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Security Nexus Conversations

ADVANCING A FREE AND OPEN INDO-PACIFIC

By U.S. Secretary of Defense, Dr. Mark T. Esper *

Daniel K. Inouye Asia-Pacific Center for Security Studies
25th Anniversary Speaker Event

“Hindsight, Insight, Foresight: Celebrating a Legacy to Educate, Connect, and Empower”
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Combined with a moderated question and answer session. Transcription has been edited for readability.

For a video recording of Secretary Esper’s remarks, please see:
<https://www.youtube.com/watch?v=UXSLowZScIM>

SECRETARY OF DEFENSE MARK T. ESPER: Well, aloha and good afternoon. And thank you, Admiral Gumataotao, for that kind introduction. It is really great to be here with you today in honor of the 25th anniversary of your ongoing efforts to educate, connect with, and empower our partners throughout the Indo-Pacific.

And I must say it’s a little personal for me, as well, as I walked in here today. I had the fortunate opportunity to work with Senator Inouye during my time in the Senate, to get to know him, to travel with him, both in D.C. and here, and to get to know his staff.

And while I had great regard for him as a lawmaker, as somebody who could always reach across the aisle and do what’s right for our nation’s defense, I was even more impressed by the fact that he was -- that he had earned the Medal of Honor in World War II for his courage under fire. And he and I had the chance to have a couple of conversations about that during his time so thank you for that opportunity to come here and to celebrate his legacy here at your 25th anniversary.

* The Honorable Mark T. Esper was sworn in as the 27th Secretary of Defense July 23, 2019. He served as Acting Secretary of Defense from June 24, 2019, to July 15, 2019. Dr. Esper served as the Secretary of the Army from Nov. 20, 2017, to June 24, 2019, and from July 15, 2019, to July 23, 2019.

For decades, APCSS has leveraged its unique position in the region as part of the Department of Defense to enhance our mission of forging lasting security partnerships across the Indo-Pacific and advancing the security interests of the United States and our allies.

This week, I'm traveling throughout the region to highlight our successes when it comes to that mission and to put it into contrast as we commemorate the end of World War II 75 years ago. When we reflect on the tremendous sacrifices of the greatest generation, we are reminded that together, America and its allies delivered a victory for freedom and built an international order that has brought prosperity and security to the globe for more than seven decades.

Today, regrettably, that free and open system is under duress. In fact, the vision that the late Senator Inouye had for this institution upon its founding is more relevant than ever in this era of great power competition. The importance he placed on strengthening partnerships and cultivating new relationships has never been more pronounced.

Indeed, our robust network of allies and partners remains the enduring asymmetric advantage we have over near-peer rivals, namely China, that attempt to undermine and subvert the rules-based order to advance their own interests, often at the expense of others.

In light of this challenge, the National Defense Strategy guides us as we enhance our lethality, strengthen those alliances and build partnerships, and reform the department to align our resources with our highest priorities.

One of the goals that drive our implementation of the NDS is to focus the department on China. To do this, we have stood up a new Defense Policy Office on China and established a China strategy management group to integrate our efforts.

I also directed our National Defense University to refocus its curriculum by dedicating 50 percent of its course work to China, and I tasked the military services to make the PRC the pacing threat in all of our schools, our programs, and our training.

These efforts are critical to preparing our military's future leaders for tomorrow's challenges, one of which I'd like to talk about more today. Under the leadership of the Chinese Communist Party, Beijing has repeatedly fallen short of its promises to do the following – abide by international laws, rules or norms, despite continuing to reap the benefits of the international system and free markets, and second, to honor the commitments it made to the international community, including promises to safeguard the autonomy of Hong Kong and not to militarize features in the South China Sea.

Beijing's self-serving behavior, however, is not isolated to just the Indo-Pacific region. Increasingly, our like-minded partners around the world are experiencing the CCP's systematic rule-breaking behavior, debt-backed economic coercion, and other maligned activities meant to undermine the free and open order that has benefited nations of all sizes, China included.

For example, China's illegal, unreported, and unregulated fishing has wrought economic and ecologic -- ecological damage in -- in the Caribbean and Latin America, in Africa, in the Pacific Islands, and beyond.

Further, Beijing has failed to uphold its obligations under the World Trade Organization and hampered global efforts to control the coronavirus pandemic due to its lack of transparency with the World Health Organization.

Moreover, the PRC's destabilizing actions go beyond its subversive political and economic activity. To advance the CCP's agenda, the People's Liberation Army continues to pursue an aggressive modernization plan to achieve a world-class military by the middle of the century. This will undoubtedly embolden the PLA's provocative behavior in the South and East China seas, and anywhere else the Chinese government has deemed critical to its interests.

Unlike America's Armed Forces, the PLA is not a military that serves its nation or a Constitution. Rather, it serves a political entity, the Chinese Communist Party, in its attempts to undermine rules and norms across the globe.

In fact, China's global ambitions include establishing a security presence at strategic access points, such as its base in Africa, to enhance its ability to project power globally and across all domains. Clearly, China seeks to undermine the free and open order itself, which impacts every nation supporting and benefiting from this system.

That is why this institution's forward location and unique role on the front lines of our long term competition here in the Indo-Pacific is so very important. Over the past 25 years, APCSS has served as the regional touchpoint for nearly 14,000 practitioners from over 100 countries, playing an important role in the department's ongoing efforts to implement the National Defense Strategy and our Indo-Pacific Strategy in particular.

The NDS identifies the Indo-Pacific as the department's priority theater, given its economic and strategic significance. More than half of all global maritime trade transits through Asia and the region alone accounts for 60 percent of the world's gross domestic product.

Moreover, the Indo-Pacific is home to six nuclear nations and seven of the world's 10 largest standing armies. Further, the Indo-Pacific faces some of the world's most dynamic security challenges, to include a defiant North Korea, a violent extremism, and a host of transnational threats such as piracy, human and arms trafficking, natural disasters, and now a global pandemic. But most importantly, the Indo-Pacific is the epicenter of a great power competition with China.

In light of this reality, the department has committed to implementing a comprehensive strategy for the region that is based on, one, preparedness; two, strengthening our alliances and partnerships; and three, promoting and expanding a network of like-minded partners.

First, under-preparedness, we are divesting from legacy systems and focusing on modernizing our forces so we can deter, compete and, if necessary, fight and win across all domains: air, land, sea, space, and cyberspace.

Thanks to our largest research and development budget in the department's history, we are prioritizing the development and deployment of game-changing technologies such as hypersonic weapons, 5G, and artificial intelligence.

We are also investing in platforms critical to the future of a free and open Indo-Pacific such as submarines, B-21 stealth bombers, P-8 maritime patrol aircraft, unmanned underwater and surface vehicles, long-range precision munitions, integrated air and missile defenses, and a new class of frigates.

In the coming days, I look forward to visiting Guam to see firsthand some of the investments we have made to develop the island as a strategic hub for our presence in the region. This includes the addition of air and missile defense capabilities, advanced intelligence surveillance and reconnaissance systems, and our ongoing Bomber Task Force missions that prepare us to defend the Indo-Pacific at a moment's notice.

Moreover, we are transforming the way we fight by developing a new joint warfighting concept for the 21st century, and implementing other initiatives that make us more strategically predictable for our partners and operationally unpredictable to our competitors. These efforts prepare our military for future conflicts that we hope we won't need to fight, but must and will be prepared to win.

We recognize that many of these concepts rely on close coordination and collaboration with our partners and allies. This is why assisting countries across the region to develop their national security policies, strategies, plans, and laws is so very critical.

This type of work -- with nations such as Bangladesh, Mongolia, the Philippines, and several Pacific Island nations -- has helped put like-minded partners on a path for greater preparedness, enabling them to become more confident in their sovereignty.

That brings me to the second pillar, strengthening our alliances and partnerships, a bedrock of our strategy. U.S. engagement in the Indo-Pacific region is rooted in our longstanding security alliances, which provide an asymmetric advantage that our adversaries simply do not have.

Our shared security concerns and desire to maintain a free and open Indo-Pacific have yielded countless bilateral and multilateral initiatives throughout the region aimed at strengthening and expanding defense cooperation and alignment.

Notably, one of the major ways that we are enhancing the interoperability and bolstering our partners' capabilities is through an improved and expanded foreign military sales program. By streamlining the FMS process, we have lowered costs and accelerated our response time to partner nation requests, allowing us to deliver critical capabilities more quickly and more effectively.

Today, there are more than \$160 billion worth of FMS projects underway across the Indo-Pacific, including \$22 billion in newly initiated projects in this fiscal year alone, which is almost half of all foreign military sales globally.

We are providing F-35 aircraft to Japan, Seahawk and Apache helicopters to India, and F-16 fighter jets and M-1 Abrams tanks to Taiwan, just to name a few examples.

In addition, the United States has provided nearly \$400 million of assistance to bolster the maritime security and domain awareness capabilities of partners such as the Philippines, Vietnam, Indonesia, Malaysia, Thailand, the Maldives, Sri Lanka, and Bangladesh.

Further, we continue to make progress in deepening our defense relationships across the region. With Thailand, for example, we are co-procuring Stryker armored vehicles, and with Japan, we are moving into the production phase of a co-developed ground-based interceptor missile, the SM-3 Block IIA.

Last month, during consultations with my Australian counterpart, we signed a statement of principles that will enhance our defense relationship and posture in the region for the next decade and beyond. Similarly, last fall, we renewed a key agreement with Singapore, extending U.S. forward presence and cooperation in the region for another 15 years.

We are also looking to expand our engagement with new and emerging partners throughout South and Southeast Asia. For instance, we have upgraded our defense relationship with India to a major defense partnership, and we held our first-ever joint military exercise with them last year, along with combined naval exercises earlier this summer.

Additionally, this past spring, we conducted the second-ever U.S. carrier visit to Vietnam in over four decades, a sign of our deepening relationship. We also continue to seek opportunities to build our relationships with Timor-Leste and Mongolia, as well as the Pacific Islands' militaries in Papua, New Guinea, Fiji, and Tonga.

Looking to the future, we continue to enhance our cooperation alongside our allies to maintain our technological advantage in the newest warfighting domains: cyberspace and space. One significant milestone was our expansion of Article V of the U.S.-Japan Security Treaty to include cyber-attacks as one of the dangers that, under certain circumstances, could warrant an alliance response.

Likewise, the United States and our allies have taken decisive action to counter China's attempts to manipulate, disrupt, and undermine our technological edge, namely, by denying access to high-risk 5G vendors, something Japan, Australia, and New Zealand did early on.

I continue to encourage all like-minded partners to carefully consider the choices -- their choices -- regarding telecommunications infrastructure and assess the long-term collective risks of using Chinese state-backed vendors.

Our third and final goal in promoting a more networked region is to encourage the growth of interconnected security partnerships that serve as a force multiplier to advance our shared interests. A prime example is our ongoing multinational effort to enforce United Nations Security Council resolutions and sanctions on North Korea.

The combined capabilities of the United States, Japan, South Korea, Australia, New Zealand, France, Canada, and the United Kingdom are a powerful show of support, reinforcing the will of the international community.

Other examples include Japan's provision of maritime vessels for regional capacity-building, the logistical support agreement being finalized between Australia and India, South Korea's pledge to more than double its development assistance to ASEAN nations by 2020, and maritime and air patrols coordinated by Indonesia, Malaysia, and the Philippines to combat illicit transporter activities in the Sulu and Celebes Seas.

These efforts extend to training and exercises as well.

This year, the United States and the Royal Thai Armed Forces co-hosted the 39th Cobra Gold exercise in Thailand for over 9,000 personnel from 29 countries. Meanwhile, Canada and Japan have conducted bilateral military exercises in the Indo-Pacific since 2016. And for the past five years, Australia, Japan, and the United States have partnered with Timor-Leste for an annual engineering exercise to support capacity-building. Finally, in recent years we've expanded the RIMPAC exercise to include our Western hemisphere partners such as Colombia and Peru.

All participating nations play a vital role in ensuring interoperability across the Pacific, and I was pleased to witness this cooperation firsthand earlier today. Together, we will continue to find new ways to enhance preparedness, strengthen partnerships, and promote a more networked region, which allows us to protect a free and open Indo-Pacific for all. APCSS will remain an important part of that effort by encouraging candid and open exchanges on regional security issues and strengthening the intellectual interoperability we need to be successful.

As we continue to implement our Indo-Pacific Strategy, the United States needs our allies and partners to contribute in ways that are fair and equitable. We need them to pursue close alignment in policies that uphold a free and open order, and reject decisions that would benefit malign actors to our collective detriment. And we need them to make the necessary investments to improve their capability so that together, we can safeguard our interests, strengthen our readiness, and defend our sovereignty and our values. In doing so, we will secure freedom and prosperity for future generations, much like we did 75 years ago when Allied forces fought shoulder-to-shoulder against tyranny. Together, we prevailed in a conflict unlike anything the world had ever experienced. And today, I'm confident that we, much like our predecessors, can muster the same strength, resolve, and commitment to deter the threats of today and overcome the challenges of tomorrow.

Thank you for your time, and I look forward to your questions.

MODERATOR: Thank you, Secretary Esper, for sharing your insights and the very informative and detailed information regarding some of the views we have in the region, and the importance of the region.

For our virtual audience, I ask for your indulgence for a moment while we pause just now as we prepare and reset for our question-and-answer session. Thank you.

As our audience registered for this event, we gave them an opportunity to submit a question for the Secretary. For those that did take the time to submit a question, thank you. These questions give us the opportunity to hear the Secretary's perspectives on the challenges and opportunities in the Indo-Pacific region. But due to time constraints, we won't be able to get to all of the submitted questions, so we have

selected those that reflect the most common concerns of the region, as well as specific concerns from the subregions.

Mr. Secretary, frankly sir, as I listened closely to your remark -- remarks. (inaudible) addressed and touched on all these questions I, we have assembled to ask from you from the audience. So it's -- so if you're ready, sir, I would like to tee up the first question.

SEC. ESPER: Sure.

MODERATOR: Mr. Secretary, the United States has made clear that it supports a free and open Indo-Pacific. What are some of the core ways the department strategy helps to make this a reality?

SEC. ESPER: Well, thank you.

You know, I addressed some of that in my remarks, but let me emphasize and provide some color.

You know, forced and -- first and foremost, we have the National Defense Strategy that says we're going to pursue three lines of effort. One is building our -- improving our lethality and our readiness; two is strengthening our alliances and partnerships; and three, reforming.

And so as -- as you may know, over the past year we've undergone a significant reform effort to free up time, money, and manpower to put back into number one and number two, and that has yielded nearly \$6 billion in our first go-around, and we're putting those monies back into the technologies I mentioned: hypersonics, A.I., 5G, robotics, advanced air missile defense capabilities -- many things that are critically important in -- in all regions of the world, but in some cases, particularly this part of the world, when you think about long-range precision fires, or you think about how we can use air missile defenses in this part of the world.

So that's the first means by which we do it, and then through the foreign military sales process, we can extend those capabilities to our allies and partners, which has the benefit of not just improving their capability and capacity, but it really improves upon the relationship and builds interoperability because now we know we can talk to each other. We can -- if you can talk to one another and exchange data, then you can fight alongside one another, and you could use the same tactics and techniques and procedures. So all that is very important, and things we want to continue.

I'd also add that we are trying to enhance our relationships in other ways. How do we expand, for example, the IMET program, which you may be familiar with, the Military Education and Training program, something I experienced during my time in the service, as well. Very important to building those long-term relationships that will endure through time and through the ages. So building that is very important, as well.

With regard to allies and partners, again, it's important to strengthen our longstanding alliances, but the importance of reaching out to new partners. So my first -- during my first month on the job, the first trip I made was to the Indo-Pacific region, and I visited not just with our Australian allies and -- and Japanese, but

I went and visited countries like Mongolia, eventually, and other places where we could build a broader network, which gets to that third pillar of our Indo-Pacific Strategy.

So when you look at all these functions, what we're trying to do is get out, build a network, and aspire to allies and partners in a way that we are -- to let them know that we are committed to that free and open Indo-Pacific; that we want to help each country build its own capabilities; that we want to help them secure their own sovereignty; that we want to help maintain those norms and expectations that -- that have served us all now for well over seven decades, and that's what we're committed to. And those are just some examples by which we're doing it.

MODERATOR: Yes, sir. Thank you for that, and what struck me on that remark is the network of relationships of like-minded nations, and that's why it's a collective effort. Thank you, sir.

In keeping with this same theme, Mr. Secretary, it's been two years since the National Defense Strategy identified this long-term strategic competition with China, and I know you mentioned this in your remarks, and -- and it's one of the department's most pressing priorities that you've alluded to. What adjustments has the department made in that time to address this growing threat?

SEC. ESPER: Well, you know, again, I mentioned some of those in my remarks. We've established a new office on China with the deputy assistant secretary. I have a China Strategy Management Group that coordinates all of our efforts.

We're updating all of our plans. One of the things I'll spend time out here this week within INDOPACOM, Admiral Davidson, to do is to talk through our plans, but -- and also talk through how he sees the region in the future, and how do we make -- need to make adjustments with regard to the disposition of forces -- those types of things.

I have directed a change in coursework for our senior service colleges and have identified China as the pacing threat for our military. So there are a number of things like that that we're pursuing across the board, and by the way, while INDOPACOM is the epicenter, if you will, of this great power competition, we actually know it's a global competition. China and Russia are in all parts of the globe, and we need to be able to deal with them, whether it's in the CENTCOM AOR or the Arctic, INDOPACOM or Europe.

And so what it is, is appealing to those like-minded nations to make sure we're doing everything we can to address that. And again, with regard to our own capabilities, we continue to make these big investments on the next generation of technologies that we think will be critical to making sure we can maintain that deterrent capability for years to come.

That begins with our strategic nuclear triad, which we are modernizing all three legs of, but also gets into our naval forces, Marine forces, Army, Air Force. All four of them are developing a different doctrine, new techniques and tactics, new ways of warfighting. I spent time out today on the USS Essex to see what they're doing and to watch two live missile shots.

So it's a very exciting time for each of our services as we look ahead and think about how we can continue to maintain peace and stability and security in the Indo-Pacific region and deter China and hopefully

continue to work with the -- the People's Republic to get them back on a trajectory that is more in line with the international rules-based order that we expect of all countries.

MODERATOR: Yes, sir. What strikes me about those remarks is the adaptability that the department has done to adjust to a very complex security environment. Thank you.

So the next two questions, if you don't mind, I'm going to combine because it -- it talks about allies and partners.

And I know throughout your whole remarks, you emphasized the importance, and it's one of our priorities, strengthening allies and partners. So I want to ask two questions on that. First, what role do you see for the United States allies and partners in supporting U.S. efforts on great power competition? That's the first one. And second is what are some of the steps the department is taking to build the capabilities of its allies and partners in the region?

SEC. ESPER: Sure. I mean, those are both very critical. As I've said many times, whether it's in Europe, the Middle East, or here, in particular, our allies and partners are an asymmetric advantage that neither China nor Russia can imitate. Nowhere near.

And why is that? Because I think most countries understand that -- that what the United States stands for is democratic values, human rights, the free and open Indo-Pacific, respecting all nations and their sovereignty.

And so when we speak to this, that's -- those are the values that we speak to. I think those are the values that the United States has represented since its founding and certainly has pushed hard in the seven decades since the end of World War II, which we'll commemorate in the coming days here.

So that is the appeal we make to our allies and partners. As I go around the region and speak to them, I hear it over and over and over again. And look, in many cases, some countries are capable of speaking publicly about the concerns they have about China, but many aren't. You know, the hand of Beijing is heavier on a country the smaller one is, and particularly for some of the smaller countries, they feel that coercion, they see the bullying that is happening out there and they recognize the important role that the United States plays in this emerging, evolving great power competition and they want to be part of a team, the team that we're trying to build that will continue to espouse those important values that we have out there and have for many times.

Now look, that's -- building capability, which is the second part of your question, is one of the things we do through foreign military sales. You know, interoperability and training, which we're doing this week in RIMPAC. You know, Cobra Gold I mentioned, with Thailand -- 39 years we've been doing that -- and there are other exercises in the region we've been doing for decades. So they see that too.

Then they see the work of this center and what you're doing, just another example of how we're trying to bring countries together, how we're trying to build that broader network and how we're building it around values, core sets of common interests, things that pull us together, things that draw and bind freedom-loving people all around the world. That's what we appeal to.

MODERATOR: Thank you, sir.

And I have to admit, in our travels around the region and our discussions, the values and the principles of the free and open Indo-Pacific, it resonates so well. As you know, Prime Minister Abe had mentioned that years ago and that is something that people turn around and say “hey, we have different views, different priorities, however common those principles and standards of sovereignty, individual liberty, open commerce, we’re all very -- like a glue for a discussion on cooperation.”

Sir, so we have a number of questions here, if -- if -- if I may, that ask about the applications of priorities and roles by subregion. So those earlier questions are big picture and so we’ve asked and looked at many questions and so we tried to put it into inputs from different subregions.

The first one comes from Southeast Asia. “What specific role do you see from the ASEAN nations in preserving a free and open Indo-Pacific? And anything specific in regards to the role in the South China Sea?”

SEC. ESPER: Hey, look, I think ASEAN is critical. I had the chance last fall to attend the ASEAN Defense Ministers Conference, where we discussed many of these same ideas, and I had the opportunity to conduct a number of bilaterals.

Look, I think our ASEAN partners recognize that the United States believes in governance and transparency, accountability and ASEAN centrality is -- is very important, as well, and we’re committed to advancing that.

And I noted before about our longstanding partnerships and presence. We’ve been a partner with ASEAN for over four decades. 40 plus years we’ve been there with ASEAN and I look forward to continuing to build our relationship with ASEAN and those countries both -- not only just multilaterally but bilaterally, as well.

And I’ve had the chance to visit Vietnam, for example, and meet with them. I’ve had the chance to visit Thailand and meet with the Thais and in each of these countries and many of these ASEAN partners, I’ve either visited them or had a chance to speak to them on the phone, talk to my counterparts and the same themes keep coming up over and over and over again. So again, ASEAN is critically important.

Southeast Asia is an important part of the world. We see Southeast Asia, particularly in the South China Sea area, is where China seems to be flexing its muscles the most and conducting some of its worst behavior. I’ve spoken before about the sinking of a Vietnamese fishing vessel, the coercion we’ve seen around denying countries their ability to extract minerals or petroleum, for example, from their economic zones. We see the intrusion of Chinese fishing vessels in territorial waters.

So all of these things seem to be concentrated in the South China Sea and that’s where ASEAN will -- will play an important role, as well, as we look ahead.

MODERATOR: Sir -- thank you, sir.

And it should not be lost through our virtual audience that in our National Security Strategy. It not only talks about the importance of allies and partners but also the criticality of working closely with regional institutions like ASEAN.

SEC. ESPER: Absolutely.

MODERATOR: Sir, I'm going to shift to Oceania -- and we do have several questions so if you'd indulge me, sir. How important is it to the department that it strengthens its relationship with Pacific Island nations, and what are we doing to build these partnerships? And then the last is what is being done to counter the growing Chinese influence in that region?

SEC. ESPER: Look, the Pacific Island countries are very important, it's very critical to the region and to our strategy as well. And we have great respect for them and their sovereignty. And I think we need to spend more time and attention and investment on these important countries.

So this week alone, I will be visiting Palau in the coming days. I look forward to spending a whole day there at Palau and talking to them about their defense needs and exchanging views on any number of issues to include you know, Chinese -- the Chinese presence in the region.

I just got off the phone not long ago with the defense minister for Papua, New Guinea, and we discussed a number of issues, areas where the United States and PNG are cooperating, where we think there's a lot of opportunities. And I've had similar conversations with countries, you know, all throughout the region.

So a very important part of the world. When you look at the vastness of the Pacific and the importance, strategic importance of Pacific Island countries, many cut across sea lines of communication critical to navigation and any number of issues. And all important peoples with different cultures and backgrounds and histories, many of which are intertwined with the United States in different roles.

So it's something that we in the Department of Defense, and it's -- certainly our partners in the Department of State will continue to pay more attention to and conduct more outreach with.

MODERATOR: Yes, sir.

And that third question on the growing influence of China and what we are doing to counter that influence in the region, sir?

SEC. ESPER: Yeah, look, I said earlier that, you know, the smaller the country, the heavier the hand of Beijing. And you see this all the time, whether it's debt diplomacy, whether it's some type of economic coercion where they're trying to buy their way into a port or you know, trying to hold out that carrot of economic assistance. But they always come with strings and catches and everything else.

And we've seen that I think most vividly here in the past several months with coronavirus. Here is a country where -- from which the coronavirus, COVID-19 emerged. They were very opaque, unwilling to share what they knew and we saw this pandemic spread globally.

And then they tried to capitalize on it later by trying to promote how -- their view that maybe the Chinese system is better than everybody else's to prevent the pandemic.

Look, what we expect is what we expect of everybody, and that is those norms and rules of behavior, that is sharing and being transparent and being accountable and not trying to take advantage of others when countries are down. You know, we -- we're trying -- we in the United States have put forward millions of dollars to many of our partners to help them through this COVID-19 crisis, and other countries have reciprocated.

That hasn't been the case with China per se, and so rather than this being a period for one country, China, trying to take advantage of the situation, trying to capitalize on others' misfortune, they should act like most countries, and that is to try and help one another and try and help us through these tough times.

And we will get there, but we will get there together, so it's important that we do that. And again, it's important that we be attentive to the needs of Pacific Island countries, countries of all sizes, shapes, situations as we work our way through the coronavirus pandemic, the economic crisis that has resulted from that and until we get ourselves back up on our feet, and then continue to build forward, again, this great international order and system that has served us so very well for decades, and preserving that.

MODERATOR: Yes, sir, thank you.

And I think your remark about listen to their needs, I think will resonate so well back in Oceania. And I do know with the DOD working closely with the Pacific Islands Forum, Australia, New Zealand, and other like-minded countries that want to go in there and collaborate and collectively come and bring together capacities and capabilities.

It's not just one country that would solve it; it's listening to what they need, working together, and I think we've seen that very actively here, particularly in the time I've been here.

So thank you, sir.

SEC. ESPER: And I completely agree. I've spoken to, you know, my counterparts from many of those countries you mentioned -- Australia, Japan, et cetera. They do a lot of good work in the region and have a lot of good outreach and connectivity that we aspire to mimic in many ways. And they provide all of us a lot of good insights, a lot of good sharing going around.

And I should mention, since I was just talking about coronavirus, you know, you want to try and look for the silver lining of every cloud. And I will tell you, a silver lining that has come out of the pandemic is, as we've been prevented from traveling as much as we all would like, what I have found that the United States and many of its closest partners have turned to you know, video teleconferences like this.

MODERATOR: Yes, sir.

SEC. ESPER: And we've actually found more opportunities to meet and talk rather than just relying on, you know, long plane flights and annual conferences. So in some ways, it's brought us together.

Many of us, a few of us have kind of made a commitment to do it more frequently, those types of conferences, so that we can continue to share information and look for ways to again build upon that third pillar of our Indo-Pacific strategy. And that is, building this network of nations out there. And I think that will -- the more we can do that, the more we will be better served in the long run.

MODERATOR: Thank you, sir.

So let me shift to South Asia. How are you implementing the major defense partnership with India? Why is this important? What is the impact of tensions between China and India over the Line of Actual Control?

SEC. ESPER: Sure.

Well, look, I think India will be one of the most consequential relationships for the United States in the -- in the 21st century. You know, as I think about this, I recall that what -- I've had several tours in the Department of Defense when I was a deputy assistant secretary in '02-'03, those were the early years of us trying to build this relationship.

And when I came back in 2017, I was just really astounded by how far this relationship has matured. And I will tell you, in the past year as Secretary of defense, I've had a chance to host my counterpart here in the United States, I had a 2+2 with the Secretary of state and his counterpart, I've spoken on the phone many times with the minister of defense from India.

And most recently, over these tensions with China, which is another example by which China would try to take advantage of a -- of the coronavirus and what was happening globally to capitalize on -- on what was happening along the Line of Actual Control. And so here's another example of Chinese bad behavior that wasn't necessary.

Now, that said, it's good to see that both sides are talking about de-escalating. We encourage that. But in the meantime, we are going to continue to build that relationship with India.

I spoke about our first combined exercises last year. In the past month this summer, we had the USS Nimitz cruising in the Indian Ocean with the Indian navy, which is important. We continue a lot of good information-sharing between our countries.

Arms sales are important, again, not just because you're selling arms but the -- with the United States, arms sales come with a relationship, a long-term relationship.

So all those things are good and moving in the right direction, and I think it's very, very important for the world's oldest democracy and the world's largest democracy to continue to build along because we have so many shared values, there's such a great relationship between our peoples, great accomplishments by Indian-Americans in all 50 states.

So I'm really hopeful for the future, and it's a relationship I want to continue to build. I'll be traveling there in the next few months as well for another ministerial, and I just think it's critically important.

MODERATOR: Yes, Mr. Secretary. I have to agree with you. I -- I have definitely seen an increase of mil-to-mil relationships with India for example, and I definitely have seen opportunities in areas like maritime security --

SEC. ESPER: Right.

MODERATOR: -- even for other countries like Sri Lanka, Bangladesh, Maldives. So great opportunity in South Asia.

Sir, I'm going to shift to Northeast Asia. I was stationed there for a couple of years with Naval Forces Korea, so I'll be interested in your thoughts on this. Where do we stand on North Korea? Do you think we will achieve the final and fully-verified denuclearization of North Korea, sir?

SEC. ESPER: Yeah. So our policy remains the same. We want to pursue the complete, verifiable, irreversible denuclearization of North Korea. That's our stated goal, policy. It has been. President Trump has been very clear about that. He has made a lot of overtures to Kim Jong-un. Clearly, the State Department is the lead on diplomatic effort.

And look, the United States has presented to them an alternative of what the North Korean future could look like if they would sit down and negotiate with us and come to an agreement on that policy goal that we've outlined. And our role in the Department of Defense is to support those negotiations, which I -- which I think are critically important. That is the best path forward, clearly.

In the meantime, we have a responsibility, to work alongside our partners in the Republic of Korea and maintain a readiness, a prepared stance, the fight tonight capability so that if things go bad, we can deter, and if necessary, fight and win.

But look, we are constantly ready, a good relationship with our ROK partners and -- and our other allies in the region. But diplomacy is the way to go, and we need to continue to pursue that goal that I just outlined.

MODERATOR: Thank you, Mr. Secretary. I remember a Korean phrase when I was there: (UNTRANSLATED).

SEC. ESPER: (UNTRANSLATED).

MODERATOR: Which -- "We go together."

SEC. ESPER: We go together.

MODERATOR: And that remains the same even now, sir. Thank you very much.

So finally, we come to the last question, sir, and this is a great question to end because it goes and looks to the future. For young officers or civil servants beginning a career in the Indo-Pacific security arena, what advice would you offer on how to think strategically about the region?

SEC. ESPER: Yeah, boy, it's such a dynamic region, isn't it? I mean, I've been working it since --

MODERATOR: Sure.

SEC. ESPER: -- since at least 1995 when I was plans officer in the Department of the Army when I was still in uniform, so that's how far I date on it, but -- and it's evolved so much over those years. But it's very dynamic, and so much going on, such a diverse group of cultures and histories and -- and challenges. I -- I noted my remarks how much trade passes through this region, you know, seven of the world's 10 largest armies. So there's so much going on and so much potential, as well, that it's only going to evolve and be more dynamic in the future. So I think the key thing is you've got to be agile. You've got to be flexible. You cannot have a static view of this region.

And then I think in terms of what you -- what we should think about pursuing, it gets back to, how do we network it together? How do we make these partnerships and relationships which often, if not too often, are bilateral in nature, and multilateralize them? Because if you look around, for all of our allies and partners, whether it's in Northeast Asia with Japan or South Korea, or if you look further south to Australia, New Zealand and I visited -- I visited both places, or look further in, you know, other parts of the region, you see again, we all have the same values and same interests and same concerns.

And so we've got to knit that together. We are stronger together than we are individually, and I think that is the challenge for not just this generation, but more so the next generation, to keep building that together. We can't let the great distances, the vastness of ocean out there be the obstacle to bringing us together. We've got to continue to build those relationships, cut across any type of boundaries and obstacles, because that is the future, I -- I think, and that will ensure that the Indo-Pacific remains free and open and protected and secure for everyone over the next -- for the rest of this century and beyond.

MODERATOR: Well, thank you so much, Mr. Secretary. It reminds me of an article I read recently, that was really titled "The Pacific is the -- is the Region of the 21st Century." And then further down in the article it says, "it depends". It depends whether or not countries continue to collaborate and provide a secure and stable and prosperous region.

SEC. ESPER: Right.

MODERATOR: And I think all the remarks you said, sir, today leads to that with the free and open Indo-Pacific.

SEC. ESPER: That's right, and we have a responsibility to lead. The United States has a responsibility to lead. We've been a Pacific country and Indo-Pacific country for quite a long time.

MODERATOR: Sure.

SEC. ESPER: And we're not going to cede this region. We're not going to cede an inch of ground, if you will, to another country, any other country that thinks that their form of government, their views on human rights, their views on sovereignty, their views on freedom of the press, freedom of religion, freedom of assembly, those things, that somehow that's better than what many of us share and know to be the case of the importance of individual rights and democracy and sovereignty, and all those things that we value and we know keep us safe and secure and prosperous.

MODERATOR: Well, thank you, sir. So, ladies and gentlemen, this concludes our question-and-answer session.

Secretary Esper, sir, thank you so much for just being with us today and sharing your insights, and they were very thoughtful, they were very candid, and they were very, very detailed. This is the island-style of a fireside chat, sir. But really, for the virtual audience, you don't feel it, but Secretary Esper is very relaxed up here, you know? I wish I had my slippers and my bathrobe.

But sir, it was really wonderful to have you here with us, and the kind words you've had. Do you have -- we have a moment, sir, if it's okay. Do you have any closing remarks or words to the virtual audience that -- that came up on the net to listen to you, sir?

SEC. ESPER: Well, I felt like I've spoken so much already. I -- I would just say, look, I -- I think, again, the work that you do here at this institute is critically important. It -- it's based on a -- a few principles, and I know Senator Inouye really felt strongly about it. It's -- it's that transparency and accountability, and the willingness to have open, candid discussions -- to resolve issues or to try and advance important ideas.

And that's important about our democracy, too, whether it's our democracy or any other country out there in the Indo-Pacific region that is so-called like-minded. I think continuing to advance those values is important, and that's the torch we have to hand off to the next generation that comes behind you and me and so many others who are sitting on these stages today or engaged in these great discussions about the future of the Indo-Pacific.

MODERATOR: Yes, sir. Well, once again, sir, thank you so much for making the time to be with us tonight.

SEC. ESPER: Thank you.

MODERATOR: But more importantly, Mr. Secretary, thank you for your leadership. Thank you for your continued service to our nation, and your collaborative efforts with our allies and partners, our like-minded countries, to collectively promote a free and open Indo-Pacific. Thank you, sir.

SEC. ESPER: Thank you.

-End-