, leaning into smaller, more flexible alignments and issue-based coalitions and leading more with economics and diplomacy rather than military and security policies.

Lean Into Smaller, More Issue-Specific Coalitions. Instead of trying to build a latticework to firmly link allies and partners together within a U.S.-led security architecture, the next administration should embrace flexible alignments and smaller issue-based coalitions. Specifically, it should work to integrate the United States more fully into the region's existing mix of bilateral, minilateral, and multilateral arrangements, including through more robust collaboration with the Association of Southeast Asian Nations (ASEAN) on issues of cybersecurity, supply chain resilience, and maritime domain awareness.

As importantly, Washington should stop trying to find a one-size-fits-all solution to the security challenge presented by Beijing, in which it pushes to enlarge and expand the scope of existing coalitions and minilateral groupings. To start, the next administration should encourage NATO to take a lower profile in the Indo-Pacific and instead emphasize that European allies will more effectively — even if indirectly — contribute to Indo-Pacific security by assuming more responsibility for their own security and defense, which would allow the United States to direct more military resources to deterring China.

In addition, the United States should drop plans to add new members to AUKUS Pillar 2 in favor of a new purpose-built forum for promoting co-development and deepening defense industrial integration with close U.S. allies. This approach offers two distinct advantages: First, it avoids feeding China's paranoid narrative and regional fears about AUKUS fueling arms races and eventually turning into an "Asian NATO." Second, because China has largely succeeded in framing AUKUS across the region as an anti-China coalition, creating a new forum for defense industrial cooperation would facilitate the participation of countries like New Zealand that are wary of aligning too closely with the United States as they balance important economic and security relationships with both Washington and Beijing.

Change the Strategic Narrative. The incoming Trump administration should shift away from the "us versus them" framing of the Biden administration and instead work to clearly communicate U.S. interests in the region and redlines. This would allow further development of beneficial partnerships without either exacerbating regional tensions or alienating countries — particularly those in Southeast Asia — that oppose the division of the region into separate blocs.

The administration should also avoid constrictive and exclusionary frameworks like democracy versus autocracy framing that the Biden administration heavily relied upon. This approach rejects the tendency towards multialignment and needlessly alienates potential U.S. partners. Instead, the new administration should be quick to offer incentives to Indo-Pacific countries that implement policies and reforms that are in line with U.S. goals and avoid reacting with condemnations and punishments when countries enter constructive deals with China.

The overarching strategic goal of U.S. policy in the Indo-Pacific should be a positive one that seeks to advance U.S. security through reliable partnerships, both militarily and economically. A strategy centered on isolating China will only drive the security dilemma and encourage China to undermine U.S. goals. This strategic framing should be clearly articulated in the National Security Strategy in the first year of the new administration. It should be clear-eyed about the intentions and capabilities of China without attempting to deny China a substantial role in the Indo-Pacific and global affairs.

Lead with Diplomacy and Economics. While most countries in the Indo-Pacific do not seek to be part of an unwieldy U.S.-led security coalition, almost all would like to see an expansion of ties with the United States. To make that happen, the incoming administration should focus more heavily on diplomacy and deepening economic ties in the region, rather than forming new security partnerships.

A more robust diplomatic approach to the Indo-Pacific will serve as the foundation for the United States to establish new economic agreements, deepen existing security partnerships, and facilitate cultural exchanges. The incoming administration should cut special envoy positions that overlap with the work already done by regional and functional bureaus, reassign officers focused on less important regions, and instead shift diplomatic resources to the Indo-Pacific. It should also signal a willingness to engage in diplomacy with adversaries, opening the possibility of less dangerous relations. Early in the new administration, President Trump should consider opening an embassy in North Korea to form the basis of future negotiations. More dialogue, even with adversarial states, will only help the United States understand the challenges it faces and the opportunities available to advance U.S. interests.

There is significant interest in the Indo-Pacific for greater U.S. economic involvement. The Indo-Pacific Economic Forum (IPEF) — which provides little more than an outline for digital trade and support for public-private partnerships in the region — cannot compensate for the absence of a robust free trade policy. Today, the United States finds itself outside the region's major trade agreements — the Regional Comprehensive Economic Partnership and the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) — while China is already a member of the former and has applied to join the latter. Without a more balanced and inclusive approach to coalition building, one that prioritizes security and economic

relationships equally, Washington will continue to cede political ground to Beijing and fail to capitalize on opportunities for mutually beneficial trade.

A rejuvenated U.S. approach to free trade in the Indo-Pacific does not mean returning to the old Washington Consensus. Rather, there is an opportunity to establish beneficial deals for the United States while still providing for reindustrialization and protection of U.S. workers. Countries in the region actively desire the lowering of trade barriers with the United States, presenting the possibility of expanded export markets for U.S. goods and services. The next administration should seize this opportunity, including concluding sectoral trade agreements with established trading partners and integrating the U.S. defense industrial base with allies in the region.

The next administration should work with allies and partners to counter China's growing power and influence, adopting a more flexible approach to coalition building. Above all, it should prioritize reinforcing existing bilateral and minilateral security partnerships, expanding multilateral regional trade, and leading with diplomacy, including seizing opportunities to reset relations with adversaries. America's relationships with allies and partners present the new administration with a defining challenge that will shape future peace and security – or its dissolution – in the Indo-Pacific.

Be a Positive Disruptor in the Indo-Pacific

President-elect Trump's unconventional approach to alliances can press U.S. allies and partners in the Indo-Pacific to forge a stronger coalition

By Yuki Tatsumi

TOPLINE

The return of the Trump administration is already making U.S. allies and partners around the globe sit up and take notice – and the Indo-Pacific region is no exception. But the incoming Trump administration's unpredictability and "America First" approach to the alliances and partnerships, if applied wisely, can incentive U.S. allies and partners to forge closer coalition among themselves, which will be essential as the U.S. faces an increasingly inter-connected global strategic environment.

THE PROBLEM

The last few years have witnessed increasing inter-connectivity among U.S. adversaries and strategic competitors. With Russia-China cooperation already having a destabilizing impact in the security environment in East Asia, a recent rapprochement between Russia and North Korea and its tangible consequences–North Korean soldiers mobilized to fight the war in Ukraine—was a stark reminder of a growing connectivity among different strategic theaters. This makes a global effort to uphold the fundamental principles of the existing international order—democracy, freedom, and non-tolerance with use of force and other coercive measures to change the status quo—more important than ever.

ESSENTIAL CONTEXT

One of the major foreign policy accomplishments of the outgoing Biden administration was, undoubtedly, the revitalization of U.S. alliances and partnerships worldwide. Not only has the U.S. worked to reactive the existing ties, but it has also embarked on the efforts to build inter-regional connection among U.S. allies and partners across the globe. Through the efforts such as AUKUS and Quad as well as trilateral relationships including U.S.-Japan-Australia, U.S.-Japan-ROK, U.S.-Japan-U.K., U.S.-Japan-India, and, most recently, U.S.-Japan-the Philippines, Washington forged multiple layers of inter-regional connectivity among its allies and partners. In fact, many of these relationships also facilitated the deepening of the bilateral security partnership between these U.S. allies some of which, such as Australia—Japan security relations, have now been institutionalized to the level of quasi-alliance.

However, with the return of an "America First" approach by the incoming Trump administration, these allies and partners have begun to question how these partnerships will survive in a second Trump term. Some question whether the transactional approach of President Trump—which was on full display when he was in the office last time—would be conducive to sustaining the momentum in the cooperation inherent to these relationships. Others worry that the President-elect's "deal making" mindset may expose partners and allies to unexpected (and unwelcome) surprises.

One might argue those concerns are overblown. After all, the Indo-Pacific region may have a much better chance of seeing greater level of policy continuity after the leadership transition in Washington. This is because a hardened approach against China is likely to be one of the core foreign policy principles in a second Trump administration. Indeed, throughout his 2024 presidential campaign, Trump talked about plans to slap 60% tariffs against Chinese imports upon his win. President-elect Trump, similar to Biden and Harris, has also argued that the U.S. will win the 21st century competition vis-à-vis China in advanced technologies.

Still, there will be challenges. U.S. allies and partners in the Indo-Pacific remain uncertain about how Trump's transactional approach to alliance management might impact them. Japan, for example, has a lot to worry about. Tokyo can certainly expect much greater pressure from Washington to continue to – at a minimum – stay on its current path of bolstering its own defense capability and increase defense spending. The negotiation over the renewal of its Host Nation Support for U.S. forces in Japan will likely to be much more challenging this time around, given that the negotiation will likely need to take place right around the mid-term election in the U.S. With Trump's "America First" approach in full swing, Tokyo can also anticipate a greater and more explicit pressure to bring more job-creating investments in the United States. Furthermore, should the Trump administration move to "strategic decoupling" with Chinese economy and try to exert influence on U.S. allies and partners to follow suit, it will create a major problem for Tokyo which, despite its geostrategic concerns vis-à-vis China, still wants to maintain functional and stable relationship with Beijing. Japan faces all these prospects without a leader like Shinzo Abe—a strong, articulate and charismatic leader who could build a personal rapport with Trump.

Japan is hardly unique in these challenges. In fact, other countries in the Indo-Pacific – with a possible exception of Indian Prime Minister Narendra Modi who, like Abe, was able to develop a cordial rapport with Trump – all share similar concerns. This makes U.S. allies and partners in the Indo-Pacific question whether the positive momentum for region-wide and inter-region cooperation created during the Biden administration will be sustained during the next four years of "America First".

In fact, this momentum can be sustained – even with a more transactional approach to alliances and partnerships coming from Washington. After all, as Japan's then-prime minister Fumio Kishida said in his address to U.S. Congress during his state visit to the U.S. in April

2024, while U.S. leadership is critical, "the U.S. should not be expected to do it all". Indeed, in order for the coalition among like-minded countries to be sustainable and resilient, all U.S. allies and partners are – and should be – expected to do their fair share. As General Jim Mattis said during his first trip to Europe as then-President Trump's first Secretary of Defense, a country needs to help its own before it can help others. Paradoxically, an unapologetic "America First" approach by the incoming U.S. administration can give a sense of urgency that may be necessary for U.S. allies and partners in the Indo-Pacific to take ownership of a global effort for the defense fundamental principles that shaped the post-World War II international order.

POLICY RECOMMENDATIONS

Articulate why the U.S. considers more equitable alliances and partnership important. It is critical for U.S. allies and partners to hear *why* the U.S. considers more equitable alliances and partnership to be important. The effort will require Washington to articulate how an "America First" approach and robust alliances and partnerships are not mutually exclusive – and rather, that they are only possible with robust, proactive and regular engagement initiated by allies. In this context, while it is fair for the U.S. to expect a more equitable relationship with its allies and partners, it is also fair on the part of allies to expect greater responsibility-sharing in return for more proactive role they play.

Encourage the deepening of partnership among U.S. allies and partners. There is already a plethora of U.S. alliance-based minilaterals to build upon. Stronger relations among U.S. allies and partners independent of the U.S. can go a long way to strengthen the existing minilateral cooperative frameworks that benefit all parties involved, including the U.S. For instance, a more enduring Japan-ROK bilateral partnership that is resilient to leadership transition in Seoul and Tokyo will bolster regional deterrence vis-à-vis North Korea and China. A robust cooperation between Japan and the Philippines can serve critical at a time when China's behavior in the South China Sea requires greater attention. By staying engaged in the minilaterals, the U.S. can encourage and facilitate the other parties in these frameworks to forge ties amongst themselves that can serve as the foundation for a more equitable regional cooperative security framework.

Refrain from forcing the zero-sum choice. One of the concerns shared by U.S. allies and partners in the Indo-Pacific is the possibility of them having to "choose a side" between the U.S. and China. This is much harder for the countries in the Indo-Pacific simply because they are geographically closer to China and cannot afford completely alienating China, particularly in their economic relations. While the U.S. should work with its allies and partners in the Indo-Pacific to safeguard their collective supply chain for the technologies and products that have critical importance to national security, Washington should be extremely careful about forcing them "zero-sum" choice.

To Protect Americans, Prioritize Countering Cyber Scam Operations in the Indo-Pacific

By Brian Eyler, Allison Pytlak, Courtney Weatherby and Shreya Lad

TOPLINE

Cyber scams targeting American citizens are a national security threat that demands a whole-of-government approach and coordination between the United States and its allies and partners who are similarly targeted.

Cybercrime operations run out of scam compounds in the Indo-Pacific should be a priority for the Trump administration. A growing number of Americans are victimized by online scams and fraud, and the global profits from these criminal operations exceed those of other illegal activities —including global illicit drug trafficking.

The current approach to preventing, detecting, and responding to cybercrime scams is insufficient. It allows criminal networks to misuse U.S. digital and financial institutions, alienates victims of scams, and allows adversaries to benefit from illicit activity. The new administration should counter cyber scams through a coordinated approach centered around a national command center, improved interagency collaboration on cybercrime, partnership with regional allies that are trying to crack down on scam compounds in their countries, and public awareness campaigns around this growing threat.

THE PROBLEM

Americans are increasingly targeted by online scams, with rapidly rising numbers of damaging investment fraud and romance/confidence scams reported since 2018. A study by the Global Anti Scam Alliance and Feedzai estimates that nearly a quarter of Americans were scammed in 2023, and collective losses reached $159 billion USD, or approximately 0.6% of GDP. The number of individuals that have lost their life savings and homes to cyber scam operations run by transnational criminal groups overseas is growing.

Many of these criminal networks house operations inside scam compounds located in Indo-Pacific countries such as Cambodia, Laos, Myanmar, and the Philippines. Scam compounds are a complex crime zone, acting both as secured areas in which criminal organizations coordinate and run scam operations, as well as a venue for modern slavery. Most of the ‘workers’ inside are lured into false work situations, held against their will, and forced to participate in criminal activity.

Cybercrime scam operations thus present a challenge to United States (U.S.) and allied interests in the Indo-Pacific, threatening to undermine governance, rule of law, and human rights in the countries where they are located, with knock-on effects and costs borne by key victim economies in the region including Australia, Thailand, and Vietnam. Online scam operations also have a growing role in strategic competition with China and North Korea, amplifying the disruptive potential of cyber scams for the United States.

Despite the scale of the problem, the U.S lacks a coordinated effort to counter cyber scam operations and protect vulnerable Americans. Over the last few years U.S. government agencies including the Department of Justice, Federal Bureau of Investigations (FBI), the National Security Council, and the State Department have turned more attention to the issue, but there is no single agency with sufficient resources and a mandate to adequately coordinate interagency efforts on this issue.

ESSENTIAL CONTEXT

The perpetrators

With rapidly growing war chests and increasingly sophisticated methods of evasion, powerful criminal networks can co-opt political actors and fuel corrupt activities in countries across the Indo-Pacific, particularly Cambodia, Laos, and Myanmar. Many of these groups are also engaged in other illicit activities such as drug trade and human trafficking. Globally, sophisticated criminal networks are now earning $3 trillion annually from scams and fraud, far outpacing income earned by the global illicit drug trade. High profit margins and relatively low risks motivate many criminal groups to invest in cyber-scam operations and cryptocurrency, which also improves their ability to launder funds from other illegal activities such as drug or human trafficking.

Many of these networks are Chinese in origin. The actors responsible for some of the biggest cryptocurrency scams in Southeast Asia are linked with entities sanctioned by the U.S. Global Magnitsky Program such as the Golden Triangle Special Economic Zone run by sanctioned Chinese national Zhao Wei and North Korean cyber threat actor Lazarus Group, known to help the regime evade U.S. sanctions and illicitly finance its weapons of mass destruction program.

China is active in combatting cyber scam compounds given that many of the transnational criminal groups are Chinese and target Chinese nationals, but its efforts primarily aim to reduce targeting of its citizens as victims of scams and trafficking. As a result, Chinese activities are driving criminal groups to target English-speaking countries and other nationalities across the Indo-Pacific. The People's Republic of China's recent crackdowns on scam compounds in Myanmar have simply driven scam operations to relocate and shift their target profile.

The victims

Hundreds of thousands of people from more than two dozen nations are illegally and unwittingly trafficked into countries in the Indo-Pacific where they are forced to scam against their will. Those who resist face torture, physical abuse, or being sold to other operation centers. Trafficked workers are often young, educated professionals with language or relevant IT skills, often lured by false job advertisements and facing economic pressure at home.

In the U.S. and countries like Australia, Canada, and the U.K., the toll of romance and investment scams on lives and livelihoods is breaking new thresholds and is increasingly a topic covered by major media outlets. Victims often describe the intense shame they feel in having been scammed, which contributes to under-reporting, and some tragically decide to take their lives. Others live in destitution after losing significant life or retirement savings to such scams, posing a long-term cost to social security and other national expense rolls. There is, currently, little potential for legal recourse or compensation given the international nature of the criminals and the often-technical nature of the crime.

The gaps

In the U.S., state and local enforcement agencies often turn down or ignore victims of cyber-crime due to a lack of investigative capacity, limited mandate to prosecute cybercrime, and a lack of awareness of the sprawling scale of this issue. Currently even basic data about the types and approaches for fraud in the United States is not widely available. A range of different agencies at the federal, state, and local levels—the FBI's Internet Crime Complaint Center, Federal Trade Commission's Report Fraud, Consumer Financial Protection Bureau, local police, as well as individual service providers in finance and telecommunications—are all points of contact for victims trying to report scams or fraud. According to the 2024 State of Scams Report from the Global Anti-Scam Alliance, fraud and scams are the most experienced crime in the United States. Inability of government and service providers to effectively respond—especially in cases with significant losses—erodes trust.

This is a long-term challenge for the digital economy, including for major emerging and rapidly growing industries such as cryptocurrency and artificial intelligence (AI). A large percentage of total scam revenue comes from the theft of digital assets, and most investment scams use cryptocurrency platforms and wallets as a venue for accessing and stealing funds. This has also held back the U.S. cryptocurrency industry amid regulatory confusion, and the use of digital assets for fraud. Bad actors are also increasingly adept at using new technologies like generative AI and deepfakes for online scamming and fraud. These industries—particularly AI with its transformative potential—could also face reputational or legal risk without better regulation and risk management.

The absence of clearly defined, unambiguous regulations and best practices for risk management has left the cryptocurrency industry more vulnerable to fraud, scams, and the

misuse of digital assets. Industry executives have called for legislation that protects users from fraud and crypto-enabled cyber scams. There is a need for the U.S. government to more actively engage with industry to forge a path forward to avoid further erosion of trust in key new technologies and the digital economy.

POLICY RECOMMENDATIONS

An effective approach to countering scam operations should include a centralized mechanism to detect scams, address the use of financial platforms to conduct scams, prevent the victimization of forced scammers and scam victims, and detect and mitigate the threat at its source with the support of U.S. allies and partners. The incoming administration should consider the following:

Create a national scam center responsible for centrally tracking scam reports, providing victim support, and coordinating with law enforcement on appropriate responses.

- Bring representatives of multiple government agencies and key industry actors together in a common body that can streamline response and improve data collection.
- Establish a national dataset to centralize reporting across state lines and federal agency silos. This would allow for better understanding and analysis of the most common tactics used by scammers and thus identify low-hanging technical preventions and responses that regulators, businesses, and consumers can take.
- Congress should commission a study on the role of cryptocurrency exchanges, with input and consultation from relevant stakeholders including the cryptocurrency industry and private sector. This study should aim to bring clarity around mandates, roles, and responsibilities for cryptocurrency regulation among relevant entities in relation to the scam operations issue.

Coordinate with allies and partners including Australia, Canada, Singapore, Japan, South Korea, Thailand, the Philippines, and the United Kingdom to improve information-sharing to avoid a "whack-a-mole" approach to shutting down scams.

- Adopt a comprehensive prevention and detection strategy rather than relying on responding to problems as they arise.
- Facilitate the use of treaties on Mutual Legal Assistance in Criminal Matters (MLATs) which are helpful for sharing evidence to prosecute transnational cyber criminals and overcome jurisdictional barriers, but they are time consuming and difficult to obtain. Broader agreements like the recently adopted UN Cybercrime Treaty, or regional arrangements such as through ASEAN, may offer new avenues for information- and evidence-sharing.

- Better leverage mechanisms like INTERPOL for information and intelligence-sharing with international partners.

- Technological solutions to prevent scamming, such as through cooperation with telecommunications or banking companies, are worth exploring but with due regard for personal privacy rights. Industry actors can lead on identifying ways to share key but non-sensitive data among other users.

Provide technical and capacity support to countries hosting scam centers and compounds to reduce instances of cybercrime and breakdown criminal networks.

- Utilize the Mekong-U.S. Partnership as a platform for regional coordination, technical training, and capacity-building with countries that are hosts to scam compounds (particularly Cambodia, Laos, and Myanmar).

- Engage directly with regional neighbors who are similarly targeted by scams or forced labor to establish shared protocols and responses, including but not limited to Thailand, Vietnam, Singapore, and other partners in the Indo-Pacific.

- USAID can conduct bilateral activities to combat trafficking in persons (TIP) in host countries, and build capacity on legal issues, in line with the Agency's 2023-24 digital strategy.

- Create agency-to-agency partnerships between the U.S. and partner countries' law enforcement agencies. These have, in the past, been useful for combatting telecommunications scams and for information-sharing. This model can offer assistance, fill capacity gaps, and open pathways for the arrest and prosecution of criminal actors who stole from Americans. Such collaboration can also allow border checkpoints in key countries to be more prepared to combat TIP at their borders.

Institute public awareness-raising campaigns to prevent future victims and destigmatize the problem.

- Campaigns like "Stop, think fraud!" in the United Kingdom offer examples of government-led approaches which could be adapted and implemented in the United States to raise awareness among potential victims.

- Private sector actors like social media and cryptocurrency companies also have a vested interest in ensuring that their services remain trusted by consumers, and there are opportunities to collaborate with key private sector actors on targeted awareness raising campaigns for those most likely to be victimized.

- The U.S. intelligence community with the Department of Justice should improve awareness among key law enforcement agencies of how these cybercrimes unfold and

improve recognition that those reporting scams and fraud are victims of a crime. Campaigning should be inclusive, especially since scammers typically target English and Chinese speakers. This will help destigmatize reporting and can improve victim support networks.

How to Avoid a War over Taiwan

Strategic clarity about the one-China policy

By James Siebens

TOPLINE

The United States is currently on course for sustained competition with the People's Republic of China (PRC) in which both sides recognize the dangers of a potential great-power conflict — something both sides say they hope to avoid. As the United States shifts from a strategy of engagement toward a strategy of confrontation and competition with the PRC, it is even more important to sustain the meaningful bilateral diplomacy and respect for long-standing policies and principles that have prevented the relationship from gravitating toward conflict for the past half century.

This will require developing more, not less, diplomatic engagement and informal communication between defense communities to better understand and prevent the potential triggers for direct conflict between the world's two most powerful countries. The most significant and dangerous such trigger is the issue of Taiwan and the potential mismanagement of cross-Strait relations.

THE PROBLEM

The United States is now consciously engaged in sustained, protracted competition with the People's Republic of China (PRC), a country with which it has developed deep economic interdependence over the course of several decades, and with which it shares many important linkages, including in the institutions of global governance. The rising antagonism in US-China relations has thus had knock-on effects on the basic functioning of the international system and reinvigorated the basis for balance of power politics in international affairs. As definitively stated in the 2022 National Security Strategy, the United States regards the PRC as "the only country with both the intent to reshape the international order, and, increasingly, the economic, diplomatic, military, and technological capability to do so." Likewise, the 2022 National Defense Strategy describes China as the United States' "most consequential strategic competitor for the coming decades."

The primary elements of the new U.S. approach to China bear striking resemblance to the strategy of "containment" that the United States pursued against the Soviet Union, prompting frequent comparisons with the Cold War and leading some to characterize the present dynamic as a "new Cold War." As with the US-Soviet Cold War, a key feature of the US-China

relationship is the potential for a catastrophic conflict that could include the use of nuclear weapons. Thus, while both sides share a stated desire to avoid nuclear war, they also share mutual suspicion and mistrust, and increasingly view one another as hostile. Both sides therefore seek to deter one another from taking actions that could violate vital national interests and thereby lead to direct conflict and undesirable escalation.

As the United States continues to shift away from a strategy of engagement and toward a strategy of confrontation and competition with the PRC, it is even more important to sustain meaningful bilateral diplomacy and understanding. It is particularly important that both sides respect and cleave to the long-standing policies and principles that have prevented the relationship from gravitating toward conflict for the past half-century. The most fundamental issue for China is the status of Taiwan – China's leaders have described Taiwan as "the very core of China's core interests." For its part, the United States has made clear that it regards the status of Taiwan to be a matter for people on both sides of the Taiwan Strait to decide, free from force and coercion. However, successive U.S. administrations have in recent years demonstrated conceptual and rhetorical inconsistency and slippage in their approach to managing relations with Taiwan and mainland China, contributing to the sense of insecurity on all sides.

Rather than continuing to drift towards conflict, or using the issue of Taiwan as a bargaining chip in dealing with China, the Trump administration will need to go back to first principles on the issue of Taiwan and attempt to reestablish the credibility of past U.S. diplomatic commitments to the PRC as a vital component of deterring war.

ESSENTIAL CONTEXT

Since 1949, the PRC has aimed to unify Taiwan with mainland China, viewing Taiwan's de facto independence and U.S. protection of Taiwan as challenges to its sovereignty. At the outbreak of the Korean War in 1950, the United States effectively froze the Chinese Civil War through a naval intervention in the Taiwan Strait, thus establishing the conditions for preserving the Republic of China's (ROC) separate existence on Taiwan and several outlying islands. In 1954, the United States formalized its defense commitment to the ROC, repeatedly supporting it against PRC attacks on ROC-held islands. Tensions persisted, but in the 1970s, the United States negotiated to normalize relations with the PRC, in part by severing official relations with the ROC. In the 1972 "Shanghai Communiqué", the United States acknowledged China's claim that Taiwan was part of China and stated that it "does not challenge that position," even as it carefully avoided taking a clear position on the island's legal status.

In 1979, Washington recognized the PRC as the sole legal government of China, and severed diplomatic relations with Taiwan. However, the Taiwan Relations Act (TRA) was passed to formally insist that any effort to resolve Taiwan's status would be peaceful and without coercion, and to commit the United States to maintaining the ability to oppose threats against

Taiwan and providing arms for Taiwan's defense. While the TRA implied broad support for Taiwan's security and political and economic system, the United States avoided making a clear commitment to intervene directly in its defense. In 1982, the United States and China issued another communiqué reaffirming the prior understandings and declaring that U.S. arms sales to Taiwan were not intended to be increased, nor were they intended to be a long-term policy.

The historical success of the one-China policy has been due to a delicate balancing act of cross-Strait relations. Until recently, the U.S. approach to managing cross-Strait relations was rooted in policies of "strategic ambiguity" and carefully balanced "dual deterrence." The U.S. has aimed to avoid open conflict by warning China against aggression while advising Taiwan to avoid actions that would provoke a war – thus deterring both China and Taiwan from actions that would escalate tensions. This approach requires credibly reassuring China (and cautioning Taiwan) that the U.S. does not support Taiwan's independence, while also supporting Taiwan's security and freedom from coercion. This stance has maintained relative stability in the Taiwan Strait amid China's firm opposition to official interactions between the U.S. government and the ROC, or signals of support for the ROC's *de jure* sovereignty and independence.

However, in recent years, the United States has veered toward increasingly overt forms of support for Taiwan, including conspicuous displays of both official and unofficial political, military, and diplomatic support for its elected leaders. While these changes in official policy and practice have generally been rationalized as responses to the threat from China, they have occurred in the context of a sharp downturn in US-China relations that began during the first Trump administration and continued through the Biden administration, perhaps best exemplified in the Biden administration's initial framing of its worldview as "democracy vs. autocracy," as well as the U.S. Congressional focus on "strategic competition between the United States and the Chinese Communist Party." The Biden administration has since carefully rebuilt working relationships with key ministries of the PRC, but these relationships may be difficult to maintain if the Trump administration does not pursue a "diplomacy first" approach to key trade and security issues, especially Taiwan.

POLICY RECOMMENDATIONS

The challenge for the second Trump administration will be to restore discipline and coherence to U.S. conduct toward Taiwan, and to dissuade Taiwan's leaders from taking any further actions or making official moves that would predictably provoke an escalatory response from China. Most essentially, to avoid conflict, the U.S. must convince Taiwan to refrain from officially declaring independence, changing its official name (Republic of China), or altering its constitution to disavow its shared lineage to China.

In order to successfully manage U.S. relations with Taiwan and mainland China, Washington should move away from ad hoc policy innovation and instead explicitly articulate and

rigorously apply a set of principles to guide its military and diplomatic behavior toward the cross-Strait relationship, consistent with the Three U.S.-China Joint Communiques and the TRA. These principles include:

Non-interference in domestic politics in China. Most importantly, non-interference would mean not expressing or implying a U.S. strategic objective of regime change in China. However, the U.S. should also avoid expressing or implying support for any party, politician, or electoral process in Taiwan's elections. Even unofficial comments about U.S. preferences in the outcome of elections in Taiwan risk having an inappropriate influence on their political debate and discourse, the consequences of which are unpredictable. Aside from long-standing concerns over human rights, domestic politics in mainland China and Taiwan should be treated with strict indifference by U.S. government officials.

Non-interference in peaceful cross-Strait relations. Related to the first point, the United States should neither publicly pressure Taiwan to engage in negotiations with the mainland, nor publicly oppose such negotiations. The United States should be explicit and consistent in its position that it does not oppose any solution to the cross-Strait dilemma that is reached peacefully through mutual agreement, without force or coercion.

Allowing mutually beneficial economic exchange across the Taiwan Strait. Related to the second point, even as the United States is adjusting to a more restrictive and security-conscious form of trade, with special focus on avoiding and preventing the transfer of leading-edge dual-use technologies to China, it should not stand in the way of mutually beneficial trade between Taiwan and mainland China. Taipei must continue to carefully manage its economic engagement with the mainland, but any overt U.S. effort to restrict mainland China's access to trade with Taiwan could easily weaken deterrence, rather than strengthen it, by exacerbating cross-Strait antagonism.

Respecting and abiding by an intelligible, consistent one-China policy. This essentially means no public U.S. support for Taiwan's independence, formal separation from China, or official representation in international organizations for which de jure statehood is a requirement. These points are at the core of a long-standing compromise that was previously respected by U.S. administrations, but which has more recently fallen into disarray. The United States can, and should, continue robust support for Taiwan through a variety of means, but it must not increase or publicize grand symbolic gestures of political support, or government-to-government (i.e., "official") cooperation, let alone establish formal diplomatic relations, declare Taiwan a U.S. ally, or describe U.S. objectives as preventing unification under any circumstances or otherwise guaranteeing Taiwan's sovereignty and independence. While many in the U.S. Congress and in the broader public evidently do not understand or care that these points are essential to maintaining regional peace and stability, China experts do. An American president who understands the importance of mutual respect in managing relations with China

will be empowered to insist upon reciprocal respect for vital U.S. interests by adhering to these principles.

Finally, President Biden chose to communicate strategic clarity on the question of whether or not he would order U.S. forces to war with China over Taiwan. This was uniquely his decision and prerogative as president of the United States. As he returns to the White House, President Trump will have a choice about how he communicates his position on defending Taiwan, and under what conditions or circumstances. Whatever stance the Trump administration takes, the only true test of whether the policy is successful or not will be whether U.S. policy prevents a war over Taiwan. The principles outlined above provide the surest path to preserving the peace and prioritizing U.S. interests.

Move Past the Nuclear Impasse on the Korean Peninsula

The Trump administration should define new goals for North Korea and manage the alliance with South Korea

By Rachel Minyoung Lee and Jenny Town

TOPLINE

The incoming Trump administration will face an emboldened North Korea with vastly different terms for nuclear negotiations, and a South Korea harboring deep concerns about US views on alliances and North Korea. In light of the significantly changed strategic environment in the region, the new administration is advised to reassess what the United States ultimately wants from its relationship with Pyongyang beyond denuclearization and to balance those goals with its defense commitments to South Korea, coordinating any new approach closely with Seoul.

THE PROBLEM

President-elect Trump will inherit a vastly different strategic environment on and around the Korean Peninsula than what he dealt with during his first term. The deepening of US-China strategic competition, Russia's invasion of Ukraine and championing of a multipolar system, and Global South countries' growing resistance to the West are reshaping the global order. In Northeast Asia, while not quite a Cold War 2.0, security blocs are taking hold, with the United States, South Korea, and Japan strengthening one bloc, and North Korea, China, and Russia increasingly forming the other. Given the significant advancements North Korea has made in its nuclear and missile programs and its recalibration of foreign and nuclear policies, this blocification can only be expected to further embolden Kim Jong Un over where he stood when Trump left office four years ago.

In South Korea, the "nuclear debate" – discourse over whether Seoul should acquire some form of nuclear capability – has temporarily subsided but is likely to resurface as the security situation becomes more tenuous and anxieties grow over a second Trump administration's approach to alliances. All this comes as North Korea pushes a new two Koreas policy that is already starting to challenge the status quo on the Korean Peninsula.

ESSENTIAL CONTEXT

There are three key challenges facing the incoming Trump administration in connection to the Korean Peninsula:

Great-power competition and hardening of security blocs in Northeast Asia: The intensifying great-power competition is fueling the formation of opposing security blocs in the region.

While China, North Korea, and Russia may not share the same worldview as a whole, their concerns about a growing US presence in Northeast Asia and its deepening security cooperation with South Korea and Japan, both bilateral and trilateral, have become increasingly aligned in recent years. In addition to growing threats of Chinese and North Korean nuclear expansion, both countries are providing support to Russia for its war in Ukraine. The North Korea-Russia Treaty on Comprehensive Strategic Partnership, signed in June 2024, includes provisions on military cooperation and mutual defense commitments. The impact of this upgrade in bilateral relations has already been felt, as upwards of 10,000 North Korean troops reportedly have joined Russia's warfighting efforts. Questions loom about what Russia is providing North Korea in return, and what Moscow's role might be in future conflicts on the Korean Peninsula.

There is no formal trilateral cooperation among these three nations yet – more so triangular bilateral alignments. However, given the direction of global security trends, there is the growing potential for these partnerships to move in the direction of trilateral cooperation. It is important to note that great-power competition and the opportunities Kim Jong Un likely sees in the new external environment have further reduced the strategic value of the United States for North Korea. The new administration should take this into account when conducting its policy review.

Unlike the loose China-North Korea-Russia bloc, US-South Korea-Japan trilateral security cooperation has reached new heights in recent years. This is exemplified by the three countries' efforts to institutionalize security cooperation. It should be noted that the South Korean Yoon Suk Yeol government's policy toward the United States has been clear since its inauguration in May 2022. It shifted away from the preceding Moon Jae-in government's policy of "strategic ambiguity" vis-a-vis Washington and Beijing toward strategic clarity, aligning Seoul firmly with the United States and its values-based alliances. The launch of the US-South Korea Nuclear Consultative Group (NCG) and South Korea's adoption of its own Indo-Pacific strategy marked new milestones in the alliance. Strong US-South Korea-Japan trilateral security cooperation, while necessary and a positive development for regional and global security, is nonetheless seen by other key stakeholders – namely China, North Korea, and Russia – as a growing threat to the balance of power in the region. Managing this perception will be key to preventing unnecessary escalation of tensions.

Shifting nuclear attitudes in both Koreas: The incoming Trump administration will face a fundamentally different North Korean nuclear and foreign policy context than what existed four years ago. Furthermore, there is potential for South Korea's "nuclear debate" to resurface if its confidence in the alliance with the United States wanes.

North Korea has fundamentally shifted its foreign policy following the collapse of the 2019 Hanoi summit, renouncing its 30-year policy of normalizing relations with the United States through denuclearization and realigning with China and Russia. In September 2022, Kim said there would never be "our abandonment of the nuclear weapons or denuclearization first," and that the country had "drawn the line of no retreat regarding our nuclear weapons." This appeared to be a complete reversal of Pyongyang's policy toward the United States that was premised on working toward denuclearization to gain Washington's favor. In line with the changes in its foreign policy, North Korea in 2023 codified its policy of continued nuclear development into the constitution, legally ensuring the irreversibility of North Korea's status as a "nuclear nation."

South Korea's long-standing debate over whether it should pursue its own nuclear deterrent intensified after President Yoon's comments in early 2023 that Seoul would consider seeking nuclear options if North Korea's nuclear threats grew. The public debate has quieted since the two countries announced the Washington Declaration in April 2023, which reaffirmed US commitment to extended deterrence and launched the bilateral NCG to integrate Seoul into US planning for contingencies on the Korean Peninsula that might involve nuclear use. However, President-elect Trump's return to the White House may once again raise questions in South Korea about the credibility of the United States as an ally. During his first term, Trump unilaterally canceled US-South Korea joint military drills, allegedly told his aides that he wanted a complete withdrawal of US forces from South Korea, and was seen by many Koreans as demanding exorbitant increases for defense cost-sharing. Any repeat of these types of antagonisms in US-ROK relations is likely to trigger very different responses from Seoul a second time around. Additionally, any sign that the second Trump administration would accept North Korea as a nuclear state would further fuel South Korea's calculation about its own nuclear future. Public surveys have already consistently shown growing support in South Korea for its own nuclear capability.

Potential change in the status quo on the Korean Peninsula: The extent to which Kim Jong Un means to push a permanent two-state division on the Korean Peninsula remains unknown. However, its implications could have far-reaching consequences on multiple fronts, from new territorial disputes and nullification of the Armistice Agreement to tensions over a potentially one-sided vision of unification.

In December 2023, Kim Jong Un officially renounced the country's decades-old policy of peaceful unification. The following month, he declared South Korea the "primary enemy state" and called for defining North Korea's territory in its constitution and completely severing the

inter-Korean railways. North Korea appears to have made relevant constitutional revisions in October 2024, but it has yet to detail them in either internal or externally focused state media. All we know is that, as a result of Kim's new policy, North Korea has been removing all unification-related language and signs from print and broadcast material and, in the wake of the constitutional revisions, blasted sections of inter-Korean roads and railways.

Pyongyang's constitutional revisions and rollout of these amendments could result in serious challenges to the status quo of the Korean Peninsula. Depending on how North Korea defines its territory in the constitution, it could also have major consequences for the Armistice Agreement, which defines North and South Korean territories and the maintenance of boundaries and buffer zones, and legacy institutions, such as the United Nations Command and the Neutral Nations Supervisory Commission. Tensions could escalate between the two Koreas – for example, if North Korea asserts rights to a part of South Korean territory or territory under the control of the UN Command, or even challenges the persistence of the demilitarized zone.

Despite North Korea's new two Koreas policy, President Yoon in his Liberation Day speech in August 2024 reaffirmed South Korea's commitment to unification. This discrepancy about the future end state of the Korean Peninsula could cause tensions in future inter-Korean issues in ways that force the US to choose sides.

POLICY RECOMMENDATIONS

The deteriorating security situation on and around the Korean Peninsula calls for change in current US policy toward the two Koreas. To that end, we propose the following three steps.

Define new, realistic goals for North Korea beyond denuclearization. The incoming Trump administration should take the lead in defining new, feasible goals for North Korea. US policy toward North Korea for the past three decades has centered on denuclearization. Notably, however, the joint communique of the 2024 US-South Korea Security Consultative Meeting (SCM) omitted "denuclearization" for the first time in nine years. This suggests the two allies may not view North Korea's denuclearization as a realistic policy goal up-front, recognizing a need to be flexible, while still strengthening deterrence.

What has been missing from the policy review process in the past is a real consideration of what the United States ultimately wants from its relationship with North Korea. Re-engaging Pyongyang will not be as simple as reupping proposals from the Hanoi Summit. A new path is needed but to what end is still an open question. Are there goals beyond denuclearization for dealing with North Korea? How can those be balanced with competing interests in South Korea? While strong deterrence against North Korea's growing WMD capabilities is essential for the protection of the United States and its allies, it is not a solution in and of itself. At times, an overreliance on deterrence can also work at odds with diplomatic efforts, especially when North Korea and its strategic partners may view US and allied deterrence measures as a

threat to the region. If denuclearization remains part of the equation, continuing to lead with that is only setting the new administration up for failure, given Pyongyang's current stance on its nuclear program and the significantly changed geopolitical landscape in Northeast Asia.

Reassure and coordinate with South Korea. Alliance reassurance and policy coordination will be crucial, regardless of what the administration decides. As outlined above, there is already high anxiety in South Korea over the second Trump term regarding key aspects of alliance cooperation, and the real possibility of discord between the two countries over North Korea policy. The new administration should consult with Seoul at every step as it charts its new course on North Korea, as difficult as some of those discussions are likely to be, to avoid uncoordinated or discordant actions that will ultimately undermine either country's efforts. This will be incredibly important for demonstrating that the United States values alliances even while exercising flexibility toward North Korea.

Demonstrate political leadership, despite risks and criticism. The new administration should exercise political leadership, knowing that changing a decades-old policy on a polarizing topic such as North Korea may be unpopular at home and among allies and partners. Trump's willingness during his first administration to shoulder criticism for changing the US approach to North Korea created new diplomatic opportunities, although the proposition of such efforts had essentially not changed. This second time around, he should be willing to once again take the necessary risks, given the rapidly changing geopolitical environment. Policy intransigence toward North Korea only benefits Kim Jong Un and runs counter to the national interests of the United States and its allies.

Prioritize Substance Over Symbolism in the U.S.-Taiwan Relationship

By Pam Kennedy

TOPLINE

As the second Trump administration enters the White House, its officials will have the opportunity to assess the status of U.S.-Taiwan relations and create a plan for engagement that considers the nuances and challenges inherent to the U.S.-Taiwan-China triangle. The priority for the United States must be to avoid actions that will destabilize or raise tensions in the Taiwan Strait, while signaling to both Taiwan and China the importance that neither side unilaterally changes the status quo.

THE PROBLEM

Taiwan is a geopolitical hotspot that inevitably presents a challenge for the president of the United States. As China claims Taiwan as a renegade province and has increased overt and gray zone threats against Taiwan in recent years, any U.S. interactions with Taiwan must take the fraught U.S.-China and cross-Strait relationships into account.

The U.S. policy towards Taiwan has not fundamentally changed since the 1979 passage of the Taiwan Relations Act (TRA), the release of the Three Communiqués (1972, 1979, and 1982), and the passage of the Six Assurances in 1982. Yet within the contours of the unofficial U.S.-Taiwan relationship, the executive and legislative branches have had leeway to expand certain areas of engagement and cooperation. As the second Trump administration enters the White House, its officials will have the opportunity to assess the status of U.S.-Taiwan relations and create a plan for engagement that considers the nuances and challenges inherent to the U.S.-Taiwan-China triangle. The priority for the United States must be to avoid actions that will destabilize or raise tensions in the Taiwan Strait, while signaling to both Taiwan and China that it is essential neither side unilaterally changes the status quo.

ESSENTIAL CONTEXT

China hopes to unify with Taiwan someday, whether by force or peaceful means, and its multipronged efforts to intimidate Taiwan have intensified as Taiwan's population grows warier of China's intentions. The cross-Strait relationship took a sharp downturn in 2016 after

the election of the Democratic Progressive Party (DPP) leader Tsai Ing-wen as Taiwan's president. Beijing intensely distrusts the DPP and its politicians, condemning them as promoting "separatist" or "independence" sentiment in Taiwan. Throughout Tsai's eight years as president, despite her efforts to take a nonprovocative approach to China and her calls for dialogue, Beijing punished Taiwan by ramping up military exercises and gray zone coercive activities around the island, spreading disinformation on political issues in Taiwan, poaching Taipei's diplomatic allies, and constraining Taiwan's ability to interact with the international community in key forums such as the World Health Organization.

Taiwan, for its part, has elected a DPP president for a third time in a row this year – Lai Ching-te, previously Tsai's vice president, whom China seems to trust even less than Tsai. Lai entered office with a 40.1% plurality of votes – not a majority – but despite the lack of a mandate, the repeated victory of the DPP candidate reflects the unease in Taiwan towards China. People in Taiwan are overwhelmingly opposed to Beijing's "one country, two systems" formula for unification, especially after the abrupt end of political autonomy in Hong Kong in 2019 and the subsequent imposition of a National Security Law that has effectively ended democracy in the city. In a longer-term trend, a majority (64.3% as of June 2024) of people in Taiwan see themselves as "Taiwanese," instead of "Chinese" or both, and preference for unification with China has steadily declined in favor of maintaining the status quo.

The tension in the Taiwan Strait is not a matter solely between China and Taiwan; the United States is part of the equation. U.S. engagement with Taiwan covers a range of activities, from conducting freedom of navigation operations (FONOPs) in the international waters of the Strait, to arms sales for Taiwan's defense, to expanded trade and investment. Beijing objects to U.S. activities that it perceives as encouraging or facilitating Taiwan's independence, particularly since the first Trump administration took an unusual approach to Taiwan beginning in 2016, with an unprecedented phone call between Tsai and then president-elect Trump. Among the activities that drew China's particular ire were increased arms sales and visits to Taiwan by high level U.S. officials after the passage of the Taiwan Travel Act in 2018, including the first visit by a cabinet secretary in August 2020. The second-ever visit to Taiwan of a sitting speaker of the House of Representatives in August 2022 was preceded by months of warnings from Beijing. It was then followed by China's largest military drills around Taiwan up to that point, with blockade exercises and live-fire drills. The message that Beijing wants to send Washington is clear. It is also clear that Taiwan will bear the brunt of China's retaliation for what China sees as U.S. overreach.

In this context, the United States has a challenging role to define. How best can Washington support Taiwan against Beijing's intimidation and threats without provoking excessive anger from Beijing that will heighten the tension in the Strait? The U.S. cannot control China's decisions and should not allow China's reactions to determine its own choices. After all, the TRA requires the United States to provide Taiwan with the arms to defend itself and to maintain the U.S.'s own capacity to resist China's coercion against Taiwan. But the next

administration can be judicious in its approach to Taiwan, so that U.S. engagement focuses on substantial cooperation over symbolic gestures.

POLICY RECOMMENDATIONS

Ensure that arms sales to Taiwan support the porcupine strategy, preparing Taiwan for an asymmetric conflict with a core strategy of deterrence by denial. Such arms sales favor a large quantity of lower-cost weapons, like drones and mines, over fewer, more expensive platforms and assets that become high-value targets in a conflict.

Expand cooperation in emerging domains, such as cybersecurity, and on nontraditional security issues like disinformation. Taiwan and the United States have significant expertise and practical experience to share with each other in these areas. As threats in these areas rise, particularly with the increased capabilities of artificial intelligence, working together to improve resiliency against cyber threats and disinformation will be a critical part of resisting coercion.

Deepen economic ties with Taiwan through the negotiation and passage of a second agreement under the U.S.-Taiwan Initiative on 21st Century Trade. The passage of the first agreement under this initiative in 2023 was just the first step towards a comprehensive set of trade agreements with Taiwan. It will be important to not allow momentum to slow as negotiations continue for the second agreement, which covers agriculture, labor, and the environment, and subsequent agreements.

Avoid symbolic gestures that antagonize China while not substantially furthering U.S.-Taiwan partnership, such as high-level visits similar to Pelosi's in August 2022, or the passage of legislation that contradicts the TRA and the "one China" policy, such as recognition of Taiwan's independence. A range of factors influence how China views symbolic gestures, from the timing to the officials involved, but an assessment of the benefits for U.S.-Taiwan cooperation compared to the potential reaction from Beijing can guide the decision.

To Counter China, the U.S. Must Do More in Myanmar

China is taking advantage of the void in U.S. leadership in a critical arena in the Indo-Pacific

By Steve Ross & Yun Sun

TOPLINE

In the past three years, China has significantly strengthened its position in Myanmar and is now approaching a level of influence unparalleled in more than a decade. China can be fully expected to use its influence in Myanmar to advance its geostrategic interests in South and Southeast Asia – a significant challenge to U.S. efforts to counter China in the Indo-Pacific. To address the threat, the U.S. must take a more proactive approach to Myanmar and leverage opportunities with Myanmar's neighbors to advance U.S. interests.

THE PROBLEM

As its neighbor to the north, China has always loomed large over Myanmar (also known as Burma). But since a February 2021 coup by the Myanmar military, China has significantly strengthened its position in Myanmar and is now approaching a level of influence unparalleled in the past 15 years. China has strengthened its position by bolstering its support to ethnic armed groups on the China-Myanmar border before balancing such support by recently swinging behind the military government as it seeks to maintain influence over both sets of actors. In so doing, China is fast becoming not only the kingmaker in Myanmar, but the arbiter of checks and balances against the king it anoints.

What has been striking over the past four years is the absence of alternative international leadership on Myanmar. In the immediate aftermath of the coup, the people of Myanmar clamored for a strong international response, presence, and approach toward the crisis, particularly from the United States. While the U.S. and others mostly in the West have imposed targeted sanctions and offered strong rhetorical support to the parallel National Unity Government and other pro-democracy forces, much of the international response has been outsourced to the Association of Southeast Asian Nations (ASEAN) since April 2021, when the bloc agreed to a Five-Point Consensus to address the crisis. ASEAN has achieved little since and no other actor, including the U.S., has demonstrated an inclination to offer practical

assistance that could either bolster prospects for the military's defeat or hasten a political solution.

The United States' relatively laissez-faire approach can be explained in part by the view of Myanmar as a "boutique" issue for U.S. grand strategy with little direct impact on U.S. national security. However, the U.S. can no longer afford to view Myanmar as a "boutique" issue. The coup has unleashed tremendous chaos within Myanmar as well as regional instability and poses a threat to U.S. national interests in strategic competition with China, including the promotion of democracy and the protection of human rights.

To be sure, U.S. interests in Myanmar are unlikely to equal those of China, which views Myanmar as having a unique strategic importance. Its geographic position places Myanmar on a direct path between China and three key regions: the Indian Ocean, South Asia, and Southeast Asia. Though it values Myanmar's natural resources, China mainly sees the country as a corridor connecting China to the world.

While viewing Myanmar through a geopolitical lens is not always helpful, Myanmar is already entangled in a great power competition. As China fears the democratic opposition led by the National Unity Government is too pro-Western in its orientation, Beijing has put its finger on the scale to tilt the balance in the military's favor ahead of deeply flawed elections manufactured by the military and planned for 2025. Without deeper U.S. engagement, Myanmar could fall into a protracted state of conflict and fragmentation, supported and dominated by China.

ESSENTIAL CONTEXT

Myanmar has been embroiled in turmoil since a February 2021 military coup prompted a complex political crisis, a humanitarian emergency, and an economic collapse. In the wake of the coup, a violent crackdown on peaceful protests and civil disobedience movement participants sparked unprecedented and sustained armed resistance which has eroded the military's control on its borders as well as in parts of the Bamar heartland that had not experienced conflict in decades. As it has lost territory – and it suffered a series of particularly humiliating defeats over the past year following an offensive by armed groups along the China-Myanmar border and in Rakhine State – the military has increasingly turned to airstrikes, weaponized drones, and a "four cuts" counterinsurgency strategy specifically designed to impose suffering upon civilians.

The impacts of the ongoing conflict have been both significant and tragic. Thousands of civilians have been killed (as well as tens of thousands of combatants) and over three million are internally displaced, while the economy has shrunk by 20%, the poverty rate has doubled to nearly half the population, and at least one in four in the country face food insecurity. The crisis is particularly acute in Rakhine State, where two-thirds of its population of three million faces starvation and 95% could fall into poverty next year. Myanmar has also emerged as a significant threat to regional peace and security given the outflow of tens of thousands of

refugees to neighboring countries as well as a proliferation in transnational crime, including cyber scamming, drug production and trafficking, and arms trafficking.

Both the Myanmar military and resistance actors now view the conflict as existential. The military views its defeat as posing a threat not just to the safety of its leaders, but to the institution of the military itself, which it views as the sole entity capable of defending Myanmar's sovereignty and holding the diverse country together. In contrast, resistance actors cannot countenance a return to a status quo ante under the military-drafted 2008 Constitution, which grants the military a preeminent role in security, politics, and the economy.

With no political solution likely in the near-term, the conflict is set to continue and, as it has evolved, China has increasingly thrown its weight behind the military regime. Initially, China was equivocal in its support. It called the coup a "major cabinet reshuffle", continued to provide weapons to the military, pressed for major infrastructure projects under the Belt-and-Road Initiative to continue, and regularly sent high-level officials to Naypyidaw while welcoming military regime counterparts to China. At the same time, China was careful not to confer formal recognition of the military, did not welcome coup-maker and Commander-in-Chief Min Aung Hlaing to China until recently, and has allowed Myanmar's resistance-supporting ambassador to the United Nations to remain in his post in New York.

As opposition to the military increased in strength and coherence, China grew frustrated with Min Aung Hlaing's leadership, his inability to establish sufficient stability to enable stalled infrastructure projects to resume, and his unwillingness to address the cyber scamming industry on the China-Myanmar border that had become a significant domestic headache for Beijing. As a signal of its displeasure, China allowed the UN Security Council to pass a resolution on Myanmar in December 2022, the first since Myanmar's independence in 1948. More significantly, in October 2023 China gave its tacit approval to Operation 1027, an offensive led by armed groups on the China-Myanmar border that made stunning advances against the Myanmar military, particularly along the border. China eventually brokered a fragile ceasefire between the groups and the regime in January, but this collapsed in June and a second phase of the offensive made even more stunning gains; by August the offensive began to threaten Mandalay, Myanmar's second city, and demonstrated an unprecedented level of coordination between Burmese and ethnic resistance force.

Fearing a collapse of the military regime from the center and the emergence of "chaos" in Myanmar, China has swung back behind the regime with force (even if it continues to view Min Aung Hlaing as both incompetent and untrustworthy). China dispatched Foreign Minister Wang Yi to Myanmar in August, has pledged support to fundamentally flawed military-run elections in 2025 (which it hopes will sideline Min Aung Hlaing), likely augmented the regime's drone capabilities, imposed an unprecedented level of pressure on ethnic armed groups, and welcomed a series of high-level visitors from Myanmar to China, including Min Aung Hlaing's first visit to the country since the coup in November.

While the commitment of resistance actors to continue the fight against the military has been clearly established and many armed groups are now much better equipped to sustain the fight (in part because of the capture of weapons and ammunition from the military), a regime that is more fully backed by China will make it much more difficult to take and hold additional territory in central Myanmar, particularly given Beijing's pressure on ethnic armed groups to sever links with other resistance fighters.

If the Myanmar military is able to hold the center and if China is able to broker some form of settlement with the groups on the China-Myanmar border as well as the Arakan Army – both big ifs – China would be very well-positioned to advance its geostrategic interests in Myanmar and extend its influence throughout the Indian Ocean, South Asia, and Southeast Asia. That prospect should cause significant alarm among U.S. policymakers.

POLICY RECOMMENDATIONS

To counter Chinese influence in the Indo-Pacific, the U.S. must take a more proactive approach to Myanmar while also leveraging emerging opportunities among Myanmar's neighbors to support these efforts.

Take a more proactive approach to Myanmar:

Develop and implement a proactive strategy. Now that China's cards vis-à-vis Myanmar are on the table, the new administration needs a proactive strategy toward Myanmar to replace the current strategy of inaction. This strategy should be predicated on a full, nuanced understanding of China's approach, endgame, and impact in Myanmar that seizes upon ample opportunities to counter Chinese influence in the country. Half-measures, such as rhetorical support and poorly enforced sanctions, are not going to be sufficient to move the needle in the direction of the resistance and against China. To induce change, the U.S. must impose higher costs on the military and provide more meaningful support to those fighting against it. Fortunately, many of the necessary authorities, such as Executive Order 14014 and the 2022 BURMA Act, are already in place and should be more rigorously implemented.

Appoint a champion within the USG. The new administration needs to identify a champion on Myanmar within the U.S. government. Given the significance of the issue and intensity of the armed conflicts and their impact, the Myanmar issue would benefit from daily dedicated attention from a senior U.S. government official to coordinate policy and lead initiatives. One option could be to appoint someone as Special Representative and Policy Coordinator for Burma, a position that has been vacant since 2014.

Maintain flexibility. Given the fluidity of the situation, the new administration should maintain some strategic flexibility. The proliferation of actors in the civil war has created unconventional political forces that President Trump, with his unique style of diplomacy, may be well-suited to engage; the administration should keep an open mind and be willing to talk to

a range of actors, including armed groups on the China-Myanmar border. Though a political solution does not seem likely in the near-term, the rapidly changing domestic politics of the country could lead to unexpected changes of positions, perhaps even within the Myanmar military. U.S. efforts to counter Chinese influence in Myanmar are currently best served by supporting resistance actors, but U.S. policy should preserve flexibility to work with evolving political realities on the ground.

Leverage opportunities among Myanmar's neighbors:

Encourage increased Indian engagement. Though India's approach to Myanmar since the coup has mostly been focused on engagement with the military, it has recently stepped up its outreach to a broader range of stakeholders. Particularly given the close relationship between Presidents Trump and Modi, the incoming administration should encourage India's nascent efforts to reach out to Myanmar's parallel National Unity Government, ethnic armed groups, and other stakeholders. Though India's approach to Myanmar and its national security interests may not fully align with the U.S., India is a key bulwark against Chinese influence in South Asia and has potential to extend its engagement into Southeast Asia.

Support Bangladesh's interim government to address the Rakhine crisis. While the incoming administration may be inclined to view Bangladesh through an India lens, there is a real opening for U.S. engagement in Bangladesh. The interim government is generally pro-U.S. in its orientation and China is approaching the country carefully following the previous government's ouster by student protesters in August. While there is broad scope for the U.S. to engage Bangladesh, including on the economy and in implementing reforms, the U.S. is particularly well-placed to assist Bangladesh in finding a solution to the Rohingya crisis. The U.S. should demonstrate continued leadership on the humanitarian crisis in Rakhine and its spillover impacts on Bangladesh and the U.S. also could help Bangladesh work towards a political solution to the Rakhine crisis, including through its diplomatic efforts.

Nudge Thailand to look beyond the military. Like India, Thailand has mostly focused its post-coup engagement on the military. Unlike India, however, Thailand has not broadened its engagement to other actors (though it does maintain communication with some of the armed groups in southeast Myanmar and hosts a significant refugee population as well as a much larger migrant labor workforce from Myanmar). While recognizing that it has its own significant interests in Myanmar, Thailand is a treaty ally and that should provide scope for the U.S. to push the Thai government to do more to support U.S. interests in Myanmar, including through allies in the Thai parliament that are already pressing for Thailand to change tack.

Revive the South Asia Strategy

By Elizabeth Threlkeld and Elizabeth Zazycki

TOPLINE

U.S. interests in South Asia are not one-size-fits-all. While the first Trump administration developed both South Asia and Indo-Pacific strategies, the Biden administration opted against a public-facing South Asia strategy. This approach limited opportunities to advance U.S. policy objectives beyond those focused on strategic competition with China. As the Trump administration returns to Washington, the President-elect's team would do well to revive its original approach. Defining distinct yet complementary South Asia and Indo-Pacific strategies offers the incoming administration an opportunity to better align U.S. objectives with the evolving realities of the region. Combined, these policies can be more than the sum of their parts, providing the Trump administration with a coherent framework for navigating complex regional dynamics and advancing the full range of U.S. interests.

THE PROBLEM

The policy landscape President-elect Trump will inherit in South Asia has changed dramatically since his first term, even as U.S. objectives in the wider Indo-Pacific have endured. A key question for the incoming administration is how it plans to prioritize, deconflict, and balance U.S. interests within South Asia alongside broader policy goals in the Indo-Pacific, where competition with China is paramount. The first Trump administration developed both South Asia and Indo-Pacific strategies, with the former framing the region through the lens of the war in Afghanistan and the latter focused on India as a counterbalance to China. The Biden administration, in contrast, opted against a public-facing South Asia strategy and instead relied on an updated Indo-Pacific policy to guide its approach toward the region.

As the Trump administration returns to Washington, the President-elect's team would do well to revive its original approach, developing a standalone strategy for South Asia alongside its broader Indo-Pacific goals. Doing so would bring several benefits. First, a South Asia strategy would provide a space for the administration to fully define its policy toward India beyond its role in the China context. India has grown into a global player with influence and equities far beyond the Indo-Pacific, and one that merits a more comprehensive approach. Second, it would provide top-level policy guidance on all the countries in the region, including Pakistan and Afghanistan. Both are excluded from the Indo-Pacific strategy but remain countries in which U.S. interests are at stake. Especially given Pakistan's enduring rivalry with India, its

partnership with China, and its significant nuclear arsenal, this would fill a critical gap. Third, a separate regional policy would allow the administration to define U.S. goals in the region beyond those driven by competition with China. South Asia represents a key area of opportunity for the U.S. given its economic potential, global diaspora, and technology ecosystem, and region-specific policy guidance could best leverage those strengths.

Crucially, through developing a standalone South Asia strategy alongside an updated Indo-Pacific policy, the incoming administration could identify new synergies between the two as well as ease emerging points of friction. Washington's focus on strategic competition with Beijing suggests Indo-Pacific priorities will likely win out over South Asia-specific interests. But the process of developing both policies in tandem would allow the administration to ensure optimal alignment between the two while managing competing priorities.

ESSENTIAL CONTEXT

The first Trump administration's South Asia strategy, unveiled in a speech early in Trump's tenure, defined U.S. policy in the region primarily through the lens of the war in Afghanistan. It called for a conditions-based approach to the war effort while criticizing Pakistan for sheltering militants and calling on India to provide more economic assistance to Afghanistan. The strategy briefly noted the risk of nuclear escalation between India and Pakistan, as well as the threat of a terrorist attack on the U.S. homeland, including one involving nuclear materials. At no point in the speech was China mentioned. Instead, the strategy's focus was on shaping the future of a war that has since ended on terms far different than those that Trump set out in his policy speech.

The Trump administration also developed a strategy for the broader Indo-Pacific region. Just before departing the White House, Trump's team released a declassified version of the U.S. Strategic Framework for the Indo-Pacific, which prioritized maintaining U.S. "diplomatic, economic, and military preeminence in the fastest-growing region of the world" and countering China's efforts to prevent the U.S. from "achiev[ing] its national interests in the Indo-Pacific." The strategy framed India as a partner in "counter[ing] Chinese influence in South and Southeast Asia and other regions of mutual concern." It sought an India that "remains preeminent in South Asia" by "accelerat[ing] India's rise and capacity to serve as a net provider of security." Goals within broader South Asia were limited to strengthening the capacity of emerging partners, including Maldives, Bangladesh, and Sri Lanka, "to contribute to a free and open order." Notably, Pakistan and Afghanistan were not mentioned.

Four years later, the Biden administration leaves office having maintained many of the same policy goals in the Indo-Pacific but without having outlined a public-facing, standalone South Asia strategy. Biden's 2022 Indo-Pacific Strategy offered support to "a strong India" as a "net security provider" and did not include Pakistan or Afghanistan. It framed India as a "like-

minded partner and leader in South Asia and the Indian Ocean" and pledged to "support India's continued rise" while "working together … to promote stability in South Aisa." Within the wider region, the strategy focused on "humanitarian-assistance and disaster-relief needs, maritime security, water scarcity, and pandemic response." Biden's 2022 National Security Strategy hit on similar themes, not mentioning Pakistan and expressing confidence in the U.S.'s over-the-horizon counterterrorism capacity in Afghanistan while pledging to "ensure Afghanistan never again serves as a safe haven for terrorist attacks on the United States or our allies."

Evolving regional landscape

The past four years have seen significant developments in South Asia with implications for U.S. policy in the region. The most notable change from Trump's previous term is in Afghanistan, where the 2020 Doha agreement with the Taliban paved the way for the Biden administration's August 2021 withdrawal and the Taliban takeover. Post-withdrawal, the U.S. no longer has a military presence in the region, even as terrorism remains a significant challenge both within Afghanistan and beyond. Human rights concerns are acute in Afghanistan, as is humanitarian need. Elsewhere in the region, countries including Bangladesh, Sri Lanka, Nepal, and the Maldives have seen political transitions since Trump's first term that pose both risks and opportunities for Washington. Pakistan, while again led by the same party as when Trump first came to office, has endured a political power struggle alongside economic and security challenges over the past four years and continues building out its nuclear capabilities.

Prime Minister Narendra Modi remains at the helm in India, albeit within a coalition government and amid ongoing bilateral friction over alleged targeting of dissidents on U.S. soil and a bribery scheme. More broadly, India's stature on the global stage has grown, buoyed by its economic growth, deft diplomacy, and geopolitical tailwinds. New Delhi has managed to both deepen ties with the U.S. and grow its trade relationship with Russia over the course of the Ukraine war. India has burnished its reputation as a leader of the Global South and positioned itself to play a potential role in conflict mediation well beyond South Asia. While New Delhi and Beijing recently reached an agreement to disengage after a four-year border standoff, their protracted tensions ensured that India now sees China as its primary adversary and the U.S. as a critical partner. For its part, China has continued its efforts to cultivate influence across South Asia with varying degrees of success, driven both by its own overreach and regional domestic factors.

Friction points and missed opportunities

The primacy of the Indo-Pacific strategy in the Biden administration's approach reflected U.S. prioritization of competition with China, but the strategy did not sufficiently address areas not covered by Indo-Pacific policy goals or where they clashed with other key U.S. policy objectives. These include:

Nuclear risk

Managing nuclear risk is a vital U.S. interest in a region home to nuclear-armed rival states China, India, and Pakistan. Beijing's ongoing nuclear modernization is driving a regional arms race, with India and Pakistan, in turn, developing more and more capable weapons and delivery systems to keep pace. While nuclear signaling has not featured prominently in past India-China crises, the same cannot be said for India and Pakistan, which have fought four wars over the past seven decades and endured several nuclear-tinged crises. India's nuclear arsenal now outnumbers Pakistan's, and its growing capabilities in the maritime and space domains and in missile defense and emerging technologies drive Pakistani anxieties. Likewise contributing to Pakistan's threat perceptions are foreign military sales and technology transfers to India, including from the United States. New Delhi frames these capabilities as critical to deterring Chinese aggression, but Islamabad instead views them as destabilizing assets that could be leveraged in a future crisis scenario with Pakistan. Pakistan, meanwhile, continues to increase its military dependency on China across all three services, contributing to Indian perceptions of a two-front threat.

Another element of nuclear risk in the region is the role the U.S. has traditionally played to encourage de-escalation between the two sides as an external crisis manager. Washington had historically been seen as a relatively neutral third party, but it sided more clearly with India in the most recent India-Pakistan crisis in line with the deepening strategic partnership between New Delhi and Washington. In a future crisis, U.S. policymakers could be forced to grapple with how to balance the immediate interest of crisis de-escalation with the long-term goal of deepening cooperation with New Delhi in the Indo-Pacific. Especially given China's support to Pakistan in the most recent crisis and its likely role going forward, the U.S. policy goal of reducing nuclear risk in South Asia increasingly intersects with Indo-Pacific strategy objectives.

Counterterrorism

Militant groups are ascendent in parts of South Asia, including along the Pakistan-Afghanistan border where the Tehreek-e-Taliban Pakistan and Baloch Liberation Army are carrying out attacks with alarming frequency. The March 2024 attack in Moscow by Islamic State-Khorasan Province demonstrated the Afghanistan-based group's continued will and capacity to strike targets well beyond the region. Indian-administered Kashmir has likewise seen a rise in attacks of late, and some analysts warn of a growing threat of extremism in Bangladesh following the fall of the Awami League government and instability in India's northeast along its restive border with Myanmar. These threats are not addressed under the Indo-Pacific strategy, with some former officials arguing that they constitute a distraction from the more urgent imperative of strategic competition with China. Nonetheless, they remain real threats in South Asia that could impact vital U.S. interests through the risk of an attack on the homeland or key partner or ally, as well as through potential instability in a region with nuclear capabilities. What's more, states that are distracted by internal challenges are less effective partners for Indo-Pacific strategic objectives.

Regional priorities

U.S. interests in South Asia are broad and varied given the region's significant potential and its diverse challenges. By prioritizing strategic competition, the existing Indo-Pacific strategy fails to capture these diverse interests and by default privileges those most in line with U.S. objectives in the region vis-à-vis China. One example is India's growing profile outside the region as both a leader of the Global South and an emerging player beyond the Indo-Pacific. New Delhi's increasing weight on the world stage – including as a potential conflict mediator between Ukraine and Russia and key node in Middle East connectivity – highlights the aspects of its role that extend well beyond the ambit of the Indo-Pacific and that are thus are not fully captured in the strategy. Primarily defining relations with South Asian states through an Indo-Pacific framework also complicates ties with the many regional states which seek to avoid choosing sides between Washington and Beijing (as well as India). While competition with China is undoubtedly a defining aspect of U.S. policy in the region, this narrow frame could limit regional receptivity to U.S. engagement perceived as adversarial to China.

More broadly, the Indo-Pacific strategy's focus on India as both the regional leader and net-security provider does not account for instances in which the U.S. and India do not see eye-to-eye on regional priorities or where India's own history in the region brings unhelpful baggage. Bangladesh is one such example, where U.S. concerns over human rights and governance conflicted with India's strong support for the Awami League government before its fall. Baseless allegations by Indian analysts that the U.S. was behind the change in government speak to the lingering distrust on this issue, which impacts bilateral cooperation more broadly. Relations with Pakistan are another instance of imperfect alignment, as India has minimized its engagement with Pakistan while the U.S. has sought to chart a new, albeit limited, path for ties given its enduring interests. Regarding India itself, the U.S. has expressed concerns over New Delhi's treatment of minorities and deep ties to Russia as well as the alleged targeting of dissidents abroad. These issues are not captured in the Indo-Pacific strategy and have complicated its implementation.

POLICY RECOMMENDATIONS

Even as the Trump administration looks to calibrate its own regional policy objectives, the process of developing a standalone South Asia strategy would allow for that prioritization to occur while taking into account the full region and range of U.S. interests in South Asia. Accordingly, the incoming administration should take the following steps to unlock the full potential for strategic engagement in the region:

Develop a comprehensive South Asia strategy. The incoming administration should direct its national security team and relevant agencies to invest attention and resources into the development of an updated South Asia strategy that clearly articulates U.S. interests in the

region, allowing Washington to manage challenges and leverage opportunities. It should also recognize the potential for regional states to play key roles beyond South Asia and identify U.S. policy objectives in line with this extra-regional engagement.

This strategy should cover all South Asian states – including Pakistan and Afghanistan – to establish clear priorities among the U.S. interests in the region. These include nonproliferation and nuclear risk, counterterrorism, economic growth and debt sustainability, trade and investment, energy security and environmental concerns, and technology cooperation. While the incoming Trump administration is unlikely to focus on issues including governance, climate, and India's Russia relationship to the same extent as did the Biden administration, other issues including India's economic protectionism and trade balance could rise in importance. Regardless of the outcome, this standalone strategy would allow the administration to define and deconflict its full range of regional priorities.

Develop a targeted Indo-Pacific strategy. In tandem, the Trump administration should develop a revised version of the Indo-Pacific strategy that clearly delineates the Chinese activities most concerning for U.S. interests, including issues like economic coercion beyond the hard security domain. While China's reach across the region and beyond ensures that nearly every issue has a China nexus, an Indo-Pacific strategy that seeks to cover them all risks overreach and dilution of impact. Instead, a policy that is more narrowly focused on those areas that are critical from a strategic competition perspective – and on the ability of cross-regional groupings like the Quad, AUKUS, and other minilaterals to address them – will be most effective.

This targeted strategy will both allow the United States to more effectively choose its battles and to focus its efforts in countering the most immediate threats. It will also provide reassurance to regional partners reluctant to take sides that the U.S. is not attempting to force a hard break with China across the board. Buttressed by standalone regional strategies for South Asia and potentially also Southeast and East Asia, the Indo-Pacific strategy can better direct efforts and coordinate cross-regional responses.

Leverage opportunities and manage fiction between both strategies. Having developed both South Asia and Indo-Pacific strategies, the administration should identify areas in which U.S. interests in the region intersect with or diverge from those tied to strategic competition. While India is likely to remain the key pillar of U.S. economic and security engagement in the region as well as a critical partner in global priorities, Washington should be mindful of the impact of New Delhi's growing capabilities on regional threat perceptions and strategic stability. Similarly, the United States should ensure that it maintains a level of engagement with Pakistan sufficient to provide a viable alternative to China in cases when it is in U.S. interests to do so, and to maintain open lines of communication on critical issues including strategic stability and counterterrorism.

Region-wide, a shared goal of both the South Asia and Indo-Pacific strategies should be to deepen regional connectivity and economic integration, both of which serve to maximize the region's growth potential while building internal resilience against economic coercion. Another area of overlap is a focus on supply chain diversification in order to both build out regional capacity and reduce dependencies on China. Finally, developing both strategies in tandem could help to drive additional focus on the Indian Ocean within the Indo-Pacific framework, an important corrective in response to criticism that Pacific issues too often dominate Indo-Pacific policy implementation.

Taken together, distinct yet complementary South Asia and Indo-Pacific strategies offer the incoming administration an opportunity to better align U.S. objectives with the evolving realities of the region. A comprehensive policy approach for all of South Asia can address challenges and harness opportunities specific to the region, while a streamlined Indo-Pacific strategy ensures clarity in countering China's influence. Combined, these policies can be more than the sum of their parts, providing the Trump administration with a coherent framework for navigating complex regional dynamics and advancing U.S. interests.

Bring the National Defense Strategy into Balance

By Kelly A. Grieco

TOPLINE

Time is running out. The United States is overextended, involved in two wars — in Ukraine and the Middle East — even as it confronts its greatest strategic challenge — China — in a third distant theater in the Indo-Pacific. American military power is great but not unlimited. The next administration's National Defense Strategy should prioritize the challenge posed by China, shifting away from Europe and the Middle East to focus more on deterrence and defense in the Indo-Pacific. Doing so requires relearning the strategic purpose of alliances and strategic partnerships to recognize that these relationships are not ends in themselves but, rather, means to achieve U.S. national security objectives.

THE PROBLEM

The last administration came into office wanting focus on the Indo-Pacific, warning, "China is the only country with both the intent to reshape the international order and, increasingly, the economic, diplomatic, military, and technological power to do it." Its National Defense Strategy (NDS) vowed "ruthless prioritization" to meet the challenge posed by China, but the Department of Defense (DoD) failed to deliver on that promise. The concept of "integrated deterrence" — the centerpiece of the last administration's NDS — was too broad a concept to help with this problem. Integrated deterrence called for the use of "every tool at the Department's disposal, in close collaboration with our counterparts across the U.S. Government and with Allies and partners, to ensure that potential foes understand the folly of aggression." The recourse to other government agencies using non-military instruments of power to deter U.S. adversaries was in itself an admission that the NDS had a means-ends mismatch. It also gave the illusion of closing this gap.

Instead of exercising strategic discipline, the Biden administration progressively deepened commitments in Europe and the Middle East, pulling military resources and attention away from the Indo-Pacific. Since Russia's invasion of Ukraine in February 2022, the United States has deployed an additional 20,000 forces to Europe, bringing the total to over 100,000 American service members either deployed or permanently stationed across the theater. It has

also spent billions in security assistance in supporting Ukraine's war effort, including supplying Kyiv with a "significant number" of long-range precision missiles, called Army Tactical Missile Systems, or ATACAMS.

In the last year, the United States has also surged air and naval forces into the Middle East, despite the critical role that some of these assets were playing in deterrence in the Indo-Pacific. In August 2024, for example, after redeploying the USS Dwight D. Eisenhower and the USS Abraham Lincoln Carrier Strike Groups from the Pacific to the Middle East, the United States was without a carrier in the Indo-Pacific for the first time since 2001. The Pentagon has also more than doubled the number of U.S. Air Force fighter squadrons and deployed B-52 bombers and additional aerial refueling aircraft to the region, bringing the total number of U.S. forces in the Middle East to about 43,000.

In simultaneously supporting Ukraine and Israel, the United States has depleted weapon stockpiles, especially the air and missile defense capabilities it needs to defend U.S. bases in the Indo-Pacific. Pentagon officials have admitted that the U.S. military's stores of long-range air and missile defense interceptors are running low, straining its ability to continue supplying Ukraine and Israel with the weapons they need without endangering its own military readiness. Since October 7, the U.S. Navy has fired weapons like the Standard Missile-3, Standard Missile-6, and Tomahawk missiles — ranging in cost from several million to tens of million apiece — at rates faster than it can replace them. In October 2024, for example, two U.S. Navy ships fired about a dozen SM-3 interceptors at Iranian ballistic missiles headed for Israel — expending a year's worth of SM-3 production in a single day. The defense industry has struggled to ramp up production, owing to a combination of technical complexity and shortages of critical components. The United States simply cannot produce its way out of the acute tradeoffs it now faces between wars in Europe and the Middle East, and the urgent need to strengthen deterrence and defense in the Indo-Pacific.

ESSENTIAL CONTEXT

As my Stimson colleague Christopher Preble has argued, given China is a formidable strategic competitor, it is more important than ever for the United States to set clear priorities and make hard choices. The Commission on the National Defense Strategy would have the next administration ignore this problem: it recommends the United States build a large forward deployed force capable of waging simultaneous conflicts in the Indo-Pacific, Europe, and the Middle East, and proposes raising taxes and cutting entitlement benefits, like Social Security, to pay for it. This "more-of-everything" approach is a bad deal for the American people, especially because there is an alternative — playing a smaller military role in Europe and the Middle East while shifting U.S. military resources to the Indo-Pacific.

European allies are in position to take primary responsibility for their own security and defense. They have significantly more latent power than Russia — with a combined gross domestic product ten times larger than the Russian economy and a total population three

times larger than that of Russia. Moreover, European militaries collectively outspent Russia four to one on defense in 2023 and are roughly equal in personnel with the Russian armed forces, despite Russia increasing defense spending and expanding its military amid the war in Ukraine. European countries have some significant capacity shortfalls, particularly in critical air enablers, for which they depend on the U.S. military, and continue to spend their defense euros inefficiently, owing to excessive duplication and fragmentation of Europe's defense industry, but they still have considerable military power with which to counter Russian threats.

Similarly, a U.S. military presence in the Middle East is not required to maintain the balance of power in that region. Iran is the most plausible candidate for regional hegemony, but it is much too weak economically and militarily to make a successful bid. Moreover, as the political scientist Eugene Gholz has argued, the geography of the region works against Iranian regional hegemony, as it would require Tehran to conquer oil-rich Kuwait, southern Iraq, and eastern Saudi Arabia, projecting its military power thousands of miles beyond its borders. Indeed, one of the main reasons Tehran relies on asymmetric approaches to deterrence — including the use of proxy actors, such as Hamas and Hezbollah — is the country's military weakness relative to the United States and other regional actors. These hard-power realities suggest Israel, Saudi Arabia, and other Gulf states are capable of containing the Iranian threat without a large U.S. military footprint.

Advocates of continued primacy, however, contend that the United States cannot pull back in either region. They insist the United States remain "all in," or U.S. allies — including those in the Indo-Pacific — will no longer believe America's security commitments are credible. These fears are overblown. What matters in credibility calculations are the capabilities the United States can bring to bear and the issues at stake in a given situation. Reputations matter in international relations, but they are not the only — or even necessarily the most important — factor in these calculations.

More fundamentally, the United States needs to relearn the strategic purpose of alliances and security partnerships: They are not ends in themselves but means to secure U.S. national security interests. For the last administration, being a "good" ally seemed to mean never saying "no," or at least almost never. Promising to support Ukraine "for as long as it takes" and "bear-hugging" Israel may seem noble acts, but neither served well U.S. interests — or ironically enough, Ukrainian or Israeli interests.

In endorsing Kyiv's maximalist war aims — to restore its 1991 borders — for example, Washington found itself supporting Ukraine's summer 2023 counteroffensive even though it had little chance of success against Russia's heavily fortified lines. In ignoring these military realities, however, the United States failed Ukraine as an ally. When it might have negotiated from a position of strength, Kyiv instead pursued total victory and as a result may have missed its best opportunity to negotiate a favorable settlement.

Likewise, the last administration refused to use its leverage with Israel to pressure Prime Minister Benjamin Netanyahu and his government to end the wars in Gaza and Lebanon, or to avoid reckless actions that risk escalation with Iran. Instead, it repeatedly used words like "ironclad" and "unwavering" to describe U.S. support for Israel and promised the "United States has Israel's back," no matter what. The logic seemed to be that if Washington offered unconditional support for Israel's wars, it would gain some measure of influence over Israeli decision making.

That approach has clearly failed. Israel has mostly ignored U.S. calls to limit civilian casualties, refrain from opening a second front in Lebanon, and avoid direct conflict with Iran. Instead, the U.S. military became an active participant in the war — twice stepping in to defend Israel against Iranian missile and drone attacks following Israeli escalations. Though Washington has correctly supported Israel's right to defend itself, it also seeks to avoid a wider war in the Middle East, one that risks once again drawing the U.S. military back into the region and away from the Indo-Pacific. When Israeli policy diverged from U.S. interests, the last administration was unwilling to risk a public breach with Netanyahu and thus lost its ability to restrain Israel in ways consistent with U.S. interests.

It has also had negative consequences for Israel, which finds itself facing increasing international isolation, looming financial crisis, and tit-for-tat attacks with Iran that may push Tehran further toward developing nuclear weapons. In trying so hard to prove itself a reliable ally, the last administration left U.S. alliances and partnerships unmoored from their true purpose — serving U.S. national security interests.

The next administration should not make the same mistakes. The United States absolutely needs allies and partners, particularly in confronting China, but these relationships require recalibration.

POLICY RECOMMENDATIONS

Initiate a Global Force Posture Review. Early in the last administration, the Pentagon launched a Global Force Posture Review to reassess how to "best allocate military forces in pursuit of national interests." Given the Department of Defense had designated China as its "pacing threat" and the Indo-Pacific as its priority theater, most defense analysts expected the Global Force Posture Review to propose a rebalance of U.S. military personnel and equipment to bases in the Indo-Pacific. Instead, the public summary of the classified review proposed no major changes, effectively doubling down on maintaining a large U.S. military footprint in all three theaters — Europe, the Middle East, and the Indo-Pacific — and suggesting there was no need to make any meaningful changes to the U.S. military presence abroad. The next administration should initiate a Global Force Posture Review — and it should be conducted credibly this time. This review should aim to align U.S. military commitments and global force

posture with U.S. strategic priorities and threats, shifting away from the Middle East and Europe and finally strengthening deterrence and defense in Asia.

Reform U.S. Alliances and Partnerships. The next administration should also conduct a review of existing U.S. alliances and partnerships, asking whether these relationships continue to advance U.S. national security interests. In many cases, the answer will be yes, but that they need reforms. The existing NATO command structure, for example, is a microcosm of European dependence on American military capabilities, as the top military commander is always an American officer. The next administration should propose a new transatlantic bargain, in which European allies assume primary responsibility for their own security and defense and the United States shares leadership of the alliance, starting with the appointment of a European Supreme Allied Commander Europe (SACEUR).

In other cases, like with Ukraine and Israel, the United States may need to set clear limits on U.S. security commitments. In almost all cases, including in the Indo-Pacific, Washington should push U.S. allies and partners to not only spend more on their own defense but to also make smarter acquisition choices — moving away from small numbers of "big-ticket" items like fighter jets — using its considerable leverage in terms of military aid and arms sales to push allies and partners toward acquiring large numbers of relatively cheap and mobile assets, such as surface-based missiles, drones, sea mines, and air defenses, that would greatly strengthen their deterrence and defense.

Place Asymmetric Denial at the Center of the National Defense Strategy. The next administration should jettison the concept of integrated deterrence. The United States has long used the combined threat of diplomatic isolation, military action, intelligence releases, and economic sanctions to deter U.S. adversaries — indeed, it was the bedrock of the U.S. "containment" strategy against the Soviet Union. But it is not a defense concept; it is a grand strategic one. The White House should decide how to best integrate the military and other instruments of power to best advance U.S. national security interests, as typically spelled out in the National Security Strategy. The DoD should focus on its own mission — preparing to fight and win future wars. The next administration should prioritize developing new operational concepts and making changes to U.S. force structure and posture to strengthen deterrence and defense in the Indo-Pacific.

Instead of integrated deterrence, the cornerstone of U.S. defense strategy should be asymmetric denial. This strategy would not try to symmetrically combat China's home-court advantage but rather attack its power-projection weaknesses. The United States' greatest strategic advantage is that it seeks to preserve the territorial status quo and prevent the emergence of Chinese hegemony in the Indo-Pacific. The United States, alongside its allies and partners, needs to convince China that it cannot achieve a fait accompli by increasing the costs and uncertainty associated with offensive air and maritime operations.

Rather than assume all the uncertainty and risk by trying to symmetrically gain and maintain air superiority and sea control inside China's anti-access/area-denial capabilities, a more effective approach would be to transfer those same uncertainties and risks onto the Chinese strategy. This approach would focus on denying China the ability to gain and exploit the air superiority and sea control that Chinese military writers acknowledge that they need to stand any chance of winning a quick and decisive military victory.

Instead of a small number of large, exquisite, and hard-to-replace manned platforms, a strategy of denial calls for building the U.S. military primarily around large numbers of relatively cheap and good-enough air, sea, and subsurface drones and mobile anti-air and anti-ship missiles that can achieve mutual air and sea denial inside the First Island Chain. Instead of doubling down on legacy concepts and weapon systems, the next administration should champion innovation — real innovation — and bring means and ends into balance.

Build a More Effective Military Force

Strengthen oversight and transparency to protect against military waste

By Dan Grazier and Julia Gledhill

TOPLINE

Expansive U.S. defense plans threaten military readiness, and thus, paradoxically weaken U.S. national security. The next administration has the opportunity to prioritize its acquisition goals by paring down security commitments and weapon acquisition plans. In the process, the next administration should prioritize oversight and transparency in the weapon acquisition process. Otherwise, the Pentagon will fall deeper into the defense death spiral, demanding more and more money from taxpayers while receiving less and less from the defense industry.

THE PROBLEM

The Pentagon is experiencing a readiness crisis. Despite drastic military spending growth in the past 25 years, the department struggles to meet its acquisition goals and security commitments. The solution is a strategic overhaul to pare down acquisition goals and commitments and instead focus on readiness.

The breadth of U.S. security commitments has overstretched the capacity of America's shrinking military forces. Over the past 25 years, defense spending has sharply risen to modernize the force but most of the new programs have been delivered late and overbudget. Almost all have failed to deliver the promised capabilities, and several have failed entirely. The present state of defense affairs threatens military readiness and thus, national security. U.S. defense plans exceed those necessary to protect vital U.S. national interests, muddying strategic priorities. As a result, military leaders do not have clear strategic guidance to make necessary tradeoffs in the weapon acquisition realm, negatively impacting military readiness.

The military also lacks the ability to execute U.S. defense plans in the long term. This is not merely a capacity issue; it is a strategic issue. If the Pentagon does not narrow its defense plans, the Pentagon will repeat acquisition failures of the past at the expense of both the military and the taxpayer. This is a crisis that the next administration cannot ignore.

Military readiness requires clarity about U.S. weapon acquisition goals, transparency in the acquisition process, and competition in the defense industry. More money for the Pentagon will not resolve what is ultimately a strategic issue: expansive defense plans developed at the

behest of corporations and often behind closed doors, out of the American public's view. There are several steps that the next administration can take to improve strategic clarity. First however, the administration must acknowledge the Pentagon pathologies that exacerbate expansive strategic goals.

ESSENTIAL CONTEXT

The Pentagon has long suffered from an affinity for the shiny and new. This is an affliction that, if left untreated, will have grave economic impacts for future generations. Its carriers are the very companies upon which the Pentagon relies to manufacture weapons and military equipment. Herein lies the threat of the defense death spiral: a trend in which the unit cost of new weapons increases at a rate greater than the overall military budget grows. The explanation given is that the military is developing more sophisticated, more effective, and more reliable weapons. In reality, taxpayers are spending more and more on the Pentagon, which is getting less and less from contractors in return.

Complexity is both a cause and a symptom of the defense death spiral. It is the throughline between many of the Pentagon's past acquisition failures, including the F-35 program, the Littoral Combat Ship, and the Constellation-class frigate. The Pentagon's expansive defense plans produce unrealistic or unclear requirements for new weapon acquisition programs. As a result, contractors develop unnecessarily complex weapons. They inevitably fall far behind schedule and over budget, costing taxpayers untold billions while actively hampering military readiness. Technological complexity does not render a weapon inherently more effective or reliable. The opposite effect is more likely.

Unchallenged, the pathology of the defense death spiral welcomes a bow wave in unnecessary and dangerous acquisition spending. According to the Congressional Budget Office, a bow wave occurs when actual costs exceed stated costs. Military contractors often understate expected costs to gain authorization from Congress to kickstart programs. Given both the current geopolitical environment and the rate of technological progression, it's more important than ever that policymakers are clear-eyed about U.S. national security priorities and their military implications. The United States should not pursue every shiny new gadget available. It must, instead, advance acquisition programs with clear military applications to protect U.S. national interests. The design of these weapons should be as simple as possible, not only for the sake of schedule and budget. Simply designed weapon systems are easier to sustain, and according to the Government Accountability Office, sustainment costs constitute about 70% of a weapon program's total cost, on average.

The most effective way to improve military readiness is to narrow U.S defense plans. The United States should not strain the industrial base and U.S. taxpayers to accommodate an ever-growing list of security commitments, as well as the military services' acquisition aspirations. The purpose of the military is to protect U.S. national interests in the very rare instances in

which military power is required to do so. Nothing more. Transparency in the acquisition process and competition in the industry are critical to protecting against excessive and dangerous military pursuits. The next administration has the opportunity to protect against these excesses and prevent the coming bow wave in acquisition spending, which will hurt both taxpayers and national security.

POLICY RECOMMENDATIONS

Nominate a DOT&E committed to maintaining the office's independence. Members of Congress created the office of Director, Operational Test & Evaluation in 1983 because they realized Pentagon officials were not providing them with the information they needed to make informed decisions regarding testing of new weapons. Rather, members were receiving highly curated data in many cases about poorly performing weapons so they would not cut funding. The operational testing office was instituted to be independent of the acquisition bureaucracy to ensure rigorous testing and unbiased reports. Today there is an effort within the testing community to integrate operational testing into the development process. Rather than being neutral arbiters above the acquisition fray, testing officials will soon become deeply enmeshed with design teams and service leaders. The new administration can preserve operational testing independence by nominating a director committed to preserving the original intent of the office and reverse the integration policies recently put into place.

Require all government contractors to disclose their political contributions. Currently, companies that receive government contracts may covertly support political campaigns through dark money groups, which do not have to publicly disclose their funders. Secret political spending corrupts the policymaking process by influencing lawmakers' decisions about which companies receive government contracts. The president should take executive action to ensure that government contractors disclose all political spending, as recommended by several members of Congress and organizations in civil society.

Issue an executive order to limit the use of pseudo-classification designations. President Obama issued Executive Order 13556 on November 4, 2010 establishing the Controlled Unclassified Information designation. Prior to that, each executive agency used their own designations to control the dissemination of unclassified information they generated. The new CUI designation was used sporadically for many years. But beginning in 2021, the Pentagon began using the designation widely, stamping even mundane documents like cover sheets and the final "Questions?" slide on PowerPoint presentations. The widespread use of the designation has drastically reduced government transparency by preventing oversight officials from accessing information as well as the public. Sensitive information should be protected, but executive officials also use the CUI designation to hide embarrassing information from the public in clear violation of the policy's intent. The 2010

executive order should be repealed and replaced with more focused regulations governing the use of information designations.

Prevent further defense consolidation by formalizing the Pentagon's role in reviewing mergers and acquisitions. The Federal Trade Commission and the Department of Justice are responsible for reviewing and approving potential mergers and acquisitions, including within the defense industry. While these agencies consult with the Pentagon, it does not have a formal role in the review process. The Pentagon, however, provides a critical national security perspective to potential mergers and acquisitions. The president should take executive action to formalize the Pentagon's role in the review process and prevent further consolidation of the defense industry.

Save taxpayer dollars by ensuring that subcontractors get paid on-time and in full. According to a Pentagon study, subcontractors complete 60-70% of defense work, but they often receive late and/or incomplete payments from prime contractors. As a result, subcontractors frequently borrow to complete their work, raising the cost of doing business. Either the subcontractor or the taxpayer bears these costs, hurting both industry competition and taxpayers' pockets. Worse, subcontractors are entitled to federal recourse, but they may not know that because they don't know they're working for the government. The president should take executive action to ensure timely and complete payments to subcontractors by requiring all prime contractors to indicate in their subcontracts that companies are completing government work.

Cancel the B-21 program and use a portion of the savings for a new attack aircraft program. The Air Force is currently in the process of retiring the A-10 program after an often contentious, decades-long fight. The A-10 is the only aircraft in history designed from the very beginning to support ground troops. Generations of A-10 pilots have developed and refined tactics, techniques, and procedures to ensure the proverbial "18 year-old with a rifle" received the air support needed to be successful during combat. The F-35 program was sold to Congress as a replacement for the A-10, but the F-35 cannot replace the capabilities that will be lost when the final Warthog is retired. Because wars can only be won on the ground, the attack role is the most valuable combat mission for military aviation. Despite more than a century of propaganda from aviators and aircraft manufacturers, strategic bombing has proven to be largely ineffective. Additionally, the same effects of strategic bombing can today be achieved with standoff weapons like ballistic missiles, long-range artillery, unmanned systems, and cruise missiles. It is for that reason, the B-21 program should be cancelled immediately and a portion of the savings used to begin a program to develop the next generation attack aircraft.

Prepare for the Next Biothreat Now

Preparing for the next major biothreat must be a top priority for the Trump administration.

By Christina McAllister

TOPLINE

Human cases of highly pathogenic avian influenza are rising against the backdrop of this year's mpox public health emergency of international concern, underscoring the real threat of a new domestic or international biological incident. The incoming administration must address the lessons of the last pandemic to ensure preparedness for the biothreats of the near future. Ensuring a robust U.S. biodefense also requires committing to global health security efforts and ensuring emerging biothreats can be contained wherever they occur, before they reach the United States.

THE PROBLEM

The United States and the world as a whole remain underprepared for the next major biological incident, whether of natural, accidental, or deliberate origin. Even as a new strain of mpox spreads, declared by the World Health Organization (WHO) in August to be a public health emergency of international concern, the lessons of the last pandemic have yet to be definitively gathered and comprehensively addressed.

President-elect Donald J. Trump will take office for a second term on January 20, 2025, exactly five years to the day after the United States Centers for Disease Control and Prevention (CDC) reported the first laboratory-confirmed case of COVID-19 in the United States. COVID-19 has claimed the lives of more than one million U.S. citizens and more than seven million people globally (likely many more). While many might prefer to close the book on COVID now that the crisis is over, its biodefense and nonproliferation lessons remain all too relevant as Trump prepares for a return to the White House. Of the twenty countries most affected by COVID-19 prior to March 2023, the United States had the second highest number of deaths per 100,000 in the world. The government's struggle to track rates of infection, hospitalization, and deaths; provide clear, trusted guidance to at-risk populations; and relieve pressure on hospitals and supply chains all point to significant challenges to overcome before the next major biological incident.

International systems, too, failed to meet the challenge of the crisis – a key report pointed to

crucial delays by the World Health Organization (WHO) and governments in declaring an emergency, hesitancy to take critical steps to stem the spread of the virus, failure to address deep inequities in access to protective supplies therapeutics, and more. Although COVID-19 was most likely a pandemic of natural or accidental origin, the same detection, diagnosis, reporting, and response systems would be tested nationally and internationally in the event of a deliberate attack using biological agents. Work has been done locally and globally to compile and start addressing the hard lessons of the COVID-19 pandemic. However, much more work remains to strengthen basic health and emergency response systems at home and abroad, even as a new strain of mpox spreads around the world – declared by the WHO to be a public health emergency of international concern – and the threat of other biological incidents increases, whether due to natural causes or the accidental or deliberate release of bioengineered pathogens.

ESSENTIAL CONTEXT

In the five years since the onset of the COVID-19 global pandemic, several conditions driving toward increased biological threats such as climate change, emerging disruptive technology, and technology convergence have only intensified. Climate change drives increased transmission of infectious diseases from wildlife to humans and raises the risk of novel emerging human infectious diseases. The risk of zoonotic outbreaks is clearly illustrated by the highly pathogenic avian influenza (H5N1) that continues to circulate in poultry and cattle in the United States, with human cases now ticking upwards also. Meanwhile, advances in biological engineering open up increasing opportunities – for both good and ill – to redesign organisms, engineer them to have new abilities, and even synthesize an organism's entire genome or create an entirely new organism.

Risks from other emerging disruptive technologies have also accelerated. For example, the results of an experiment developed for the Spiez Convergence Conference and published in March 2022 starkly illustrated the risk artificial intelligence and machine learning (AI/ML) presents for the development of new biothreats as well as beneficial vaccines and medicines. By reversing an AI algorithm designed to reject toxic molecules in the search for therapeutic ones, the researchers identified 40,000 toxic molecules within six hours. The convergence of these and other disruptive technologies must also be taken into account, as summed up by the Scientific Advisory Board to the Organisation for the Prohibition of Chemical Weapons (OPCW): "Significant advances in the fields of nanotechnology, proteomics, nanomaterials, polymers, liposomes, encapsulation sciences, and AI can be leveraged in the production of not only new defensive countermeasures and vaccines, but also organisms, biotoxins, and bioregulators with characteristics that render them more useful for carrying out a biochemical warfare attack."

Meanwhile, the United States faces a number of challenges to progress on a wide range of biodefense initiatives, as documented by the Government Accountability Office (GAO) in a series of reports over the past several years. In a status summary of its 452 recommendations for federal agencies and Congress related to COVID lessons, the GAO found that 220 recommendations remained unimplemented as of August 2024. While many of these recommendations relate to economic and financial planning for a pandemic, others such as an unfulfilled mandate for HHS to create a "near real-time nationwide public health situational awareness capability" are directly pertinent to biodefense priorities for the next emergency. And the root causes of U.S. failures during the pandemic run deeper and broader, encompassing basic healthcare inequities, preparedness challenges at the state and local level, coordination issues between federal, state, and local authorities, as well as political polarization, low trust in government and public health, disinformation, inadequate testing and data collection, and more. Some commentators have also noted that the lack to date of a comprehensive, bipartisan review of the U.S. government's COVID-19 response hampers a full accounting of the gaps and challenges encountered as well as an authoritative analysis of the remedial measures required.

Progress toward better preparedness at the global level has also been patchy. On the positive side of the ledger, the World Health Assembly finalized key updates in June, 2024 to the International Health Regulations (IHR), the main legal mechanism governing international prevention of and response to the spread of diseases. The changes define a pandemic emergency and establish national IHR points of contact and a Committee of States Parties to coordinate action on implementation. However, divisions over vaccine access equity and other contentious issues prevented the assembly from meeting the June 2024 deadline for finalizing a new international convention or other legal instrument on pandemic preparedness and response (the Pandemic Preparedness Instrument) convention, despite three years of negotiations. The WHO's Intergovernmental Negotiating Body reported in mid-November that the accord would not be adopted in December either, as hoped. Negotiations continue, now aiming for agreement by May 2025.

More troubling, the Independent Panel led by former New Zealand Prime Minister Helen Clark and former Liberian President Ellen Johnson Sirleaf found in June 2024 that critical political attention has waned and progress has slowed on global preparedness efforts for the next pandemic. Looking to the future, the Global Preparedness Monitoring Board (GPMB), set up in the aftermath of the 2014-15 Ebola outbreak in West Africa to serve as a high-level monitoring mechanism to ensure that preparedness reforms were implemented around the world, emphasized in this year's report that simply learning lessons from COVID-19 and previous biological incidents is not enough, noting that "[t]he next pandemic will likely be different from the last, requiring adaptive, innovative and inclusive approaches to preparedness and response."

POLICY RECOMMENDATIONS

"America First" efforts should focus on preparing domestically for the next major biological incident: Ensuring that the United States is fully prepared for the next major biological incident, whether of natural, accidental, or deliberate origin, should be a top priority for the Trump administration. Control of both houses of Congress for the next two years provides a golden opportunity to pass any critical legislation to improve preparedness and response by:

- Addressing equity in basic healthcare
- Restoring trust in government, public health, and science
- Maintaining and empowering the Office of Pandemic Preparedness and Response Policy.
- Setting up an independent, bipartisan commission to review the U.S. COVID-19 response
- Pressing Congress to address the top priority biodefense and COVID lessons learned items GAO has identified for its action
- Ensuring HHS addresses the GAO's high priority recommendations for improving its leadership and coordination of public health emergencies

Putting America First also means committing to global health security: As COVID, H5N1, Mpox, and countless other international infectious disease emergencies have demonstrated, diseases do not respect borders. Shutting down international travel and commerce is as devastating economically as the health problem it would be deployed to remedy. The best offense against an infectious disease of international concern remains a strong defense wherever in the world it might emerge or spread. The United States must recommit to the cause of Global Health Security and do its part to ensure that every country is prepared for an infectious disease emergency, has equitable access to low-cost PPE, testing, vaccines, and therapeutics, and is ready to respond domestically and collaborate internationally on the global response.

The United States must:

- Prioritize good-faith participation in the remaining negotiations to finalize the new international pandemic preparedness instrument
- Support implementation of the updated International Health Regulations
- Affirm commitment to the Global Health Security Strategy

Reconsider Nuclear Modernization Plans

Prioritize strategic stability and accountability over a dangerous and unsustainable search for supremacy

By Geoff Wilson

TOPLINE

The United States is on track to spend the equivalent of more than two Manhattan projects a year in one of the most expensive arms races in history. Unfortunately, all the systems currently being developed are already significantly over budget and behind schedule – and several might even be actively eroding America's national security by destabilizing global strategic stability and legitimizing the idea of "limited" nuclear use.

THE PROBLEM

Fundamentally, the problem with rapid new nuclear weapons development is that it is strategically destabilizing. If one nation learns that a rival is rapidly developing systems that could overwhelm or defeat its defenses, a realist response dictates that that nation must do the same to offset any strategic advantage its rival might gain and maintain deterrent parity. The alternatives are to consider attacking that rival before they have produced new weapons that can defeat your existing forces, or to find a way to negotiate with those rivals to produce verifiable diplomatic agreements to limit the production and deployment of new and destabilizing forces.

History provides many examples of this dynamic. The United Kingdom and Germany engaged in a serious naval arms race that contributed to the tensions preceding World War I. It eventually led to the Washington Naval Treaty, which sought to limit the development and deployment of new and more powerful warships. The Cold War nuclear arms race with the Soviet Union saw rapid and escalatory weapons development on both sides that led to several nuclear near-misses and the constant fear that one side would try for a "bolt out of the blue" first strike to destroy the other before a new weapon or technology could be developed that would disrupt a delicate strategic stability. Luckily for all of us here today, with each nuclear near miss, cooler heads prevailed, and diplomats were able to craft verifiable treaties to limit the most dangerous and destabilizing weapons.

If any lesson can be learned from the last Cold War – when the United States maintained a nuclear arsenal with tens of thousands of more warheads than we do today – it is that merely possessing more nuclear weapons does not make Americans any safer. The underlying truth is that deterrence isn't bolstered by rapid weapon development or numerical supremacy. Rather deterrence relies on credibility – a foundational policy of maintaining a reliable force strong enough to ensure that any opponent considering a strike would face a reprisal too devastating to make any such attack worthwhile.

Unfortunately, these are not the values that the current U.S. nuclear weapons program of record seems to value, let alone the new proposals for even larger nuclear weapons enterprises being promoted to the incoming presidential administration.

ESSENTIAL CONTEXT

The United States already maintains the world's most powerful nuclear arsenal, a high-tech array of weapons systems that currently consists of a deployed force of some 1,670 strategic nuclear warheads. These weapons already have the power to destroy all of human civilization. The overwhelming majority of U.S. nuclear warheads are significantly more powerful than the bombs dropped on Hiroshima and Nagasaki in 1945, which measured 15 and 21 kilotons, respectively. The most powerful weapon currently in the arsenal has an explosive yield of 1.2 megatons, or 80 times the explosive power of the bomb that was dropped on Hiroshima. Even the smallest weapon in the arsenal is able to "dial its yield" up or down between 5-150 kilotons depending on its target. In addition to these weapons, the United States maintains a "hedge" of some 1900 strategic nuclear warheads of all types in reserve, ready to be uploaded onto launchers in the event of a crisis. Finally, the U.S. maintains some 100 weapons – variously termed as tactical, battlefield, or non-strategic – forward deployed at six NATO air bases that are meant to be carried by conventional fighter craft in the event of a full-scale war in Europe.

Perhaps ironically, to find political support for the ratification of the landmark New START arms control treaty in 2010, the Obama Administration agreed to a seemingly modest $88 billion new nuclear weapons programs, originally billed as a modernization plan to fix or update critical elements of the aging legs of the nuclear triad. But once the doors had opened to this new nuclear spending – the first since the end of the Cold War – vested parochial interests began lobbying for more money for additional weapons programs and new nuclear missions. The result has been a flood of new weapons system proposals, totaling over $1.7 trillion in new nuclear weapons spending. This includes every leg of the U.S. strategic triad, a belt-and-suspenders approach to nuclear deterrence that comprises a diverse force of land-based ballistic missiles, manned strategic bombers, and stealthy second-strike ballistic missile submarines; as well as new and destabilizing nonstrategic nuclear weapons, intended to

be fielded alongside U.S. conventional forces, which experts argue could make nuclear war more likely.

All of these factors have produced a dangerous global nuclear weapons landscape, where the United States is now both actively contributing to a new global nuclear arms race by spending generational wealth on new nuclear weapons, while falling years behind schedule and billions of dollars over budget (by as much as 80% program cost growth in the case of the new ICBM) on its own weapons development programs through mismanagement and a near-total lack of oversight.

This current path is not only unsustainable, but reckless, given the risks associated with a lack of care in the stewardship of the most powerful and dangerous weapons ever created by man.

As such, the new administration should take a hard line in curbing the significant fiscal overreach and unaccountability of America's current nuclear weapons program of record by cutting out-of-control programs that may be weakening the U.S. deterrent force, while prioritizing essential modernization efforts meant to maintain America's secure-second strike ability and overall deterrent credibility.

POLICY RECOMMENDATIONS

Commit the United States to a legitimate deterrence-first nuclear approach, focused on secure second-strike submarine capability over the next ten years. Relations between nuclear states have destabilized dramatically over the first half of this decade, with many of the norms and values that governed how nuclear armed states interact with one another eroding significantly. Most of the major arms control agreements that governed the type and size of the world's nuclear arsenals have either lapsed or been abrogated, while several regional wars between nuclear states and their non-nuclear neighbors have erupted across the globe. Threatening rhetoric and saber rattling has escalated significantly between nuclear powers, while all nine nuclear nations have embarked upon significant nuclear weapons modification and expansion programs; resulting in what many experts have described as a new nuclear arms race.

Unfortunately, as has been the case with much of the rest of the United States' recent major weapons development programs, most of these new projects are now significantly behind schedule and over budget – potentially forcing taxpayers to simultaneously pay for current systems to be life-extended, while siphoning resources away from other critical national security priorities.

Amidst these dangerous and destabilizing times, it is essential that the new administration doubles down on the core mission of the U.S. nuclear arsenal, to deter (i.e. avoid) a nuclear

confrontation, and prioritize resources toward the successful development of the new Columbia-class SSBN program - even at the cost of other nuclear programs already in the pipeline. If any single nuclear modernization program must be completed successfully, it needs to be the maintenance of the United States' secure-second strike capability.

The strategic value and relevance of all other current nuclear modernization programs are marginal compared to the ability of the U.S. Navy to deter an enemy attack on the United States or its allies through making any potential gains too costly to contemplate given the reliable nuclear second-strike posed by the U.S.'s SSBN fleet. As such, this administration should commit the United States to a deterrence-first approach that prioritizes this most essential element of the triad by cutting and repurposing funding from other systems that are unlikely to further the U.S. deterrent, or that may even weaken it by reinforcing the failures of unaccountable and overly ambitious programs that are unlikely to ever come to fruition.

Make a public commitment to no new nuclear testing – for Americans, our allies, and the world. The global return of explosive nuclear testing by the world's major nuclear powers, and the likely negative follow-on effects it would have across many fields, would be incredibly dangerous and destabilizing for Americans, our allies, and the world.

From a big picture perspective, no one benefits from escalating global nuclear tensions, and a shortsighted decision to restart U.S. explosive nuclear testing for the first time since 1992, would result in the breaking of one of last global nuclear taboos and likely lead to an even greater destabilization of international norms and affairs. Likewise, from a realist – hard-security – standpoint, a resumption of U.S. explosive nuclear testing benefits the United States little, while giving up a significant strategic advantage. This is because much of the relative strength of the U.S. nuclear arsenal rests in its reliability compared to other nuclear powers.

The reality is that U.S. nuclear weapons have been tested more than those of any other nation, giving U.S. forces a serious advantage in the arsenal's technical reliability. U.S. commanders know how U.S. nuclear weapons work, and – more importantly – that they will work, with a high degree of certainty and specificity. By breaking the current moratorium on explosive nuclear testing, a new administration would provide justification for other nuclear weapons states that may want to develop new nuclear weapons that would require explosive nuclear tests. This would not only cede a significant strategic advantage to the United States' nuclear rivals but would simultaneously stoke a nuclear arms race that U.S. taxpayers and the national security establishment are already struggling to pay for and manage domestically.

As such, this administration should make a public commitment to not conduct new explosive nuclear tests, thereby maintaining a significant technical advantage in the U.S. nuclear arsenal, while recapturing a measure of moral high ground on the issue and forcing any nuclear rival hoping to expand its arsenal to look like a pariah in the eyes of the world.

Cut new tactical nuclear systems that pose a discrimination problem – and lessen the risk of nuclear escalation. The United States is currently in the process of developing several nuclear weapons systems that can be described as tactical, battlefield, or nonstrategic. These weapons, which are often characterized by smaller explosive nuclear yields than strategic weapons, and which are often fielded alongside conventional forces, pose a significant threat to global stability as they are often viewed as being smaller and even more usable than their larger strategic nuclear cousins.

While the United States has maintained significant numbers of such forces in the past, and plans for the use of such weapons in a less-than-deterrent battlefield role have been drawn-up by U.S. commanders in every major conflict the United States has fought in from the end of the Second World War to Desert Storm, they have never been used. This should be telling today, as no matter the potential tactical benefit they may have offered, or how dire the situation for U.S. forces on the ground may have been, the use of often vast, ready, and expensive stockpiles of these weapons has never been countenanced.

This is because both commanders and previous presidential administrations all ultimately decided that the escalation of a conflict to a nuclear level, and the normalization of nuclear use for less-than-deterrent purposes, would ultimately undercut the deterrent capability of the U.S. nuclear arsenal and raise the likelihood of a full-scale and self-defeating nuclear war.

Today, a majority of the new U.S. tactical nuclear weapons programs under consideration or in development would be based on dual-purpose U.S. cruise missile platforms. This adds a significant complication to future U.S. warfighting capabilities by introducing a discrimination problem into the launch of any U.S. cruise missile, in any theatre, across the globe. This is because any enemy facing a U.S. cruise missile strike would not be able to readily tell if they were under a conventional or nuclear attack, given that such missiles would be indistinguishable to common sensors and would have been likely launched from platforms capable of carrying both types of munitions.
Given that cruise missiles have become one of the most ubiquitous weapons in the U.S. arsenal today, this prevents a major problem for U.S. leaders, commanders, and conventional forces that have come to rely on these weapons in nearly every conventional battlefield scenario.

In a decade so far characterized by rising global tensions and the fear of a return of great power conflict, the incoming Trump administration should prioritize the safety of American forces, U.S. citizens, and allies by drawing a clear line between nuclear and non-nuclear forces, and thereby avoid potentially stumbling into a nuclear war it never intended to escalate beyond the conventional threshold.

Confront the Cybersecurity Challenge

Five policy priorities for an incoming U.S. administration

By Allison Pytlak

TOPLINE

Cybersecurity loomed large over the 2024 U.S. presidential election. At the same time, the online threat environment is evolving faster than policymakers can keep up with. From hacking operations to ransomware and spyware, U.S. government, businesses, and individuals are feeling the impact. Reducing risks and addressing threats requires leadership, vision, and partnerships. In today's globally connected society, cooperation is essential to navigating an increasingly interdependent world.

This policy memo suggests five priority areas for an incoming administration: critical infrastructure protection, enforcing accountability, improving internal coordination, digital solidarity, and building capacity.

THE PROBLEM

Cybersecurity is a growing threat to U.S. national security, highlighted during the 2024 election by cyber-attacks on critical infrastructure, foreign hacking operations, and the overwhelming influence of digital technologies on American lives. One pre-election survey showed that cybersecurity was among the top four most important foreign policy issues for voters, behind climate change, immigration, and terrorism.

Cyber should be important for voters—but also for an incoming administration. The cyber threat landscape is evolving faster than ever, and the impact of cyber operations on personal, national, and international security cannot be overstated.

ESSENTIAL CONTEXT

The digital security environment has changed considerably since President Trump's first term in office.

The cyber capabilities of states – including some U.S. adversaries like Iran – have become more sophisticated, sometimes converging with the activities of more 'traditional' cyber criminals. Cyber operations are playing a role in Russia's war on Ukraine and in Gaza, while Chinese hacking of Western critical infrastructure is intensifying. The vulnerability of U.S. critical

infrastructure was highlighted through revelations about malicious activities, like those of Volt Typhoon, a state-sponsored actor based in China that has been accused of developing capabilities to disrupt critical communications infrastructure between the U.S. and Asia in future crises. Meanwhile, North Korean cyber actors have relied on offensive cyber capabilities to circumvent international sanctions and acquire illicit revenue by attacking commercial firms, international organizations, and other sectors.

Commercial spyware firms are arming state and non-state actors with the technologies to target U.S. interests, while also enabling surveillance and censorship against citizens and dissidents abroad. Cybercrime is on the rise, with 2024 being a record year for cyber-enabled scams, ransomware attacks, and crime. Since 2021, the U.S. government has identified nearly 5,000 ransomware attacks totaling payments of about $3.1 billion USD. In the U.S., nearly 400 healthcare institutions were successfully hit by ransomware in 2024 alone. Online scams have also grown in scale and profitability in the last year. According to the FBI, losses due to investment scams surpassed all other online fraud types, accounting for more than $4.5 billion USD in losses in 2023.

Cybersecurity cannot be separated from the global digital ecosystem and keeping America secure against foreign and economic threats. There is a growing push from some states for "digital sovereignty," which champions a top-down, state-centric approach to data and internet governance that emphasizes domestic control of cyberspace including data, networks, and data centers. In response, the U.S. and its allies are advancing an approach of "digital solidarity" which stresses cooperation and a free and rights-respecting Internet to boost economic prosperity and technological innovation.

Despite a fast-moving and complex landscape, the U.S. and many of its allies have been making good strides to deter and respond to cyber incidents in recent years. Internationally, the U.S. is leading an ever-growing alliance to counter ransomware and has been taking both unilateral and collective action against spyware vendors. It pursues accountability for hostile and malicious cyber activity through sanctions, attribution statements, and other tools in the diplomatic kit while also building up the defensive cyber capabilities of allies and partners.

In 2024, the U.S. published its first International Cyber Security and Digital Strategy which complements its national such strategies and demonstrates recent investment in cyber diplomacy. Important steps are being taken to improve the security of software and supply chains, such as by encouraging "secure by design" principles and through public-private partnership. A study assessing the viability of a uniformed service for cyber defense is underway, following other efforts to shore up the cyber defense capabilities of the U.S. military.

In his first term, President Trump demonstrated a mixed record on cyber issues. As president, he signed the first national cybersecurity strategy in 15 years, which became the basis for much

of the US's current strong approach to cyber attribution and provides for the use of so-called offensive cyber capabilities and enhanced cyber defense and deterrence. His administration's efforts to check Chinese power included efforts around technology and cyber. However, Trump's public firing of then-director of the Cybersecurity and Infrastructure Security Agency (CISA) Christopher Krebs in the aftermath of the 2020 presidential election over claims of election fraud, coupled with other activities in the area of online disinformation, have negatively affected what some might describe as a generally positive record on cyber issues.

Much is yet to be revealed about the incoming administration's policies and plans for cybersecurity and cybercrime. There is a lot of speculation about what level of continuity can be expected from the Biden administration and who will fill key roles. Cyber has traditionally been a mostly bipartisan issue, but each party brings a unique approach and priorities. The President-elect has expressed a very different view about the value of multilateralism to his predecessor, and his network of advisors and allies will likely bring shifts, as well. Tech leaders, for example, are already playing a larger and more active role. It is widely anticipated that existing initiatives on tech sector regulation and liability will be affected and rolled back, in favor of innovation over regulation. President-elect Trump also holds a different orientation toward historical U.S. adversaries like China, Iran, and Russia, as well as U.S. allies. These foreign policy dynamics will likely influence how the U.S. competes and cooperates in cyberspace. At its core, cyber is an extension and tool of geopolitics. Thus, cybersecurity and cybercrime will inherently be affected as relationships and dynamics change as a result of other policies.

POLICY RECOMMENDATIONS

Amid a sea of speculation, here are five areas for the incoming administration to focus on –

Protect critical infrastructure. Cybersecurity is, at its foundation, focused on keeping assets secure and resilient. This protection is most important for the infrastructure that we depend on for clean water, electricity, energy, medical care, education, banking, finance, and communication, among others. Cybersecurity threats to critical infrastructure are a strategic risk to national security, economic prosperity, and public health and safety -- as numerous high-profile operations in recent years have shown.

CISA plays a central role in protecting such infrastructure and networks against increasingly complex cyber threats. CISA is currently experiencing pushback from certain industries around the limits of its mandate and incident reporting, and it faces an uncertain future if certain proposals found in the Project 2025 plan see formal adoption. The Agency has done important and effective work since its establishment and must be adequately funded and supported to meet the cyber threats of tomorrow. Clarifying its responsibilities and streamlining its efforts with that of other agencies, and across different industries, will be necessary, however. So too will be recognizing that not all critical infrastructures experience the same risks or have the

same resourcing to meet threats. There is a role for regulation in all of this, even if that is not the preference of the new administration; strengthening the public-private partnerships that reduce risk through information sharing and incident reporting also needs attention

Promote and enforce cyber accountability. The online threat environment necessitates robust accountability mechanisms that effectively deter and dissuade adversaries. Accountability mechanisms, both positive and negative, need to be promoted *and* robustly enforced, including through cooperation with allies and likeminded partners. Doing so can draw on multiple tools of statecraft, ranging from the imposition of consequences such as diplomatic isolation, economic sanctions, and counter-cyber operations, to actions that incentivize compliance and build capacity.

The U.S. has pursued accountability in various ways through its strategies and, increasingly, through its actions. This enforcement of accountability should be continued. For example, the recommendations of the International Counter Ransomware Initiative need to be implemented and the coalition broadened. The new administration should work with allies to strengthen methods for attributing responsibility for cyber operations that violate international law or behavioral norms. Collective and unilateral efforts such as existing blacklists that rein in the proliferation and misuse of commercial spyware and its producers should not be forgotten. The new administration is not expected to prioritize digital rights concerns around spyware. However, the national security threats posed by an under-regulated spyware industry should be a key priority for U.S. policymakers.

Improve domestic and interagency cooperation. As cyber threats diversify and multiply, so too have U.S. response mechanisms. The result is an assortment of mandates, policies, and regulations that often exist in siloes or, at an extreme, may undercut or undermine one another.

Clarifying how different offices and agencies relate to one another, auditing existing regulations for gaps and inconsistencies, and creating an interagency task force are a few ways in which roles and regulations could be better streamlined. The Office of the National Cyber Director could be elevated to oversee such coordination, for example. And while “big picture” coordination and streamlining is essential, this cooperation should be done in a way that sets up a framework for more focused interagency and domestic coordination to address specific cyber threats or risks in targeted ways as needed (i.e. cybercrime scam operations and online fraud and ransomware require differentiated responses)

Strengthen American security through global cyber cooperation. The growing emphasis in the U.S. on digital solidarity as a check against a digital sovereignty approach is an important aspect of foreign policy and technological innovation, and for defending human rights online. Technological innovation is increasingly intwined with geopolitical competition and security. The digital economy depends on the free flow of data and interoperability.

The digital sovereignty concept has therefore been a helpful way to tackle these concerns, to advance U.S. interests, and even to serve as a bridge in U.S. relations with allies like Canada and the European Union, who sometimes have different approaches to privacy and data rights. Cyber security risks are transboundary and so is the infrastructure that underpins the Internet and the U.S. cannot tackle these threats alone. The new administration would be wise to continue to pursue digital solidarity for all of the above reasons, but it should do so in a way that is rooted in established U.S. values and principles of freedom and human rights. Otherwise, actions taken in the name of technological innovation and protecting the digital economy could be seen simply as a tool for targeting adversaries or creating double standards for U.S. corporations and government agencies. That would ultimately undermine and harm U.S. interests and partnerships..

Build capacity for cyber defense and resilience today—and tomorrow. Cyber presents dynamic and evolving risks that require continuous investment in cyber capacity building, in all aspects. Future cyber risks will be more sophisticated—AI or quantum computing can render today's defenses obsolete, for example, and while cloud environments generally bring greater security, they also introduce new risks that are not yet fully understood or accounted for. The cybersecurity of satellites and outer space systems is increasingly a priority, as is securing the physical security of undersea cables, as recent events have shown.

The current shortage of skilled cybersecurity professionals in the U.S. needs to be addressed through educational and upskilling efforts in partnership with the private sector. Public awareness raising campaigns can improve cyber hygiene at the level of individuals and prevent future financial loss or the theft of personal information or reduce the effectiveness of foreign influence campaigns. Digital and cyber capacity-building for partners and allies will have a direct and positive impact on international cyber stability and overall security of the United States. A whole-of-society approach is needed to build this culture of cybersecurity. In return, improved and integrated cybersecurity practices can expect to pay dividends on American defense, resilience, and economic priorities.

Race to the Deep on Seabed Mining

Reposition the United States as a leader in shaping the seabed mining policies of the future

By Sally Yozell

TOPLINE

The United States needs to get off the sidelines and develop a sensible seabed mining policy that integrates ocean science, geopolitics, economics, and national security.

With demand growing for rare earth minerals and global supply chains uncertain, the U.S. should prioritize efforts to engage in designing the rules around deep seabed mining based on science, national security, and the geopolitical implications. China is quickly moving forward and defining the rules of the road for seabed mining. U.S. leadership is needed now more than ever to develop a cohesive policy that balances ocean science and health with U.S. economic, energy, and national security needs.

THE PROBLEM

The global race is on to lead in advanced energy and high technology manufacturing to meet the growing consumer demand around the world – particularly for solar panels, electric vehicles, batteries for energy storage and semiconductor chips – while also safeguarding the needs of our military and aerospace. Accompanying this sprint is the international quest to access rare earth minerals, which are vital to meet technology demands. The winner or winners in this competition will determine who will have the edge in enhanced energy technologies, economics, and military security around the world.

Mining has accelerated for critical minerals like manganese, cobalt, lithium, copper, and nickel across mineral rich countries and regions including Africa, Australia, South America, and Southeast Asia. Between 2017 and 2022, demand for lithium tripled, demand for cobalt increased by 70%, and demand for nickel increased by 40%. The International Energy Agency estimates this demand is likely to double by 2040. Today, China is poised to lead in the global race to secure the deposits of these minerals. With the new U.S. Administration coming to power, potential China hawks like Senator Marco Rubio and Representative Michael Waltz are likely to pay more attention to this competition for advanced technologies, particularly in the maritime domain.

ESSENTIAL CONTEXT

Great Power Competition

China and the U.S. are already engaged in competition over the development and manufacturing of advanced technologies. Securing the critical minerals necessary to support the development and implementation of these technologies has further escalated tensions, with China making significant progress in both land-based and maritime sectors. China has achieved a domestic advantage for "processing and refining key critical minerals," leaving the U.S., along with its allies and partners, vulnerable to supply chain disruptions that threaten both economic stability and national security. Currently, China accounts for 60% of global production and 85% of processing capacity, with recent reporting indicating that China is also set to "dominate the deep sea and its wealth of rare metals."

China has also demonstrated a willingness to leverage its advantages in rare earth minerals. In 2010, the Chinese government blocked rare earth exports to Japan in response to a dispute over Japan's detention of a Chinese fishing trawler captain whose vessel collided with Japanese coast guard vessels while fishing in waters claimed by China. Although Chinese officials denied the existence of the embargo, two months passed before exports resumed. Last year, China announced a ban on the export of technologies used for the extraction and processing of rare earths. A December 2023 report from the U.S. House Select Committee on the Chinese Communist Party also highlighted China's "willingness to weaponize these dependencies [on rare earths] to coerce the United States and its allies."

International Seabed Authority (ISA)

To date, most rare earth mineral mining has occurred on land. Now, all eyes are turning to the deep ocean floor as the next frontier for critical mineral extraction. Vast fields of nodules that hold critical rare earth metals are located across the world's deep seabed. Seabed mining is governed by the International Seabed Authority (ISA), made up of the 168 member states who have ratified the United Nations Convention on the Law of the Sea (UNCLOS). The ISA is charged with regulating the conduct of deep-seabed mining activities. The United States has not ratified UNCLOS, and as an observer, does not have a seat at the ISA decision-making table. On the other hand, China has taken full advantage of its membership to shape international rules to its interests.

Though difficult to access, China has prioritized seabed mining by investing heavily in technologies and furthering exploration. In 2016, China's President Xi Jinping stated that the nation must get its hands on the hidden treasures of the ocean. China holds five seabed mining exploration contracts, the highest number of any ISA member. Additionally, a Chinese-based company, the Jinhang Group, has attracted millions in early-stage investments and signed a series of contracts to develop China's first commercial deep-sea mining robot by 2025.

In July of 2024, the ISA continued its years-long negotiations to draft seabed mining exploitation regulations. Negotiations concluded with numerous gaps in the mining code,

including lack of agreement on environmental data requirements, compliance and enforcement mechanisms, and liability requirements. The authority has also yet to broach important components such as environmental impact assessments, emergency response and contingency planning, and toxic substances.

In recent years, China has had an oversized influence in the ISA's decision-making, including blocking discussions on marine conservation at recent seabed mining exploitation negotiations. This influence is underpinned by significant financial and technical contributions to the ISA since its founding. China has provided more monetary support to the ISA's key funding mechanisms—the Endowment Fund for Marine Scientific Research and the Voluntary Trust fund for members of the Legan and Technical Commission and Finance Committee—than any other nation. China's support for the ISA has also taken the form of technical support. In June of 2024 former Michael Lodge, the current Secretary General of the ISA went on a five-day visit to the ISA-China Joint Training and Research Centre (JTRC). The JTRC explores technologies designed to streamline deep seabed mining exploration and eventual exploitation.

A New Era at the ISA

A new era is about to begin with Brazilian oceanographer Leticia Carvalho elected as the next Secretary General for the ISA. Carvalho's leadership of the ISA will begin in January 2025. Her leadership has arrived at a key moment, with the global race on to exploit the seafloor for valuable minerals and the need for a strong regime to be put in place to ensure seabed mining is done in a manner supported by sound science and is equitable for the parties involved.
As the ISA grapples with key governance decisions on permitting, regulations, equity, and seeks scientific information needed for the protection of critical marine resources, the implications for island and coastal developing states are paramount for their future. The U.S. has a chance to engage in constructive dialogue both at the ISA, and bilaterally with allies and coastal developing countries as well as the commercial mining interests who are considering seabed mining in international waters. Such engagement could help foster a responsible regime moving forward.

Seabed Mining Pause

Commercial deep-sea mining on the high seas has not yet started. Recently, at least 32 nations have proposed a "precautionary pause" on seabed mining while the ISA works to complete a strong governance structure.

As the pause is debated, state-owned and private Chinese companies are poised to move forward. Some estimate that as early as 2030 China will possess the capacity and technology to effectively exploit the rare earth resources that are contained within nodules located at the bottom of the deep seas. The U.S. has not invested commensurate resources in this area, and currently is not as close to being able to benefit from the start of deep seabed mining. Pausing seabed mining activities at the ISA to finalize regulations that ensure that all companies operate on a level playing field makes common sense. This would ensure that China cannot take advantage of its current technological advantage and historic dominant position in the ISA to secure its control the resources that will be critical to the most important technologies of

the 21st century. It would also provide space and time for the US to leverage the innovation of its private sector and its long-term relationships with regional partner countries to establish a stronger competitive position before deep seabed mining begins.

A pause would also improve the potential for identifying alternative sources and materials, such as recycling and reusing electronic materials, the development of new synthetics, and domestic terrestrial sources – all of which could prove to be less expensive and more accessible. The Department of Defense has already awarded more than $439 million since 2020 to establish domestic rare earth supply chains and is on track to establish a "supply chain capable of supporting all U.S. defense requirements by 2027." U.S. companies have also begun investing in ways of extracting rare earths from sources such as coal ash and mine tailings.

The United States has lacked a strong, clear policy on deep seabed mining. U.S. engagement at the ISA has been limited, advocating from the sidelines for caution without providing consistent guidance on the type of regulations that would benefit the U.S. and the equity of our partners. Facilitating science-based investments that consider the health of the ocean, U.S. energy needs, economics and national security is crucial to so many U.S. industries and coastal communities across the Indo-Pacific. With Carvalho at the helm, and a new U.S. administration in place, it is time for the U.S. government to engage with thoughtful decisions and actions. A continued lack of action will only set the U.S. back in terms of technology and maritime security and propel its competitors forward.

POLICY RECOMMENDATIONS

Adopt a whole of government review on U.S. posture on deep seabed mining. The new Administration should undertake a whole of government review and assessment on the U.S. posture within the ISA and policies related to deep seabed mining. This review should determine how best to align the views of different U.S. federal agencies into a coherent single strategy for ISA negotiations specifically, and deep seabed mining generally. The assessment should consider U.S. economic growth, energy, environmental and national security, and geopolitical relations with partners, especially in the critical Indo-Pacific region.

Leverage American advantages to counter Chinese efforts to shape regulation. U.S. negotiators should leverage advantages in data collection and marine science to support its strategy in bilateral and multilateral negotiations. The United States possesses world-leading expertise in these areas, and that expertise should be aggregated and condensed into brief, easily comprehensible materials that can be shared with partners and allies to counter Chinese efforts to shape ISA regulations.

Work across disciplines and borders. Hold a roundtable with experts to arm the executive branch and Congress with knowledge and information that can facilitate action and strategies

to support strong, responsible policies for ocean governance at the ISA, and work bilaterally with international allies and coastal states.

Call for precautionary pause on mining to develop appropriate and fair strategies. The U.S. should advocate for a precautionary pause on seabed mining. A precautionary pause would provide the ISA the necessary time to put in place regulatory guardrails to ensure that a safe, fair and efficient system is designed before any one nation like China can forge ahead with mining. It would also give the U.S. time to create and implement a consistent strategy on deep seabed mining, accelerate investment in relevant technologies and technical expertise, advance our standing with partners in the Indo-Pacific region, and participate in future decision making at the ISA.

Take a seat at the UNCLOS table to advocate for American interests. In this world of global competition with China, the new Administration should revisit ratification of UNCLOS. As a formal party to UNCLOS, the U.S. would gain a permanent seat on the ISA's governing Council. On the Council, the U.S. would increase its ability to support and block the ISA's substantive decisions, including "any decisions to adopt rules, regulations, or procedures relating to the deep seabed mining regime." This would allow the U.S. to better advocate for the interests of American businesses and people, and to effectively counter any actions on the part of the ISA that would be inimical to those interests.

Fight IUU Fishing with the Tools of Today and Tomorrow

Strengthening U.S. leadership in global seafood traceability

By Carolyn Gruber, Sally Yozell, and Madelyn MacMurray

TOPLINE

American consumers – and consumers around the world – do not want to eat seafood that is caught illegally or that is the product of forced labor. The consequences of illegal, unreported, and unregulated (IUU) fishing ripple throughout increasingly complex supply chains. But the U.S. can use the tools of today and tomorrow to set the pace for global seafood traceability.

As a leading market state, the United States has tremendous power to transform global fishing practices and improve monitoring, control, and surveillance. The United States can – and must – do much more to provide consumers with the confidence that the seafood they consume is safe, legal, and sustainable.

THE PROBLEM

Illegal, unreported, and unregulated (IUU) fishing can take many forms – from local, small-scale boats misreporting catch, to large-scale, industrial foreign-flagged vessels under-reporting their catch. Beyond this, there are also coordinated efforts supported by flag state governments or transnational crime syndicates. IUU fishing is a "crime of convergence," and has been linked to other criminal and illicit activities such as the smuggling of guns, drugs, and wildlife; human trafficking and forced labor; as well as money laundering and tax fraud.

It is estimated that IUU fishing accounts for up to a third of the world's total fishery harvests and is valued at more than $30 billion annually. IUU fishing directly contributes to overfishing, threatening the sustainability of fish stocks and damaging marine ecosystems. The consequences of IUU fishing ripple throughout increasingly complex supply chains, far beyond the point of harvest. It harms the economic, food, and environmental security of coastal communities. IUU fishing destabilizes the security of maritime states, supports organized criminal networks, fuels corruption, destabilizes good governance, distorts markets, and drives labor and human rights abuses in the fishing industry.

Ultimately, IUU fishing occurs because it remains profitable, loopholes persist, and the opaqueness and complexity of the global seafood supply chain have made it difficult for governments, businesses, and consumers to find effective solutions

ESSENTIAL CONTEXT

In 2022, the commercial fishing and seafood industry in the United States generated economic impacts of $183 billion in sales and supported 1.6 million American jobs. The demand for seafood is greater than ever; in 2022, the United States imported 340,000 metric tons of seafood, valued at just over $30 billion.

Fueling this demand are distant water fishing (DWF) fleets. The details of these fishing operations are largely obscured as they target fish stocks far from shore, often with little oversight from their home countries or accountability in the regions where they fish. The five largest DWF fleets – from China, Taiwan, Japan, South Korea, and Spain – target four main regions of the ocean: the Pacific, West Africa, East Africa, and South America. These five nations spend an estimated $1.5 billion dollars each year in subsidies to support the activities of their fleets, which amount to more than 2 billion kilowatt hours of fishing effort[1].

The full impact of China's DWF fleet, which is by far the largest global DWF fleet, is difficult to parse; the details of the joint venture and sometimes state-owned enterprises that support these vessels, the conditions aboard the vessels, nor the fisheries access agreements these fleets use, are publicly available. Recent analysis of activities by China's DWF fleet in the South-West Indian Ocean illustrates direct contradictions between China's stated goals of supporting a sustainable blue economy in the region and the realities on board many of its fishing. Of the 95 PRC-flagged longliners authorized to target tuna in the region, 47% are linked to cases of IUU fishing and human rights abuses. In interviews with fishers who work onboard the fleet, 100% reported abusive working and living conditions, 96% reported excessive overtime, and 55% reported instances of physical violence.

The challenges these DWF fleets pose to coastal countries' marine resources will persist and worsen unless there is measurable shift towards improved fisheries management, accountability of flag-state responsibilities, and overall transparency throughout the seafood industry and supply chain.

Against this complicated backdrop, U.S. consumers – and consumers around the world – do not want to eat seafood that is caught illegally or that is the product of forced labor. U.S. producers are less competitive in global markets when faced with foreign seafood caught and processed with forced labor. In fact, 72% of U.S. consumers support increased traceability for

[1] Hours of effort is the hours spent fishing by DWF fleets multiplied by the power of the engine vessels, abbreviated as kilowatt hours (kWh).

seafood; they want all parts of the industry to be fair and equitable, especially for the harvesters, processors, and merchants who follow the rules.

POLICY RECOMMENDATIONS

Transform global practices for traceability. In 2015, the Task Force on Combating IUU Fishing and Seafood Fraud created the Seafood Import Monitoring Program, which is managed by NOAA Fisheries. Now in operation for six years, the Seafood Import Monitoring Program covers about 45% of U.S. seafood imports in 13 species groups at risk of IUU fishing and seafood fraud. As a leading market state, the United States has tremendous power to transform global fishing practices and improve monitoring, control, and surveillance. The United States can do so much more to provide consumers with the confidence that the seafood they consume is safe, legal, and sustainable.

Lead by example on tracking and traceability. As more seafood tracking and traceability systems are implemented around the world, other countries are looking to the United States as a global leader in this space. A model seafood traceability system that is standardized, streamlined, and synchronized will benefit industry, consumers, and workers.

Importers, harvesters, and businesses in the seafood supply chain are well aware, data and information about seafood is collected and stored by numerous U.S. agencies. The data points that industry representatives, brokers, and retailers must collect and retain are sometimes duplicative, always hard to manage, and rarely effective in supporting counter-IUU fishing efforts.

The process for dealing with all these data points is equally as complicated. NOAA Fisheries examines seafood data from the point of harvest to when it enters the U.S. market; the U.S. Coast Guard uses automatic information systems (AIS) and radar to track fishing vessels at sea; the Department of Labor monitors forced labor allegations and evidence of human rights abuses; the Food and Drug Administration collects seafood data relating to human health and food safety; and the Treasury Department follows the money, which could provide insights into beneficial ownership of IUU fishing enterprises.

Despite all this data and all these programs, the International Trade Commission estimated that $2.4 billion worth of IUU-caught products entered the U.S. market in 2019 alone.

Standardize – and digitize – for a better tracking system. One key barrier to a better system is the lack of standardization of the data the U.S. government collects. Standardized data is needed – from different points in the supply chain – that is appropriately granular and verifiable so that it can be communicated across agencies in a timely manner. Moreover, the paper-based system that exists today hinders success. A recent study found that companies that digitize their supply chains boost their annual revenue growth by 2.3%. In today's world, how many multi-billion-dollar industries lack digitization and rely on paper-based records?

A cohesive system requires a globally standardized list of fish species at risk for IUU fishing and mislabeling. This is critical as more international traceability programs come online. IUU fishing is inherently a global problem; illegally caught or mislabeled species entering one major market state are very likely to enter other global markets. For example, Japan's new counter-IUU fishing regulation covers pacific saury, squid, mackerel, and sardine. None of these species are included in the U.S. program. On the other hand, Japan's list of species considered at risk for IUU fishing does not include sharks and tunas, which are covered by the U.S. program. The scale of our solutions needs to match the scale of the global problem; gaps in our collective efforts will only allow IUU fishing to continue to thrive.

Streamline the data collection process. As regulators work towards standardizing data, they must be cognizant of the burden these data and information requirements have on harvesters and businesses. Streamlining the data collection process is imperative and creating a digitized, interoperable system is essential. Simply aligning data elements across trade tracking programs could open the door to vastly improved interagency data sharing and collaborative enforcement, while reducing the burden on law-abiding industry. There is no need to reinvent the wheel. Risk analytics systems already exist and are used by other federal agencies. For example, the Food and Drug Administration screens more than 50 million imports a year for health and safety, including seafood. The FDA uses the PREDICT system, which electronically reviews trade data and targets risk screening for fraudulent and adulterated products.

Create a synchronized system between and among partners. The multidimensional problem of IUU fishing needs an equally multidimensional solution. Viewing risk in a more holistic way is the key to rooting out bad actors and reducing burdens for law-abiding industry. Beyond focusing only on species considered at risk, the United States should widen the aperture of what is considered a "risk" in the seafood supply chain. Risks can include vessel histories, ownership information, and land- and sea-based processing. Transshipment, ports, flag state activities, the role of middlemen and intermediaries, also present risk. Creating a synchronized system that can communicate risks between relevant agencies and businesses, including with international partners, is critical to success. Armed with a more detailed understanding of these risks and how they interact, the U.S. government can better focus its resources to target and root out bad actors and prevent IUU-caught fish from entering our markets, while rewarding those who follow the rules.

No seafood trade tracking system is perfect. As technology advances there will be new opportunities for improvement. There are some incremental changes that can be made now to achieve a broader, more holistic vision to prevent IUU-caught fish from entering U.S. markets.

- Create a globally standardized list of fish species at risk for IUU fishing and mislabeling.
- Streamline data requirements and move to a fully digitized seafood traceability system.
- Broaden what is considered "risk" in the seafood supply chain.

- Use existing risk-based analytics to better target bad actors.
- Improve information sharing among the relevant government agencies.

Beyond providing confidence to consumers that the seafood they are buying is legally harvested, creating an effective seafood traceability system can positively impact economic, human, and environmental security around the world. The United States can lead the efforts to move the global seafood supply chain out of the shadows.

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