



DOCUMENTATION

This issue's Documentation section features excerpts from the recently released *National Security Strategy*, in which the Trump Administration discusses its priorities and means to achieve them. The section also features excerpts from Robert P. Kadlec's November 2025 hearing to consider his nomination for Assistant Secretary of Defense for Nuclear Deterrence. The hearing offers a glimpse into the Trump Administration's policy in these areas and also Congress' interests. The third document provides select excerpts from Israeli Prime Minister Benjamin Netanyahu's remarks during his September 2025 visit to the White House. The fourth document, excerpts from the Executive Summary and Key Recommendations of the 2025 China Commission Report, discusses the national security implications of the bilateral trade and economic relationship between the United States and the People's Republic of China.

Document No. 1. The White House, *National Security Strategy of the United States of America*, November 2025 (select excerpts)¹

[...] A strategy must evaluate, sort, and prioritize. Not every country, region, issue, or cause—however worthy—can be the focus of American strategy. The purpose of foreign policy is the protection of core national interests; that is the sole focus of this strategy. [...]

After the end of the Cold War, American foreign policy elites convinced themselves that permanent American domination of the entire world was in the best interests of our country. Yet the affairs of other countries are our concern only if their activities directly threaten our interests.

Our elites badly miscalculated America's willingness to shoulder forever global burdens to which the American people saw no connection to the national interest. They overestimated America's ability to fund, simultaneously, a massive welfare-regulatory-administrative state alongside a massive military, diplomatic, intelligence, and foreign aid complex. They placed hugely misguided and destructive bets on globalism and so-called "free trade" that hollowed out the very middle class and industrial base on which American economic and military preeminence depend. They allowed allies and partners to offload the cost of their defense onto the American people, and sometimes to suck us into conflicts and controversies central to their interests but peripheral or irrelevant to our own. And they lashed American policy to a network of international institutions, some of which are driven by outright anti-Americanism and many by a transnationalism that explicitly seeks to dissolve individual state sovereignty. In sum, not only did our elites pursue a fundamentally undesirable and impossible goal, in doing so they undermined the very means necessary to achieve that goal: the character of our nation upon which its power, wealth, and decency were built. [...]

¹ The full document can be found at <https://www.whitehouse.gov/wp-content/uploads/2025/12/2025-National-Security-Strategy.pdf>.



First and foremost, we want the continued survival and safety of the United States as an independent, sovereign republic whose government secures the God-given natural rights of its citizens and prioritizes their well-being and interests.

We want to protect this country, its people, its territory, its economy, and its way of life from military attack and hostile foreign influence, whether espionage, predatory trade practices, drug and human trafficking, destructive propaganda and influence operations, cultural subversion, or any other threat to our nation.

We want full control over our borders, over our immigration system, and over transportation networks through which people come into our country—legally and illegally. We want a world in which migration is not merely “orderly” but one in which sovereign countries work together to stop rather than facilitate destabilizing population flows, and have full control over whom they do and do not admit.

We want a resilient national infrastructure that can withstand natural disasters, resist and thwart foreign threats, and prevent or mitigate any events that might harm the American people or disrupt the American economy. No adversary or danger should be able to hold America at risk.

We want to recruit, train, equip, and field the world’s most powerful, lethal, and technologically advanced military to protect our interests, deter wars, and—if necessary—win them quickly and decisively, with the lowest possible casualties to our forces. And we want a military in which every single service member is proud of their country and confident in their mission.

We want the world’s most robust, credible, and modern nuclear deterrent, plus next-generation missile defenses—including a Golden Dome for the American homeland—to protect the American people, American assets overseas, and American allies.

We want the world’s strongest, most dynamic, most innovative, and most advanced economy. The U.S. economy is the bedrock of the American way of life, which promises and delivers widespread and broad-based prosperity, creates upward mobility, and rewards hard work. Our economy is also the bedrock of our global position and the necessary foundation of our military.

We want the world’s most robust industrial base. American national power depends on a strong industrial sector capable of meeting both peacetime and wartime production demands. That requires not only direct defense industrial production capacity but also defense-related production capacity. Cultivating American industrial strength must become the highest priority of national economic policy.

We want the world's most robust, productive, and innovative energy sector—one capable not just of fueling American economic growth but of being one of America's leading export industries in its own right.

We want to remain the world's most scientifically and technologically advanced and innovative country, and to build on these strengths. And we want to protect our intellectual property from foreign theft. America's pioneering spirit is a key pillar of our continued economic dominance and military superiority; it must be preserved.

We want to maintain the United States' unrivaled "soft power" through which we exercise positive influence throughout the world that furthers our interests. In doing so, we will be unapologetic about our country's past and present while respectful of other countries' differing religions, cultures, and governing systems. "Soft power" that serves America's true national interest is effective only if we believe in our country's inherent greatness and decency.

Finally, we want the restoration and reinvigoration of American spiritual and cultural health, without which long-term security is impossible. We want an America that cherishes its past glories and its heroes, and that looks forward to a new golden age. We want a people who are proud, happy, and optimistic that they will leave their country to the next generation better than they found it. We want a gainfully employed citizenry—with no one sitting on the sidelines—who take satisfaction from knowing that their work is essential to the prosperity of our nation and to the well-being of individuals and families. [...]

- We want to ensure that the Western Hemisphere remains reasonably stable and well-governed enough to prevent and discourage mass migration to the United States; we want a Hemisphere whose governments cooperate with us against narco-terrorists, cartels, and other transnational criminal organizations; we want a Hemisphere that remains free of hostile foreign incursion or ownership of key assets, and that supports critical supply chains; and we want to ensure our continued access to key strategic locations. In other words, we will assert and enforce a "Trump Corollary" to the Monroe Doctrine;
- We want to halt and reverse the ongoing damage that foreign actors inflict on the American economy while keeping the Indo-Pacific free and open, preserving freedom of navigation in all crucial sea lanes, and maintaining secure and reliable supply chains and access to critical materials;
- We want to support our allies in preserving the freedom and security of Europe, while restoring Europe's civilizational self-confidence and Western identity;
- We want to prevent an adversarial power from dominating the Middle East, its oil and gas supplies, and the chokepoints through which they pass while avoiding the "forever wars" that bogged us down in that region at great cost; and

- We want to ensure that U.S. technology and U.S. standards—particularly in AI, biotech, and quantum computing—drive the world forward. [...]

America retains the world's most enviable position, with world-leading assets, resources, and advantages, including:

- A still nimble political system that can course correct;
- The world's single largest and most innovative economy, which both generates wealth we can invest in strategic interests and provides leverage over countries that want access to our markets;
- The world's leading financial system and capital markets, including the dollar's global reserve currency status;
- The world's most advanced, most innovative, and most profitable technology sector, which undergirds our economy, provides a qualitative edge to our military, and strengthens our global influence;
- The world's most powerful and capable military;
- A broad network of alliances, with treaty allies and partners in the world's most strategically important regions;
- An enviable geography with abundant natural resources, no competing powers physically dominant in our Hemisphere, borders at no risk of military invasion, and other great powers separated by vast oceans;
- Unmatched "soft power" and cultural influence; and
- The courage, willpower, and patriotism of the American people.

In addition, through President Trump's robust domestic agenda, the United States is:

- Re-instilling a culture of competence, rooting out so-called "DEI" and other discriminatory and anti-competitive practices that degrade our institutions and hold us back;
- Unleashing our enormous energy production capacity as a strategic priority to fuel growth and innovation, and to bolster and rebuild the middle class;
- Reindustrializing our economy, again to further support the middle class and control our own supply chains and production capacities;
- Returning economic freedom to our citizens via historic tax cuts and deregulatory efforts, making the United States the premier place to do business and invest capital; and
- Investing in emerging technologies and basic science, to ensure our continued prosperity, competitive advantage, and military dominance for future generations. [...]

President Trump's foreign policy is pragmatic without being "pragmatist," realistic without being "realist," principled without being "idealistic," muscular without being "hawkish," and

restrained without being “dovish.” It is not grounded in traditional, political ideology. It is motivated above all by what works for America—or, in two words, “America First.” [...]

Stopping regional conflicts before they spiral into global wars that drag down whole continents is worthy of the Commander-in-Chief’s attention, and a priority for this administration. A world on fire, where wars come to our shores, is bad for American interests. [...]

- **The Era of Mass Migration Is Over** – Who a country admits into its borders—in what numbers and from where—will inevitably define the future of that nation. Any country that considers itself sovereign has the right and duty to define its future. [...] The era of mass migration must end. Border security is the primary element of national security. [...]
- **Protection of Core Rights and Liberties** – The purpose of the American government is to secure the God-given natural rights of American citizens. To this end, departments and agencies of the United States Government have been granted fearsome powers. Those powers must never be abused, whether under the guise of “deradicalization,” “protecting our democracy,” or any other pretext. When and where those powers are abused, abusers must be held accountable. [...] We will oppose elite-driven, anti-democratic restrictions on core liberties in Europe, the Anglosphere, and the rest of the democratic world, especially among our allies.
- **Burden-Sharing and Burden-Shifting** – The days of the United States propping up the entire world order like Atlas are over. We count among our many allies and partners dozens of wealthy, sophisticated nations that must assume primary responsibility for their regions and contribute far more to our collective defense. [...] The model will be targeted partnerships that use economic tools to align incentives, share burdens with like-minded allies, and insist on reforms that anchor long-term stability. This strategic clarity will allow the United States to counter hostile and subversive influences efficiently while avoiding the overextension and diffuse focus that undermined past efforts. The United States will stand ready to help—potentially through more favorable treatment on commercial matters, technology sharing, and defense procurement—those countries that willingly take more responsibility for security in their neighborhoods and align their export controls with ours.
- **Realignment Through Peace** – Seeking peace deals at the President’s direction, even in regions and countries peripheral to our immediate core interests, is an effective way to increase stability, strengthen America’s global influence, realign countries and regions toward our interests, and open new markets. The resources required boil down to presidential diplomacy, which our great nation can embrace only with competent leadership. The dividends—an end to longstanding conflicts, lives saved, new friends made—can vastly outweigh the relatively minor costs of time and attention.

- **Economic Security** – Finally, because economic security is fundamental to national security, we will work to further strengthen the American economy, with emphases on:
 - **Balanced Trade** [...]
 - **Securing Access to Critical Supply Chains and Materials** [...]
 - **Reindustrialization** [...]
 - **Reviving our Defense Industrial Base** [...]
 - **Energy Dominance** [...]
 - **Preserving and Growing America’s Financial Sector Dominance** [...]

The purpose of national security policy is the protection of core national interests—some priorities transcend regional confines. For instance, terrorist activity in an otherwise less consequential area might force our urgent attention. But leaping from that necessity to sustained attention to the periphery is a mistake.

A. Western Hemisphere: The Trump Corollary to the Monroe Doctrine

After years of neglect, the United States will reassert and enforce the Monroe Doctrine to restore American preeminence in the Western Hemisphere, and to protect our homeland and our access to key geographies throughout the region. We will deny non-Hemispheric competitors the ability to position forces or other threatening capabilities, or to own or control strategically vital assets, in our Hemisphere. [...]

Our goals for the Western Hemisphere can be summarized as “Enlist and Expand.” We will *enlist* established friends in the Hemisphere to control migration, stop drug flows, and strengthen stability and security on land and sea. We will *expand* by cultivating and strengthening new partners while bolstering our own nation’s appeal as the Hemisphere’s economic and security partner of choice. [...]

The United States must reconsider our military presence in the Western Hemisphere. This means four obvious things:

- A readjustment of our global military presence to address urgent threats in our Hemisphere, especially the missions identified in this strategy, and away from theaters whose relative import to American national security has declined in recent decades or years;
- A more suitable Coast Guard and Navy presence to control sea lanes, to thwart illegal and other unwanted migration, to reduce human and drug trafficking, and to control key transit routes in a crisis;
- Targeted deployments to secure the border and defeat cartels [...]
- Establishing or expanding access in strategically important locations. [...]

B. Asia: Win the Economic Future, Prevent Military Confrontation

Leading from a Position of Strength

President Trump single-handedly reversed more than three decades of mistaken American assumptions about China: namely, that by opening our markets to China, encouraging American business to invest in China, and outsourcing our manufacturing to China, we would facilitate China's entry into the so-called "rules-based international order." This did not happen. China got rich and powerful, and used its wealth and power to its considerable advantage. [...]

The Indo-Pacific is already the source of almost half the world's GDP based on purchasing power parity (PPP), and one third based on nominal GDP. That share is certain to grow over the 21st century. Which means that the Indo-Pacific is already and will continue to be among the next century's key economic and geopolitical battlegrounds. To thrive at home, we must successfully compete there—and we are. [...]

Economics: The Ultimate Stakes [...]

China adapted to the shift in U.S. tariff policy that began in 2017 in part by strengthening its hold on supply chains, especially in the world's low- and middle-income (i.e., per capita GDP \$13,800 or less) countries—among the greatest economic battlegrounds of the coming decades. China's exports to low-income countries doubled between 2020 and 2024. The United States imports Chinese goods indirectly from middlemen and Chinese-built factories in a dozen countries, including Mexico. China's exports to low-income countries are today nearly four times its exports to the United States. [...]

Going forward, we will rebalance America's economic relationship with China, prioritizing reciprocity and fairness to restore American economic independence. Trade with China should be balanced and focused on non-sensitive factors. [...]

Importantly, this must be accompanied by a robust and ongoing focus on deterrence to prevent war in the Indo-Pacific. This combined approach can become a virtuous cycle as strong American deterrence opens up space for more disciplined economic action, while more disciplined economic action leads to greater American resources to sustain deterrence in the long term.

To accomplish this, several things are essential.

First, the United States must protect and defend our economy and our people from harm, from any country or source. This means ending (among other things):

- Predatory, state-directed subsidies and industrial strategies;

- Unfair trading practices;
- Job destruction and deindustrialization;
- Grand-scale intellectual property theft and industrial espionage;
- Threats against our supply chains that risk U.S. access to critical resources, including minerals and rare earth elements;
- Exports of fentanyl precursors that fuel America’s opioid epidemic; and
- Propaganda, influence operations, and other forms of cultural subversion.

Second, the United States must work with our treaty allies and partners—who together add another \$35 trillion in economic power to our own \$30 trillion national economy (together constituting more than half the world economy)—to counteract predatory economic practices and use our combined economic power to help safeguard our prime position in the world economy and ensure that allied economies do not become subordinate to any competing power. We must continue to improve commercial (and other) relations with India to encourage New Delhi to contribute to Indo-Pacific security, including through continued quadrilateral cooperation with Australia, Japan, and the United States (“the Quad”). Moreover, we will also work to align the actions of our allies and partners with our joint interest in preventing domination by any single competitor nation.

The United States must at the same time invest in research to preserve and advance our advantage in cutting-edge military and dual-use technology, with emphasis on the domains where U.S. advantages are strongest. These include undersea, space, and nuclear, as well as others that will decide the future of military power, such as AI, quantum computing, and autonomous systems, plus the energy necessary to fuel these domains.

Additionally, the U.S. Government’s critical relationships with the American private sector help maintain surveillance of persistent threats to U.S. networks, including critical infrastructure. [...]

In addition to maintaining economic preeminence and consolidating our alliance system into an economic group, the United States must execute robust diplomatic and private sector-led economic engagement in those countries where the majority of global economic growth is likely to occur over the coming decades.

America First diplomacy seeks to rebalance global trade relationships. We have made clear to our allies that America’s current account deficit is unsustainable. We must encourage Europe, Japan, Korea, Australia, Canada, Mexico, and other prominent nations in adopting trade policies that help rebalance China’s economy toward household consumption, because Southeast Asia, Latin America, and the Middle East cannot alone absorb China’s enormous excess capacity. The exporting nations of Europe and Asia can also look to middle-income countries as a limited but growing market for their exports.

China's state-led and state-backed companies excel in building physical and digital infrastructure, and China has recycled perhaps \$1.3 trillion of its trade surpluses into loans to its trading partners. America and its allies have not yet formulated, much less executed, a joint plan for the so-called "Global South," but together possess tremendous resources. [...]

Deterring Military Threats

In the long term, maintaining American economic and technological preeminence is the surest way to deter and prevent a large-scale military conflict.

A favorable conventional military balance remains an essential component of strategic competition. There is, rightly, much focus on Taiwan, partly because of Taiwan's dominance of semiconductor production, but mostly because Taiwan provides direct access to the Second Island Chain and splits Northeast and Southeast Asia into two distinct theaters. Given that one-third of global shipping passes annually through the South China Sea, this has major implications for the U.S. economy. Hence deterring a conflict over Taiwan, ideally by preserving military overmatch, is a priority. We will also maintain our longstanding declaratory policy on Taiwan, meaning that the United States does not support any unilateral change to the status quo in the Taiwan Strait.

We will build a military capable of denying aggression anywhere in the First Island Chain. But the American military cannot, and should not have to, do this alone. Our allies must step up and spend—and more importantly do—much more for collective defense. America's diplomatic efforts should focus on pressing our First Island Chain allies and partners to allow the U.S. military greater access to their ports and other facilities, to spend more on their own defense, and most importantly to invest in capabilities aimed at deterring aggression. [...]

A related security challenge is the potential for any competitor to control the South China Sea. [...] Strong measures must be developed along with the deterrence necessary to keep those lanes open, free of "tolls," and not subject to arbitrary closure by one country. This will require not just further investment in our military—especially naval—capabilities, but also strong cooperation with every nation that stands to suffer, from India to Japan and beyond, if this problem is not addressed.

Given President Trump's insistence on increased burden-sharing from Japan and South Korea, we must urge these countries to increase defense spending, with a focus on the capabilities—including new capabilities—necessary to deter adversaries and protect the First Island Chain. We will also harden and strengthen our military presence in the Western Pacific, while in our dealings with Taiwan and Australia we maintain our determined rhetoric on increased defense spending. [...]

C. Promoting European Greatness [...]

Continental Europe has been losing share of global GDP—down from 25 percent in 1990 to 14 percent today—partly owing to national and transnational regulations that undermine creativity and industriousness.

But this economic decline is eclipsed by the real and more stark prospect of civilizational erasure. [...]

Should present trends continue, the continent will be unrecognizable in 20 years or less. As such, it is far from obvious whether certain European countries will have economies and militaries strong enough to remain reliable allies. Many of these nations are currently doubling down on their present path. We want Europe to remain European, to regain its civilizational self-confidence, and to abandon its failed focus on regulatory suffocation.

This lack of self-confidence is most evident in Europe's relationship with Russia. European allies enjoy a significant hard power advantage over Russia by almost every measure, save nuclear weapons. As a result of Russia's war in Ukraine, European relations with Russia are now deeply attenuated, and many Europeans regard Russia as an existential threat. Managing European relations with Russia will require significant U.S. diplomatic engagement, both to reestablish conditions of strategic stability across the Eurasian landmass, and to mitigate the risk of conflict between Russia and European states.

It is a core interest of the United States to negotiate an expeditious cessation of hostilities in Ukraine, in order to stabilize European economies, prevent unintended escalation or expansion of the war, and reestablish strategic stability with Russia, as well as to enable the post-hostilities reconstruction of Ukraine to enable its survival as a viable state.

The Ukraine War has had the perverse effect of increasing Europe's, especially Germany's, external dependencies. Today, German chemical companies are building some of the world's largest processing plants in China, using Russian gas that they cannot obtain at home. The Trump Administration finds itself at odds with European officials who hold unrealistic expectations for the war perched in unstable minority governments, many of which trample on basic principles of democracy to suppress opposition. A large European majority wants peace, yet that desire is not translated into policy, in large measure because of those governments' subversion of democratic processes. This is strategically important to the United States precisely because European states cannot reform themselves if they are trapped in political crisis. [...]

American diplomacy should continue to stand up for genuine democracy, freedom of expression, and unapologetic celebrations of European nations' individual character and history. America encourages its political allies in Europe to promote this revival of spirit, and

the growing influence of patriotic European parties indeed gives cause for great optimism. [...]

Over the long term, it is more than plausible that within a few decades at the latest, certain NATO members will become majority non-European. As such, it is an open question whether they will view their place in the world, or their alliance with the United States, in the same way as those who signed the NATO charter.

Our broad policy for Europe should prioritize:

- Reestablishing conditions of stability within Europe and strategic stability with Russia;
- Enabling Europe to stand on its own feet and operate as a group of aligned sovereign nations, including by taking primary responsibility for its own defense, without being dominated by any adversarial power;
- Cultivating resistance to Europe's current trajectory within European nations;
- Opening European markets to U.S. goods and services and ensuring fair treatment of U.S. workers and businesses;
- Building up the healthy nations of Central, Eastern, and Southern Europe through commercial ties, weapons sales, political collaboration, and cultural and educational exchanges;
 - Ending the perception, and preventing the reality, of NATO as a perpetually expanding alliance; and
- Encouraging Europe to take action to combat mercantilist overcapacity, technological theft, cyber espionage, and other hostile economic practices.

D. The Middle East: Shift Burdens, Build Peace

For half a century at least, American foreign policy has prioritized the Middle East above all other regions. The reasons are obvious: the Middle East was for decades the world's most important supplier of energy, was a prime theater of superpower competition, and was rife with conflict that threatened to spill into the wider world and even to our own shores.

Today, at least two of those dynamics no longer hold. Energy supplies have diversified greatly, with the United States once again a net energy exporter. Superpower competition has given way to great power jockeying, in which the United States retains the most enviable position, reinforced by President Trump's successful revitalization of our alliances in the Gulf, with other Arab partners, and with Israel. [...]

Middle East partners are demonstrating their commitment to combatting radicalism, a trendline American policy should continue to encourage. But doing so will require dropping

America’s misguided experiment with hectoring these nations—especially the Gulf monarchies—into abandoning their traditions and historic forms of government. We should encourage and applaud reform when and where it emerges organically, without trying to impose it from without. [...]

America will always have core interests in ensuring that Gulf energy supplies do not fall into the hands of an outright enemy, that the Strait of Hormuz remain open, that the Red Sea remain navigable, that the region not be an incubator or exporter of terror against American interests or the American homeland, and that Israel remain secure. We can and must address this threat ideologically and militarily without decades of fruitless “nation building” wars. We also have a clear interest in expanding the Abraham Accords to more nations in the region and to other countries in the Muslim world.

But the days in which the Middle East dominated American foreign policy in both long-term planning and day-to-day execution are thankfully over—not because the Middle East no longer matters, but because it is no longer the constant irritant, and potential source of imminent catastrophe, that it once was. It is rather emerging as a place of partnership, friendship, and investment—a trend that should be welcomed and encouraged. In fact, President Trump’s ability to unite the Arab world at Sharm el-Sheikh in pursuit of peace and normalization will allow the United States to finally prioritize American interests.

E. Africa [...]

Opportunities for engagement could include negotiating settlements to ongoing conflicts (e.g., DRC-Rwanda, Sudan), and preventing new ones (e.g., Ethiopia-Eritrea-Somalia), as well as action to amend our approach to aid and investment (e.g., the Africa Growth and Opportunity Act). And we must remain wary of resurgent Islamist terrorist activity in parts of Africa while avoiding any long-term American presence or commitments.

The United States should transition from an aid-focused relationship with Africa to a trade- and investment-focused relationship, favoring partnerships with capable, reliable states committed to opening their markets to U.S. goods and services. An immediate area for U.S. investment in Africa, with prospects for a good return on investment, include the energy sector and critical mineral development. Development of U.S.-backed nuclear energy, liquid petroleum gas, and liquified natural gas technologies can generate profits for U.S. businesses and help us in the competition for critical minerals and other resources.

Document No. 2. Senate Armed Services Committee, Hearing to Consider the Nomination of Honorable Robert P. Kadlec to be Assistant Secretary of Defense for Nuclear Deterrence, Chemical, and Biological Defense Policy and Programs, November 4, 2025 (select excerpts)²

Testimony

If confirmed, I intend to pursue 4 priorities to achieve their objectives: 1. Maintain and sustain the current nuclear Triad, 2. Modernize our nuclear command and control. 3. Accelerate the development and deployment of the Sentinel ICBM [intercontinental-range ballistic missile], B-21 bomber, Columbia class submarine, and other critical nuclear deterrent capabilities, as well as supporting modernization of NNSA's [National Nuclear Security Administration's] nuclear enterprise. 4. Deploy credible capabilities to deter adversary biological weapons use. [...]

The Congressionally mandated Strategic Posture Commission [(SPC)] noted that for the first time, we confront two peer nuclear adversaries who are intent on replacing the US-led international order. The risk of simultaneous wars with multiple adversaries each possessing advanced conventional, space, cyber, nuclear and chem-bio capabilities challenge our current deterrent posture requiring adjustments in our nuclear forces, including potentially new or different capabilities. The priorities of sustaining our current nuclear triad, accelerating deployment of future capabilities, ensuring effective command and control, modernizing the nuclear enterprise and creating a credible deterrent against biological attacks are all urgent and vital for America's future security. As the Commission noted addressing gaps and identifying opportunities may require additional deterrent capabilities. [...]

Advance Policy Questions

16. What do you consider to be the most significant challenges you would face if confirmed as the ASD(NDCB) [Assistant Secretary of Defense for Nuclear Deterrence, Chemical, and Biological Defense Policy and Programs]?

The most significant challenge will be to ensure the effectiveness and credibility of currently fielded nuclear forces as the United States completes its modernization of the nuclear triad. Another significant challenge will be addressing the rapidly evolving biothreat landscape, which is complicated by the dual-use nature of biotechnology and rapid advancements in artificial intelligence and high-performance computing. These challenges are compounded by the need to remain responsive to an increasingly challenging security environment. [...]

² The witness testimony and the full text of advanced policy questions can be found at https://www.armed-services.senate.gov/imo/media/doc/kadlec_opening_statement.pdf and https://www.armed-services.senate.gov/imo/media/doc/kadlec_apq.pdf.

18. If confirmed, specifically what actions would you take, in what order of priority, and on what timeline—to address each of these challenges?

If confirmed, my priority will be to work with my team and across the Department to review all nuclear modernization and countering WMD [weapons of mass destruction] programs to identify opportunities to accelerate, streamline, or otherwise improve our ability to deliver key systems as quickly and efficiently as possible. Second, I will work with the Under Secretary of War for Policy and across the Policy organization to align ND-CBD efforts with the forthcoming National Security and National Defense Strategies, especially to focus on addressing the deterrence challenges created by China's emergence as a major nuclear power. Third, in my capacity as Staff Director of the Nuclear Weapons Council, I will work to ensure alignment between DoW [Department of War] requirements and DOE/NNSA's [Department of Energy/NNSA's] warhead programs and infrastructure projects, and to instill a strong sense of urgency to delivering capabilities as quickly as possible to address the emerging security environment. Finally, I will prioritize working to ensure the ND-CBD organization is postured to advise the Secretary and Deputy Secretary on delivery of effective nuclear deterrence and defense against chemical and biological weapons on behalf of the President, the Secretary, and the American people. [...]

I agree that nuclear deterrence is a top priority for the Department. U.S. nuclear forces underpin our entire deterrence and defense posture. It is critical that the DoW fields a safe, secure, and effective nuclear deterrent to enable the Department to deter and defeat aggression against our vital interests. [...]

China, Russia, and North Korea have expanded and modernized their nuclear capabilities. These improvements, which include advances in warheads, delivery systems, and command and control systems, pose an increasingly severe threat to the United States and its allies and partners. My understanding is that the pace of China's nuclear force growth has exceeded U.S. expectations. [...]

I am closely watching China's emergence as a major nuclear power, alongside China's massive conventional military buildup. China's nuclear forces are a crucial part of its strategy to become the leading power in the Western Pacific. China's opaque and rapid nuclear build up requires that the United States think differently about how it deters and defeats aggression against our vital interests in the Indo-Pacific. The Department must ensure that U.S. nuclear forces are postured to deter China from nuclear escalation and provide the President with a range of credible options, while simultaneously deterring strategic attacks from other nuclear threat actors, including Russia and North Korea. If confirmed, I will review the Department's work thus far to grapple with this challenge and identify any necessary adjustments to our nuclear strategy or posture, aligned with the forthcoming National Defense Strategy.

22. Do you believe the United States needs to adopt a counterforce strategy that allows it to hold at risk both Russia and China's nuclear forces simultaneously?

Deterrence depends upon holding at risk what the adversary values and I understand the capability to hold at risk adversary nuclear forces has been a key element of U.S. strategy for many years. While I believe there continues to be a role for targeting adversary nuclear forces within the United States's nuclear strategy, I am not yet in a position to assess the specific strategy the United States should pursue. [...]

25. Do you believe our current deterrence policy and force structure effectively accounts for two near peer nuclear competitors? If not, do you believe the U.S. will require additional capabilities, a numerically larger force than exists today, or a combination of both?

I believe that our strategic forces must be able to deter strategic attacks simultaneously from multiple nuclear-armed powers, especially the two most capable ones. [...]

27. What is your assessment of our regional and extended deterrent capabilities in Europe and Asia and our allies views on them?

I believe our nuclear deterrent remains highly credible to both adversaries and allies. However, I also believe that the United States needs to have credible nuclear response options for a theater conflict below the strategic-level. Both China and Russia are fielding highly capable arsenals of theater-range nuclear capabilities that threaten U.S. forces, allies, and other vital interests in Europe and Asia. My understanding is that our capabilities in this area have atrophied since the end of the Cold War. [...]

28. What are your views on the value of U.S. nuclear extended deterrence assurances as a component of our nonproliferation efforts, particularly in the Indo-Pacific region?

U.S. extended nuclear deterrence has long been critical to deterring aggression against allies and partners, protecting U.S. interests abroad, and preventing the proliferation of nuclear weapons around the world. Credible extended deterrence continues to be an important and effective tool for our security and for preventing the further spread of nuclear weapons.

29. Do you believe the U.S. should work to further deepen cooperation on nuclear operations and policy with allies in the Indo-Pacific region to offset increased dangers from China's, Russia's, and North Korea's rapidly expanding arsenals and increasingly aggressive behaviors?

I believe the United States should strengthen cooperation with our Indo-Pacific allies to address the unprecedented challenges in the region and have frank and open conversations about how to address these threats through appropriate burden sharing.

30. Do you believe the U.S. should consider stationing nuclear forces in the Asia-Pacific?

U.S. nuclear forces anchor our ability to deter strategic attacks and contribute to our overall defense posture and that of allies. [...]

31. Are there nuclear signals short of the forward deployment of weapons that can be undertaken to strengthen extended deterrence and assurance of U.S. allies in Asia?

My understanding is that the United States regularly conducts extended deterrence dialogues and consultations with our allies in Asia to enhance cooperation to address nuclear threats and demonstrate a commitment to addressing shared nuclear risks. If confirmed, I will review our efforts in this area and determine if additional measures are necessary to sustain the credibility of our extended deterrence. At the same time, it is vitally important that our Asian allies invest more in their own conventional deterrent and defense capabilities.

32. Do you believe the U.S. should allow allies to participate in a nuclear sharing role akin to what NATO allies? Why or why not?

I believe the strength of our alliance system is unmatched and the mix of capabilities depends on unique circumstances of each alliance. If confirmed, I would look at the full range of options to deter nuclear conflict and ensure U.S. allies strengthen their capabilities to complement U.S. extended deterrence.

In December 2020, NATO reaffirmed the Allies' longstanding position that, "as long as nuclear weapons exist, NATO will remain a nuclear alliance."

33. Do you believe this principle requires the United States to continue to deploy nuclear weapons in NATO countries?

As Secretary Hegseth has stated, "the United States remains committed to the NATO alliance and to the defense partnership with Europe, full stop." While Europeans step up and take primary responsibility for their conventional security, the United States will continue to provide critical but more limited support, including our extended nuclear deterrent. U.S. forward deployed nuclear weapons in Europe play a critical role in U.S. security by underpinning extended deterrence as the supreme guarantor of Alliance security.

34. Do you believe additional NATO allies should be allowed to participate in the nuclear sharing role?

If confirmed, I will work with NATO Allies to ensure NATO's nuclear deterrent mission remains credible and effective with the broadest possible participation, within U.S. treaty

obligations. While the United States is committed to providing extended deterrence to NATO, burden sharing in the nuclear mission is an important signal of Alliance resolve.

35. Do you believe the existing NATO nuclear force posture should be reexamined given Russia's reported deployment of tactical weapons into Belarus?

I am not aware of the intelligence, if any, surrounding Russia's reported deployment of tactical nuclear weapons into Belarus. If confirmed, I will review this issue and work closely with all relevant allies to ensure a strong nuclear deterrence posture in NATO commensurate with the evolving nuclear threat from Russia. [...]

36. Do you believe either a sole-purpose or a NFU policy would be appropriate for the United States, and what do you believe would be the implications of such a policy on the credibility of U.S. extended deterrence commitments to our allies?

I do not believe a sole purpose or NFU policy would be advisable, and would advocate against one, if confirmed.

37. Do you believe the U.S. has the necessary capability to destroy adversary command and control facilities, in particular hardened and deeply buried targets?

If confirmed, I will work with Department leadership to immediately review the Department's nuclear programs and capabilities to ensure the Department is taking all necessary steps to hold adversaries at risk. [...]

The 2023 Strategic Posture Commission (SPC) concluded that the U.S. should expedite its ongoing nuclear force modernization activities, modify its strategic nuclear force structure to account for the rapid growth of China's nuclear forces and the unprecedented need to deter two nuclear-armed peer adversaries, and urgently develop additional theater range nuclear options.

39. Do you agree with the recommendations of the SPC regarding U.S. nuclear forces?

The United States faces the real potential of multi-front aggression. The United States must prepare for such conflicts to present our adversaries with a credible deterrent. This includes our nuclear forces, which must deter nuclear and other strategic attacks from all nuclear adversaries. I agree with the SPC that we must have credible response options across the spectrum of conflict, and that we must do more to address the risks that deterrence might fail at the regional level. [...]

The overwhelming majority of U.S. nuclear forces have been extended decades beyond their intended design lives and are nearing the end of their utility. These capabilities must be updated over the next 20 years if the United States is to maintain a viable nuclear deterrent.

41. What is your understanding of the condition of existing Department of Defense nuclear forces?

I have absolute confidence that the U.S. nuclear deterrent is safe, secure, and effective today. However, our nuclear forces are operating well beyond their intended services lives. Modernizing our strategic nuclear deterrent capabilities across the triad, its supporting infrastructure, and production capabilities is critical to maintaining our strategic deterrent against future threats. During this transition from legacy to modern nuclear forces, the United States will also need to identify, assess, and mitigate risks to ensure the effectiveness and credibility of its currently fielded nuclear forces until the modernization of the U.S. nuclear deterrent is complete. If confirmed, I will immediately review the condition of U.S. nuclear forces, the plans and process to sustain those systems and ensure their continued viability, as well as emerging sustainment challenges and risks. [...]

44. In your view, are there other nuclear capabilities or posture adjustments that should be considered to enhance the deterrence of Russia, China, and North Korea, particularly given the pace of expansion in their respective nuclear arsenals?

I agree with Secretary Hegseth's assessment that China, Russia, and North Korea have significantly expanded and modernized their nuclear capabilities. These improvements, which include advances in warheads, delivery systems, and command and control systems, pose an increasingly severe threat to the United States and its allies and partners. If confirmed, I would confer with other Department stakeholders on what additional nuclear posture adjustments would enhance deterrence.

Multiple independent commissions, including congressional commissions on the National Defense Strategy and the Strategic Posture of the United States have highlighted that U.S. defense investments are inadequate for addressing the international security threats facing the United States. These conclusions have been echoed by many members of Congress. In its July 2024 report, the Commission on the National Defense Strategy recommended that Congress provide real growth for defense spending, at an annual average rate of three to five percent above inflation.

45. Do you agree that sustained real growth in the defense budget of at least 3 to 5 percent is necessary to meet global security challenges without incurring significant additional risk?

I support robust defense spending that allows us to meet our National Defense Strategy (NDS). If confirmed, I will advocate for the robust defense spending needed to implement the

NDS that Secretary Hegseth approves. The Department of Defense projected in 2019 that over the planned period of modernization, the sustainment, operations, and modernization of U.S. nuclear forces will account for approximately 6-7 percent of the defense budget. [...]

57. What is your understanding of the condition of NNSA's existing nuclear weapons development, sustainment, and manufacturing capabilities and the associated infrastructure?

As I understand, NNSA's capabilities and infrastructure are sufficient to sustain today's nuclear weapon stockpile. However, there are many key infrastructure shortfalls for meeting Program of Record plans for stockpile modernization. While NNSA is making progress in re-establishing critical processes for producing weapons, increasing production capacity, and reducing risks from infrastructure failures, much work remains to be done. Successful execution of their infrastructure modernization programs will require continuing, long-term funding and support.

58. Do you support the recapitalization of the NNSA's capabilities to design, manufacture, and sustain an effective nuclear weapons stockpile?

Yes, delivering modern infrastructure with the capabilities and capacity necessary to support the stockpile is a critical national security priority. [...]

Arms control, when effective and verifiable, has been a valuable tool for managing competition and international security concerns. In contrast, unverifiable arms control regimes observed by only one party can generate instability.

77. Do you believe that further reductions should be taken only within the context of a formal, verifiable arms control agreement with Russia, China and other nuclear-armed powers?

I support President Trump's efforts to seek a way forward with Russia on strategic arms control and to bring China to the table. I believe that, in general, the United States should pursue arms control when it is in the U.S. national security interest to do so. Specifically, DoW should only support arms control agreements that enhance U.S. security, are stabilizing, and are effectively verifiable. Decisions on the size of the U.S. nuclear arsenal need to account for multiple factors, which I look forward to exploring, if confirmed.

78. Do you believe the security interests of the United States can be advanced by a bilateral arms control treaty with Russia only?

I believe engaging in meaningful dialogue and reciprocal, pragmatic measures can help reduce the risks of nuclear war. I would support any such measures that enhance U.S. security and advance U.S. national interests. I support President Trump's efforts to seek a way forward with Russia on strategic arms control and to bring China to the table.

79. What are your views on the military significance of Russian tactical and theater nuclear forces not covered by the New START Treaty and whether arms control measures can adequately address them?

My understanding is that Russia fields a large and diverse arsenal of theater-range nuclear forces that are not covered by New START, which directly threaten our allies and U.S. forces forward. These capabilities add complexity to our ability to defend U.S. interests in Europe and elsewhere. I believe we should be investigating ways to bring these weapons into a verifiable arms control treaty with Russia. If confirmed, I will work with my colleagues in the Departments of War and State to identify options for arms control for Russian non-strategic nuclear weapons. [...]

80. Do you believe that future arms control agreements should include all types of delivery systems – tactical, theater, and strategic?

I believe that we should be pursuing pragmatic, effectively verifiable arms control for all kinds of nuclear weapons. I am not yet in a position to assess the prospects for an agreement that covers all delivery systems in the near future. I also do not support limits on delivery systems that could hinder our ability to field combat credible conventional forces in support of our defense strategy.

81. Do you believe that future arms control agreements should include both Russia and China?

I support President Trump's efforts to find a way forward on arms control with Russia and to bring China to the table. I believe the United States should be open to arms control with Russia and China if such measures genuinely promote U.S. interests and security and those of our allies. I am not in a position at this stage to assess the likelihood of such measures with Russia and/or China.

82. Should future arms control agreements include the French and United Kingdom?

If confirmed, I would discuss this idea further with my French and UK counterparts to assess if their participation in such agreements is in their national interests and if such agreements support U.S. national interests at this time. I would also weigh potential impacts to other NATO Allies.

83. How should North Korea, Pakistan and India factor into future arms control agreements?

The Administration has been clear about the importance of mitigating the risks of nuclear conflicts. Arms control and nuclear risk reduction measures can serve as critical and

pragmatic tools to help us advance our collective interest in keeping our countries safer from a potential nuclear conflict. [...]

84. What are your views on this approach? How does China's nuclear expansion affect this approach?

China's continued refusal to participate in any nuclear risk reduction measures, coupled with its rapid and opaque nuclear expansion, is destabilizing. [...]

85. What is your current assessment of the New START Treaty and the likelihood of any follow-on nuclear arms control treaties with either Russia or China?

My understanding is that both sides have ceased implementation of the New START Treaty's verification mechanisms, and the United States is unable to confirm that Russia is abiding by all of the Treaty's limits. I believe the United States should be open to arms control with Russia and China if such measures genuinely promote U.S. interests and security and those of our allies. I am not in a position at this stage to assess the likelihood of such measures with Moscow and/or Beijing. I support President Trump's efforts to find a way forward with Russia and China on nuclear arms control and risk reduction.

86. Do you believe that the United States should consider accepting limitations on its missile defense, cyber, space, or conventional power projection capabilities to obtain an agreement with Russia or China on nuclear weapons reductions?

While I believe it is prudent to prepare for all possibilities in negotiations, I am skeptical about such potential constraints on U.S. forces, particularly given the current security environment. [...]

91. What is your assessment of the threat posed by chemical and biological agents to the security interests of the United States and our partners? Where are these threats most acute?

Based on my experience, I believe chemical and biological agents pose an ongoing security threat to the United States and our partners. This threat is the result of compounding advances in science and technology, in addition to our adversaries' actions. Advances in technology have contributed to a rapidly evolving threat landscape. I am deeply concerned by potential ramifications to the Homeland and our allies and partners stemming from the United States' public assessment that multiple countries are in non-compliance with existing treaty obligations under the Chemical Weapons Convention and the Biological Weapons Convention. [...]

102. If confirmed, what would be your priority regions and programs for Cooperative Threat Reduction?

The CTR Program must ensure it is oriented to effectively support Department and Administration priorities. CTR's efforts should be aimed at protecting the warfighter and the Homeland from WMD proliferation threats, with a particular focus on deterring WMD proliferation and employment in the Indo-Pacific region. CTR should also examine what role it could play in preventing the proliferation of WMD into the Western Hemisphere, particularly ways that could threaten the southern U.S. border. The CTR Program needs to emphasize greater burden-sharing with allies and partners in other regions such as Europe, to include leveraging its authority to receive funds from partner governments to execute CWMD projects of mutual national interest.

Document No. 3. Statement, Prime Minister Benjamin Netanyahu, The White House, September 30, 2025³

Mr. President, [...] I believe that today we're taking a critical step towards both ending the war in Gaza and setting the stage for dramatically advancing peace in the Middle East, and I think beyond the Middle East, very important Muslim countries.

I support your plan to end the war in Gaza, which achieves our war aims. It will bring back to Israel all our hostages, dismantle Hamas' military capabilities, end its political rule, and ensure that Gaza never again poses a threat to Israel. [...]

Just a few months ago, in Operation Rising Lion and Operation Midnight Hammer, we struck a decisive blow against Iran's nuclear and ballistic missile program. Your bold decision to send those B2s made the region safer and the world safer.

Now, under your leadership, we're taking the next step to win the war and expand the peace. Your plan is consistent with the five principles my government set for the end of the war and the day after Hamas.

Everybody asks, "What is your plan for the day after Hamas?" Here's our plan. Passed it in the cabinet. All our hostages, both those who are alive and those who died, all of them will return home immediately. Hamas will be disarmed. Gaza will be demilitarized. Israel will retain security responsibility, including a security perimeter for the foreseeable future. And lastly, Gaza will have a peaceful civilian administration that is run neither by Hamas nor by the Palestinian Authority.

³ The full statement can be found at <https://embassies.gov.il/usa/en/news/pm-netanyahu-s-statement-president-donald-trump-white-house-29-sep-2025>.

If Hamas agrees to your plan, Mr. President, the first step will be a modest withdrawal, followed by the release of all our hostages within 72 hours. The next step will be the establishment of an international body charged with fully disarming Hamas and demilitarizing Gaza. [...]

Now, if this international body succeeds, we will have permanently ended the war. Israel will conduct further withdrawals linked to the extent of disarmament and demilitarization, but will remain in the security perimeter for the foreseeable future.

I think we should understand that we're giving everybody a chance to have this done peacefully. Something that will achieve all our war objectives without any further bloodshed. But if Hamas rejects your plan, Mr. President, or if they supposedly accept it and then basically do everything to counter it, then Israel will finish the job by itself. [...]

All these goals must be achieved, because we didn't fight this horrible fight, sacrifice the finest of our young men to have Hamas stay in Gaza and threaten us again and again and again with these horrific massacres.

Mr. President, I was encouraged by your clear statement at the UN [United Nations] against the recognition of a Palestinian state. That would be an outcome that after October 7th would reward terrorists, undermine security, and endanger Israel's very existence.

As for the Palestinian Authority [(PA)], I appreciate your firm position that the PA could have no role whatsoever in Gaza without undergoing a radical and genuine transformation. In your 2020 peace plan, which you mentioned just now, you made clear what that transformation requires. It's not lip service. It's not checking a box. It's a fundamental, genuine, and enduring transformation.

And that means ending "pay to slay," changing the poisonous textbooks that teach hatred to Jews, to Palestinian children, stopping incitement in the media, ending lawfare against Israel at the ICC [(International Criminal Court)], the ICJ [(International Court of Justice)], recognizing the Jewish state, and many, many other reforms.

It won't come as a surprise to you that the vast majority of Israelis have no faith that the PA leopard will change its spots. But rather than wait for this miraculous transformation, your plan provides a practical and realistic path forward for Gaza in the coming years, in which Gaza will be administered neither by Hamas nor the Palestinian Authority, but by those committed to a genuine peace with Israel. [...]

Under your leadership, Mr. President, we can re-energize the Abraham Accords that we forged five years ago. We can expand them to many more Arab and Muslim nations that chose moderation over extremism. [...]

Remember October 7th. And we do. We will never forget the horrors of October 7th. And we will do whatever is necessary to make sure they don't happen again. Since October 7th, Israel's enemies have learned a hard truth. Those who attack us pay a heavy price. But those who partner with us advance progress and security for their peoples. [...]

And I very much appreciate President Trump's proposal to have a trilateral body: the United States, Israel and Qatar, to work out respective grievances. There are quite a few. But if we could try to mitigate them or put it on a different footing, I think that would be good for everyone. [...]

Document No. 4. Reva Price and Randall Schriver, et al., *Report to Congress of the U.S.-China Economic and Review Commission, "Executive Summary," November 2025 (select excerpts)*⁴

Chapter 1: U.S.-China Economic and Trade Relations (Year in Review)

China's economic system is under serious strain. High debt levels and eroding fiscal capacity have constrained Chinese officials' means to address the domestic slowdown without more serious structural reform, which remains unlikely for political reasons. The result is increasingly a two-speed economy, whereby broader economic growth remains under substantial pressure while priority areas for the Party such as advanced manufacturing continue to see plentiful policy support and access to capital. Domestic consumption remains tepid amid mounting concerns over stagnant wages, unemployment, high household debt, and a weak social safety net. Amid the deflation of the property bubble, manufacturing remains the government's growth driver of choice, even as the measures China is taking to bolster this sector are having an increasingly adverse impact on its trading partners. Facing a glut of manufactured goods and weak domestic demand, Chinese factories are redirecting much of this excess supply abroad, part of a dynamic that is contributing to a "China Shock 2.0."

China faces additional challenges from new U.S. and other tariffs on Chinese exports, sparking it to engage in retaliatory measures while also exposing the interconnected nature of supply chains for critical technologies. Rising economic tensions have collided with mounting concerns over China's growing technological prowess. U.S. measures to limit China's progress, such as bans on advanced semiconductor exports, have been pulled into broader trade negotiations as bargaining chips. China has also employed its own sources of

⁴ The full repost can be found at https://www.uscc.gov/sites/default/files/2025-11/2025_Annual_Report_to_Congress.pdf.

leverage, targeting individual U.S. companies with punitive measures and ramping up restrictions on critical minerals exports. As economic relations between the United States and China have worsened, Chinese producers are looking for more receptive markets in third countries. China's manufacturing sector is both globally dominant and increasingly a source of concern among its trading partners, even as Beijing shows little intention of changing course on its market-distorting industrial policies. Therein lies the dilemma: China's self-portrayal as a responsible member of the international economic system is directly at odds with its status as perhaps the world's most structurally unbalanced economy.

Key Findings

- Despite over a decade of pledges to rebalance from export- and investment-led growth toward greater domestic consumption— claims repeated throughout 2025— China's economy has deepened its reliance on export-oriented manufacturing in recent years. Especially as its property crisis deepens, China has doubled down on an economic model based on supply-side support to boost production, often resulting in far more products than domestic demand can absorb, with the intent of becoming the dominant global exporter of all types of manufactured goods and materials.
- China has made limited progress, at best, toward rebalancing its economy to promote domestic consumption as a greater driver of growth. Sluggish financial markets, falling property values, and weak wage growth are all significant headwinds, and the recent modest uptick in consumption indicators is primarily due to temporary measures used to pull forward growth.
- If exports falter and efforts to redirect the economy toward greater domestic consumption remain politically non-viable, China has limited other sources of growth to propel its economy forward without backtracking on its progress to deflate the real estate bubble and control rising levels of debt.
- As we approach the 25th anniversary of China's accession to the WTO [World Trade Organization], China remains a major beneficiary of the global rules-based trading system despite flouting the rules and maintaining an unbalanced, state-led economy fundamentally inconsistent with that system.
- While Chinese officials tout China's openness to foreign investment, the government routinely takes measures adverse to the interests of foreign businesses. Multiple U.S. firms' operations in China have come under threat as a point of leverage in trade negotiations.
- U.S.-China technology competition shapes significant aspects of the U.S.-China economic and security relationship, with global impacts magnified in sectors reliant on advanced semiconductors and artificial intelligence (AI). Chinese companies have made notable progress in these and other key technologies despite U.S. and allied export controls intended to limit China's access to the most advanced technologies.
- China has sought to soften the impact of U.S. tariffs by increasing exports to other countries, while Chinese companies are increasingly offshoring manufacturing

capacity, both to avoid tariffs as well as to ensconce themselves deeper in key supply chains. To seek leverage against the United States, China has implemented retaliatory tariffs and export controls on critical minerals and rare earth magnets. China has also targeted retaliation at specific U.S. firms.

- China continues its efforts to position itself as the reliable partner of choice for trade and investment, particularly with emerging markets. At the same time, a variety of countries, including many of those same emerging market countries, have begun to implement their own tariffs and other barriers to safeguard their manufacturing industries from China's massive excess supply.

Chapter 2: U.S.-China Security and Foreign Affairs (Year in Review)

Over the past year, China has sought to present itself as a responsible world leader despite engaging in a range of destabilizing activities that have undermined global peace and security. General Secretary of the Chinese Communist Party (CCP) Xi Jinping has persisted in challenging U.S. global leadership and asserting China's position on the world stage, including by hosting dozens of world leaders for a Shanghai Cooperation Organization (SCO) summit in Tianjin followed by a military parade in Beijing. China has also escalated its use of gray zone tactics—coercive military, economic, and influence operations short of war—against Taiwan, in the South China Sea, and around Japan's Senkaku Islands. Beyond its own borders, Beijing has continued to stoke violence and instability by supplying dual-use goods to Russia and otherwise helping sustain its war against Ukraine, funding Iran and its terrorist proxies in the Middle East, and intensifying cyberattacks on the United States and countries around the world.

China's efforts to undercut U.S. credibility and advance its own interests overseas have also been supported by its approach to domestic governance. Over the past year, China has deepened its anticorruption campaign with the aim of quashing internal dissent, forged ahead with its military modernization efforts, and continued its longstanding efforts to control religious institutions it sees as fueling separatism and undermining Party rule. Considered in the aggregate, these actions reflect Beijing's continued rapid preparations for the possibility of conflict and its systematic efforts to erode U.S. deterrence across the military, economic, technological, cyber, and diplomatic domains.

Key Findings

- China has used the pretext of a "turbulent" external environment to justify its ongoing campaign to quash internal dissent and enforce absolute political loyalty to the CCP. Over the past year, China has sharply increased spending on domestic public security, punished officials for disciplinary infractions at record rates, and continued to purge senior military leaders perceived as insufficiently loyal.

- Despite purges of key military leaders, China's People's Liberation Army (PLA) significantly advanced its military modernization efforts over the past year—increasing its stockpile of nuclear warheads, introducing new amphibious assault ships and stealth fighter jets, expanding its drone deployment capacity, and enhancing its capability to launch an attack on Taiwan with little advance warning. China is increasingly willing to use PLA capabilities to send political messages, as demonstrated by unprecedented naval live-fire exercises conducted in the Tasman Sea off the coast of Australia and New Zealand.
- Beijing has continued its efforts to construct an alternative world order with itself at the center—symbolized most powerfully in 2025 by images of the leaders of Russia, North Korea, Iran, and about 20 other mostly authoritarian countries gathered behind Xi Jinping at a military parade in Beijing commemorating China's victory in World War II.
- In meetings with leaders from Asia, Africa, and Latin America, China has sought to undermine U.S. credibility and bolster its credentials as a leader of the “Global South” by accusing the United States of disrupting international order while professing its own commitment to free trade, development assistance, and international law—despite often failing to follow through on such promises.
- While claiming to be a source of international stability, China has continued to threaten global security by undertaking gray zone activities in the Indo-Pacific and around the world. China routinely engages in provocative military maneuvers near Taiwan and in the South and East China Seas, has sabotaged critical undersea communications cables near Taiwan and in the Baltic Sea, and has escalated cyberattacks on the United States.
- China has also fanned the flames of conflict by supplying dual-use goods to sustain Russia's war in Ukraine, funding Iran and its terrorist proxies through purchases of sanctioned Iranian oil, and providing North Korea with diplomatic cover and material support that advances its cyber and weapons programs, thereby complicating global efforts to constrain these countries' destabilizing activities.
- Taken together, these actions form a coordinated strategy to prepare China for the possibility of potential conflict while steadily seeking to erode U.S. deterrence and the resilience of allied security networks. [...]

Chapter 3: Axis of Autocracy: China's Revisionist Ambitions with Russia, Iran, and North Korea

China, Russia, Iran, and North Korea are forging closer strategic, military, and economic ties that increase their ability—individually and collectively—to challenge the interests of the United States and its allies and partners around the world. These states share common objectives in undermining U.S. global leadership and elements of the international system

that promote democracy and human rights, while seeking to reshape them to endorse autocratic rule and the use of coercion and military force to advance national interests.

Although the relationships among China, Russia, Iran, and North Korea may not constitute an alliance as traditionally conceived, the partnerships allow the countries to consider the use of force, undertake provocative actions, and otherwise act in ways they could not sustain on their own. This cooperation has intensified since Russia's invasion of Ukraine in 2022, as China, Iran, and North Korea have provided Russia with political, economic, and military support to sustain its war of aggression, allowing it to circumvent U.S. and international sanctions and diplomatic pressure. As the alignment is based more on shared interests and expediency than trust and loyalty, each country may decline to assist meaningfully when counterproductive to their larger objectives, as China and Russia did after the United States struck nuclear facilities in Iran in June.

As the most powerful and systemically integrated of these countries, China has been the "decisive enabler" of this group and its destabilizing activities. By cooperating with—and legitimizing—these heavily sanctioned countries, Beijing has developed significant leverage over them, effectively casting them as junior partners in the relationship. While this dynamic has generated some underlying friction, the advantages gained from their collective power have outweighed the disadvantages. To respond to this increasing alignment among China, Russia, Iran, and North Korea, the United States must work in concert with allies and partners to deter destabilizing activities and prepare to respond to multiple potential regional flashpoints. Unfortunately, the necessity to confront this challenge has come at a time when growing divisions within many democratic societies have undermined their willingness and ability to act in a concerted fashion to resist these efforts.

Key Findings

- China, Russia, Iran, and North Korea are forging closer strategic, military, and economic ties that increase their ability—individually and collectively—to challenge the strategic interests of the United States and its allies. This cooperation is rooted in a shared desire to undermine U.S. global leadership and reshape elements of the rules-based international order, including concepts of sovereign equality, peaceful resolution of conflict, and respect for human rights. Instead, the countries seek an order that favors autocratic governance and their capacity to extend their regional spheres of influence.
- While China, Russia, Iran, and North Korea individually pose a significant threat to U.S. interests, their growing cooperation collectively magnifies the challenge. Each is emboldened to undertake actions it could not sustain on its own, and their cooperative efforts make it far more difficult to secure U.S. national security, economic prosperity, and peace and stability around the world.

- Cooperation among the “axis” countries has deepened since Russia’s full-scale invasion of Ukraine in 2022, as Russia has drawn on China, Iran, and North Korea to support its war efforts and to help it overcome the subsequent international condemnation and sanctions. For example, China-Russia bilateral trade has increased 66.7 percent since 2021. Each axis country has also benefited in different ways from its support to Moscow.
- China has played the central diplomatic, economic, and financial role in this informal alignment. These relationships have become increasingly asymmetric, with China effectively casting the others as junior partners. While this dynamic has generated some underlying friction, such tensions have largely been mitigated by shared interests and mutual benefits.
- As the alignment is based more on shared interests and expediency than trust and binding obligation, each country has freedom of action and the ability to decline to participate in a conflict. This flexibility was evident in the failure of China and Russia to provide support to Iran after the United States struck its nuclear facilities in June.
- China’s preference for flexible partnerships over formal alliances reflects its opportunistic approach to diplomacy, in which it seeks to take advantage of a relationship that serves its interests while avoiding entanglements that do not benefit it. Beijing seeks to have it both ways—cooperating closely with these partners that defy international norms and institutions while simultaneously trying to promote an image as a responsible stakeholder to the broader international community that values those norms and institutions.
- China’s deepening cooperation with Russia, Iran, and North Korea raises significant concerns for Indo-Pacific security. Their coordination increases the risk of opportunistic aggression, a situation in which one regional conflict creates an opening for another actor to take advantage of the United States’ diverted attention and resources to launch operations elsewhere. In a Taiwan contingency, such dynamics could force the United States to face tough choices on escalation and resource allocation. The collaboration among these powers substantially increases the risk of regional conflicts transforming into broader global crises.
- China is the major trade and investment partner for these countries, helping them mitigate the adverse effects of U.S. and multilateral sanctions. Chinese entities have been instrumental in facilitating circumvention of export controls. China’s opaque financial system has been vital in money laundering and sanctions evasion by Russian, Iranian, and North Korean agents. Together, China’s policies have provided a lifeline that has allowed these countries access to the resources, technologies, and dual-use equipment needed to stay in power and continue destabilizing activities.
- The sum of China’s sanctions and export control evasion activities is greater than the individual components. China’s role as a hub for a diverse array of countries’ sanctions evasion activities effectively allows for pooling of resources and economies of scale for companies and service providers that facilitate sanctions evasion. The network

effect of Chinese and non-Chinese actors creates shared learning opportunities about evasion tactics, presenting new challenges for sanctions strategy and enforcement.

Chapter 4: Crossroads of Competition: China and Southeast Asia

[...] Beijing has long viewed Southeast Asia as its own “backyard” and has sought to establish economic and military dominance in the region as part of its overall strategy for weakening U.S. power in the Indo-Pacific. China has made large and sustained investments in expanding high-level diplomacy, security relationships, soft power programs, and influence operations in Southeast Asia. China’s goal is to entrench itself as the regional hegemon while undermining the United States’ reputation with both policymakers and the publics in Southeast Asian countries. On the military front, China has pursued access to bases and dual-use facilities in Southeast Asia while deploying aggressive gray zone tactics to advance its unfounded territorial claims in the South China Sea—risking embroiling the region in a devastating military conflict. At the same time, China has sought to expand its cooperation with Southeast Asian countries on non-traditional security issues such as transnational crime as a means to export authoritarian policing practices and expand its security influence in the region.

Beijing has also amassed significant economic leverage in the region. China is Southeast Asia’s largest trading partner, and countries in the region have been among the top destinations for China’s Belt and Road Initiative (BRI) projects. Chinese companies have invested heavily in the region’s critical infrastructure, including telecommunications equipment, electrical grids, data centers, and undersea cables, exposing Southeast Asian countries and—potentially—U.S. firms and military assets in the region to data security and sabotage risks. China’s efforts in Southeast Asia—alongside its campaign to erode U.S. partnerships and gain access to dual-use infrastructure in the Pacific Islands—threaten the United States’ ability to protect its economic and security interests throughout the Indo-Pacific region.

Key Findings

- China views establishing regional economic and military hegemony in Southeast Asia as core to its strategy to undermine U.S. power in the Indo-Pacific. China’s overarching goals in the region include full control of the South China Sea, expanding access to basing and dual-use infrastructure for its military, guaranteeing the People’s Liberation Army (PLA) Navy’s access to crucial sea lanes, providing land access to the Indian Ocean around the chokepoint of the Strait of Malacca, and keeping Southeast Asian markets open to Chinese exports and investment. At the same time, China is working to ensure that Southeast Asian countries do not provide access and logistical support to the United States in the event of conflict in the Indo-Pacific.

- Over the past two decades, China has increased its influence in Southeast Asia relative to the United States by devoting extensive resources to diplomacy and soft power initiatives alongside its growing trade and investment ties with the region. More recently, China has sought to exploit changes in U.S. trade policy and foreign aid to present itself as the more reliable partner for regional countries' development goals.
- China has taken increasingly coercive actions to assert its control over the South China Sea, an area of tremendous strategic significance to the country and one of the busiest maritime trade routes in the world. China's aggressive actions in the South China Sea, especially those targeting the Philippines—a country with which the United States has a mutual defense treaty—make the region a potential flashpoint for U.S.-China military conflict.
- In addition to pursuing access to military facilities in Southeast Asia, Beijing has adopted an “inside-out” approach to expanding its security influence in the region that aims to gain a foothold inside the internal security apparatuses of regional countries—which it can then use as a source of leverage to constrain their external security behavior. China has deployed its internal security forces in several Southeast Asian countries—including Burma (Myanmar), Cambodia, and Thailand—in an attempt to gain the allegiance of regional leaders by helping them maintain “regime security” through authoritarian policing and surveillance methods.
- Chinese crime syndicates operate industrial-scale “scam centers” across Southeast Asia that generate tens of billions of dollars in annual revenue by employing forced laborers to conduct online scams under conditions observers have likened to modern slavery. Beijing has selectively cracked down on scam centers that target Chinese victims, leading Chinese criminal organizations to conclude that they can make greater profits with lower risk by targeting the United States instead. According to conservative estimates, Americans lost at least \$5 billion to such scams in 2024. Scam centers have also provided a pretext for China to expand its security presence in the region by pressuring Southeast Asian countries—including U.S. allies such as Thailand—to allow Chinese security personnel to operate on their territory.
- China has expanded its economic ties with Southeast Asia through trade and is growing its foreign direct investment (FDI) in strategic sectors like manufacturing and technology. China is the leading trade partner with ASEAN as a whole and with almost every ASEAN country individually. These extensive trade and investment ties, combined with ASEAN's continued rapid growth and “the ASEAN way” favoring “neutrality” in geopolitics, indicate that Southeast Asia is likely to be the locus of significant economic competition between the United States and China.
- Southeast Asia's trade relationship with China has become increasingly unbalanced in recent years, with the region's trade deficit almost doubling between 2020 and 2024 amid a surge in exports from China. This trend reflects efforts by Chinese exporters to find markets other than the United States, the shifting of intermediate supply chains to avoid tariffs, and an accelerated flow-over from China's massive and

growing domestic excess capacity in many manufacturing industries. Southeast Asia may be ground zero for the second China Shock.

- China's dominance of regional supply chains and control over critical infrastructure provide it considerable leverage to further its strategic aims. Although Southeast Asian countries are cognizant of risks associated with those ties to China, geographic reality and China's position as the largest external trade of China's stated strategy and known activities like People's Republic of China (PRC)-sponsored Volt Typhoon's efforts to pre-position assets in U.S. critical infrastructure. Additionally, China's role in international energy systems expands its geostrategic influence, potentially giving it leverage over U.S. allies and partners or third countries that also depend on China for energy imports or even allow Chinese investment in their energy systems.
- Chinese technology firms are competing with U.S. and European firms for dominance in Southeast Asia's digital infrastructure. The presence of Chinese providers and equipment in telecommunications networks, data centers, and undersea cables exposes host countries to data security and potential sabotage risks. These risks may also impact U.S. firms and military assets operating in the region. [...]

Chapter 7: The Final Frontier: China's Ambitions to Dominate Space

China has embarked on a whole-of-government strategy to become the world's preeminent space power. Beijing views space as a warfighting domain and it seeks to achieve space superiority as a cornerstone of its broader effort to establish information dominance—a prerequisite to controlling the battlespace and gaining operational advantage in future conflicts. To this end, China has rapidly developed, deployed, and operationalized advanced capabilities in space launch, satellites, and ground-based infrastructure spanning its civil, military, and commercial sectors. These advancements are closing the gap in the strategic competition between the United States and China in space.

The People's Liberation Army (PLA) is rapidly expanding its space- and ground-based assets to enhance its battlespace awareness, operational coordination, and capacity for force projection. These capabilities improve China's ability to monitor, target, and challenge U.S. and allied forces across the Indo-Pacific. Over the past decade, China has launched more than 1,000 satellites, dramatically increasing its capacity for persistent surveillance, communications, and precision targeting in support of long-range strike systems. The PLA has also fielded both ground- and space-based counterspace capabilities designed to deter U.S. military action or, in the event of a conflict, degrade U.S. space-enabled operations and power projection. However, as Beijing has expanded its military space capabilities, it has also deepened its own dependency on space assets, potentially creating vulnerabilities of its own. Like any spacefaring nation, this dependency exposes China to counterspace threats that could disrupt its command and control (C2), precision strike, and situational awareness capabilities in a conflict.

Globally, China has harnessed its ambitious space program to deepen relations with developing countries and expand its space architecture in support of military, commercial, and broader strategic gains. China's rapid progress in establishing a private, though state-directed, commercial space ecosystem in just a decade poses a formidable technological, economic, and geostrategic challenge to the United States. Employing state-led industrial policy and drawing on its vast network of state-owned enterprises in aerospace and defense, China has quickly cultivated a dynamic startup sector focused on seeking to rival U.S. firms in commercial launch and satellite networks. With a growing list of civil space achievements, China is aggressively positioning itself as a global leader in space technology and exploration. It is now seeking to reshape international space governance, influence the development of technical standards, and displace the United States as the world's premier space power.

Key Findings

- China is pursuing an aggressive long-term, whole-of-government campaign to expand its space capabilities across military, commercial, and civil domains with the explicit intent of surpassing the United States. These rapid advances in space pose an escalating threat to U.S. national security, intensify U.S.-China strategic competition for international partnerships, and undermine the ability of U.S. commercial firms to compete internationally.
- China views space as a warfighting domain and has invested heavily in weapons and technologies that can degrade, damage, or destroy the U.S. satellites that provide the backbone of the U.S. military's C2 network as well as its targeting system. By seeking to deprive the U.S. military of the use of space-based assets, the PLA aims to deny the United States the ability to employ its advanced military systems, eroding the foundations of U.S. power projection and joint operations.
- Over the past ten years, China has launched a wide variety of satellites on an aggressive schedule, fielding a growing array of space-based capabilities that has strengthened its ability to coordinate its own operations as well as to conduct the persistent surveillance and targeting of U.S. forces. This effort is part of China's broader strategy to achieve space superiority and strengthen its ability to use long-range precision weaponry to target and disrupt the flow of U.S. forces in the Indo-Pacific.
- China is actively leveraging its space capabilities as strategic tools to expand its geopolitical influence. Through offering other countries the use of its satellite networks, launch services, and space infrastructure, China enhances the resilience and global coverage of its space architecture. At the same time, it draws partner nations more deeply into its technological ecosystem, creating long term strategic and economic dependencies on Chinese technology.

- China's military-civil fusion strategy erases the line between military and civilian space activities, enabling systems and technologies such as satellites, robotic arms, and launch systems to serve both commercial ends and PLA objectives. The dual-use nature of these systems—compounded by blurry lines between state-owned enterprises and nominally private firms— makes it difficult to distinguish commercial innovation from military capability.
- In just ten years, China has dramatically transformed an almost non-existent commercial space sector into a thriving, state-orchestrated startup ecosystem. Fueled by strong government backing and industrial prowess, Beijing is now seeking to cultivate national champions that will challenge U.S. space companies on the global stage at a fraction of the cost. This strategy does not just seek innovation and commercial advancement—it seeks to reshape the competitive balance in what will be the most strategic domain of the 21st century.
- China has achieved major civil space milestones, such as the Chang'e-6 mission returning the first samples from the Moon's far side. These "global firsts" are much more than just about science; Beijing uses them to assert technological leadership to reshape global perceptions of power. The competition now extends beyond symbolic milestones to a contest over who will define the rules, infrastructure, and norms governing space. If the United States cedes leadership, China is poised to advance a state-driven, opaque governance model that could embed long-term global reliance on its systems and standards.
- Losing U.S. leadership in space would amount to relinquishing the advantage first secured during the original space race. China seeks to use its rapid advancements in space to position the country as a technological powerhouse and undermine U.S. prestige and economic competitiveness. Falling behind in space would not only diminish U.S. standing, it would threaten U.S. national security, global influence, technological dominance, and commercial competitiveness in the growing space economy. [...]

Chapter 8: China Shock 2.0 [...]

Key Findings

- The world is facing the threat of a China Shock 2.0, whereby overproduction in key industries across China's highly subsidized manufacturing sector floods outward, causing major harm to industries in other countries. China Shock 2.0 is a manifestation of General Secretary of the Chinese Communist Party (CCP) Xi Jinping's economic plan—massive state subsidies and other distortions to boost production, reliance on foreign markets to absorb the excess supply, and minimal attention to addressing continued, structurally weak domestic demand.

- China's export of excess production is undercutting global competitors and winning market share across the value chain, from commodities to intermediate inputs to finished goods. China's economic model increasingly limits other emerging market countries to the lowest-value-added stages of manufacturing.
- [...] Chinese officials are increasingly reluctant to allow domestic firms to transfer technology abroad, lessening benefits to host countries. In addition, Chinese FDI may deepen reliance on Chinese inputs and open the host country to concerns that it serves as a base for Chinese transshipment or tariff evasion.
- In emerging markets, China's surging exports have already led to job losses and factory closures. Emerging market countries have begun to wake up to the threat, employing various tools to push back against China's unfair trade practices and preserve local industry and jobs, with varying degrees of success. International trade agreements have proven less durable protection; in many cases they merely constrain the policy responses of China's trading partners, facilitating the harms from China Shock 2.0, even though China's economic model is inconsistent with the foundational assumptions of those trade agreements.
- China's surging exports of higher-end goods are taking market share from producers in other countries, particularly those in developed countries, including the United States. While emerging markets are imperiled by other aspects of China Shock 2.0, they have little incentive to implement barriers to Chinese exports in those industries that do not compete with local manufacturing. Over time, the long-term harm to U.S. and other non-Chinese producers may be significant. Revenue from foreign markets has helped sustain U.S. economic strength and technological leadership by providing opportunities to scale. Losing this revenue will make it harder to invest in next generation technology. [...]

Chapter 9: Chained to China: Beijing's Weaponization of Supply Chains

China has long made clear its willingness to use its economic heft to advance the Chinese Communist Party's (CCP) strategic interests. In the past five years, however, it has intensified this strategy by prioritizing control over key supply chains. China has already deployed export controls on critical minerals as a coercive tool, including to seek policy concessions in trade negotiations with the United States and to punish other countries. However, critical minerals are just one among several key sectors in which the United States is highly dependent on Chinese sources or could become dependent in the near future.

Other key sectors include active pharmaceutical ingredients (APIs), printed circuit boards (PCBs), and foundational semiconductors [...]. With potentially as much as one-quarter of all APIs sourced from China directly—or indirectly through India—U.S. pharmaceutical supply chains face a vulnerability that could have drastic consequences for the American healthcare system. [...] China's breakneck expansion in production capacity threatens to flood the market and put competitors out of business if left unaddressed. In that case, the United States

may soon depend on access to China's chip industry for producing a wide variety of electronic devices. [...]

Key Findings

- [...] China now appears poised to accelerate its weaponization of supply chain chokepoints, potentially imposing significant short-term costs on the United States and other trade partners, eroding industrial resilience, and constraining U.S. policy choices.
- China's economic model systematically leads to a concentration of global productive capacity in industries targeted for state support, and establishing such chokepoints has been an explicit CCP policy goal for years. China's supply chain leverage in key sectors will continue to grow over time if unchecked. To date, the United States and other countries have taken only limited measures to mitigate this threat. In the short-term, China has already shown an ability and willingness to weaponize its dominant position in critical minerals supply chains, including export restrictions on gallium, germanium, and rare earth magnets in 2023–2025.
- China dominates the supply of APIs and other key starting materials (KSMs)—all of which are essential for U.S. drug supply chains. If Beijing actively restricts U.S. access to these materials, the consequences could be catastrophic for U.S. health security, the broader economy, and potentially military readiness.
- China controls roughly half of global production of PCBs, the essential building blocks of virtually all electronic devices on which integrated circuits and other components are mounted. The United States has lost much of its domestic capacity to produce PCBs and has become heavily reliant on Chinese imports. Losing access to this supply of Chinese PCBs would likely shut down U.S. electronics manufacturing across multiple sectors, including those related to defense, aviation, and critical infrastructure.
- China's coming production surge in foundational semiconductors will pose a serious economic and security threat to the United States and other major semiconductor-producing economies. [...]

Chapter 10: Power Surge: China's Electrification Drive and Push for Global Energy Dominance

[...] Through massive state support and other forms of market distortions, China has become a dominant manufacturer of certain types of equipment at each stage of power generation and consumption. [...] China's role in global energy systems continues to expand through exports of low-carbon energy technologies and electricity grid components and investment in electric vehicle (EV) and battery factories abroad. The appeal of China's energy technology exports and investments is particularly strong in developing countries, where—aside from

offering cheap solutions—China’s technologies may mitigate developmental challenges like rural electrification in areas with weak grid infrastructure. The massive scale of China’s production and investment across all stages of the electric power system has shifted the trajectory of global markets in a direction that benefits Chinese manufacturers.

[...] China supplies over half of the United States’ imports of battery energy storage systems and low-voltage transformers, and it is a leading refiner of almost all the critical minerals necessary for the energy sector. Beijing began the process of weaponizing U.S. dependence on Chinese critical mineral refiners in July 2023 and could potentially use its manufacturing capacity in other critical products and materials as economic leverage. The extensive use of Chinese components in the U.S. power grid creates risks for cyber espionage and sabotage—which are significant in light of China’s stated strategy and known activities like People’s Republic of China (PRC)-sponsored Volt Typhoon’s efforts to pre-position assets in U.S. critical infrastructure. Additionally, China’s role in international energy systems expands its geostrategic influence, potentially giving it leverage over U.S. allies and partners or third countries that also depend on China for energy imports or even allow Chinese investment in their energy systems.

Key Findings [...]

- China’s restrictions on critical mineral exports to the United States demonstrate its willingness and ability to leverage control of energy technology supply chains for economic coercion. Beijing could use similar tactics to undermine U.S. diplomatic objectives and negotiations with third countries. In 2025, firms across North America, Europe, and Asia faced mounting delays and demands for sensitive data during China’s mineral export license reviews—turning supply chain chokepoints into instruments of coercion and corporate surveillance.
- China’s burgeoning role in global energy systems is occurring through multiple channels: its firms are involved in the construction and operation of energy infrastructure globally, their components are embedded in power systems throughout the world, and its manufacturers are increasingly investing in overseas factories to boost market share abroad. [...]
- China leveraged access to its market and its industrial policy toolset to become a dominant producer of key “new energy” technologies, including EVs, batteries, solar panels, and core wind turbine components. Its policies have already wiped out solar panel makers in the United States and EU, and similar dynamics threaten foreign producers of EVs, wind turbines, and other low-carbon technologies, undermining efforts to de-risk supply chains. China is also a major producer of key equipment used in energy storage, transmission, and distribution. [...]

Chapter 11: Taiwan

We have entered a crucial phase in Beijing's longstanding efforts to impose sovereignty over Taiwan. China is rapidly advancing toward its goal of being prepared to take Taiwan by force—while Taiwan and the United States strive to maintain the capacity to deter a Chinese invasion. China's persistent military activities near Taiwan, combined with new capabilities such as large amphibious assault ships and mobile piers, have enhanced China's capacity to blockade or launch an invasion of Taiwan with little advance warning. Beijing has also continued to escalate its multifaceted pressure campaign targeting Taiwan through military threats, economic coercion, and malign influence activities. Over the past year, Beijing has focused much of its information warfare activities on exacerbating domestic political divisions in Taiwan and driving a wedge between Taiwan and the United States. Moreover, China has continued its efforts to isolate Taiwan in the international arena by pressuring other countries to adopt Beijing's preferred positions and language regarding Taiwan.

In response to China's escalating pressure campaign, Taiwan has made progress enhancing its military deterrence and social resilience through larger and more realistic military exercises, efforts to accelerate the acquisition of new asymmetric defense capabilities, and new measures to counter Chinese malign influence. Taiwan has also continued to leverage its crucial role in technology supply chains—particularly its dominant position in advanced semiconductor manufacturing—to hasten economic diversification away from China. The United States has continued to support Taiwan through weapons sales and security assistance while working with Taiwan to enhance economic ties and build secure supply chains.

Key Findings

- Beijing is attempting to exploit domestic divisions in Taiwan by continuing its two-pronged approach to cross-Strait relations. On the one hand, Beijing has issued harsh threats against Taiwan's Democratic Progressive Party (DPP)-led government, which it accuses of promoting Taiwan independence. On the other hand, Beijing has also stepped up efforts to court opposition leaders, business interests, and youth in Taiwan through promises of economic benefits and cross-Strait exchange programs.
- In light of China's near-constant military training activities and maneuvers near Taiwan, as well as the People's Liberation Army's (PLA) improved military hardware and operational readiness, U.S. and Taiwan military officials have warned that the PLA could implement a blockade within "a matter of hours" and would potentially need only "minimal conversion time" prior to an attack on Taiwan.
- In addition to intensifying its military pressure on Taiwan, Beijing has also expanded a multifaceted campaign to weaken Taiwan's will to resist through economic coercion and inducements, espionage, information warfare, and undersea cable sabotage.

Chinese propaganda has focused especially on attempting to sow doubt about the U.S. commitment to Taiwan by fomenting uncertainty surrounding U.S. policies on Ukraine, tariffs, and semiconductors.

- Taiwan has made progress improving military readiness, enhancing societal resilience, and diversifying its economy. Nevertheless, bureaucratic inertia in the military as well as political gridlock between the DPP-controlled executive branch and the Kuomintang (KMT)-controlled legislature have cast uncertainty around efforts to speed up the modernization of Taiwan's defenses.
- Despite rising tensions with China, Taiwan's economy continued to perform strongly, driven by insatiable global demand for semiconductors and electronics. Taiwan's continued leadership in technology manufacturing processes coupled with efforts to diversify its trade and investment partners have begun to shift dependence away from China, limiting the sting of Beijing's economic pressure campaign.
- Taiwan is now among the United States' top ten trading partners, with goods exported to the United States overtaking those to China for the first time in over two decades. Taiwan's chip manufacturers have pledged record levels of foreign direct investment (FDI) to build semiconductor manufacturing facilities in the United States. As China pursues a strategy of technological and manufacturing dominance, Taiwan's companies will be important partners to prevent over-reliance on Chinese supply chains.

Chapter 12: Hong Kong

Beijing has dissolved the final vestiges of Hong Kong's political freedom, eliminating the last opposition party and expanding on the draconian Article 23 Ordinance to tighten its oversight of Hong Kong's legal system under an expansive definition of "national security." Civil society and free speech have followed similar fates, as authorities have largely succeeded in intimidating Hong Kong's citizens to discourage them from engaging in open opposition. The government has increased vigilance against so-called "soft resistance" at home while offering bounties on dissidents abroad. Nonetheless, attempts to assuage foreign businesses operating in Hong Kong appear initially successful, even as it is clear Beijing sees Hong Kong primarily as an extension of the Mainland's development objectives.

Although Hong Kong officials maintain a pretense of independence in order to court international investment, the expansion of "national security" into all domains and pressure on private firms to operate in line with Beijing's political objectives make Hong Kong's system increasingly indistinguishable from the Mainland.

Key Findings

- As the Hong Kong government marked the fifth anniversary of the National Security Law, its ongoing crackdown has eliminated a once vibrant civil society and created an atmosphere of repression comparable to mainland China. The Hong Kong government continues to grant the Mainland authority and oversight of the city, passing legislation to award Beijing additional powers to intervene in local law enforcement via the Office for Safeguarding National Security (OSNS).
- Hong Kong security forces have expanded a campaign of transnational repression against leaders of the democracy movement who fled abroad, placing bounties on an additional 15 activists—including two Canadian citizens—canceling passports, and blocking access to their pensions. Authorities have also escalated harassment of activists' family members still in Hong Kong.
- After an exodus of foreign firms following China's imposition of the National Security Law in 2020, a concerted charm offensive to retain international business and rehabilitate Hong Kong's pro-commerce image appears to be bearing fruit. Many foreign firms remain in Hong Kong due to its proximity to mainland China.
- Hong Kong has emerged as an export controls and sanctions evasion hub, facilitating international transactions with and flows of restricted goods and advanced technology to Russia, Iran, and North Korea.
- Beijing's intervention to block CK Hutchison from selling its port investments, including in the Panama Canal, makes clear that Hong Kong firms are now subject to Chinese Communist Party (CCP) directives and that the Party will interfere in commercial transactions to advance its geostrategic objectives. For foreign firms and financial institutions operating in Hong Kong, this interference should be seen as an alarming precedent. [...]

THE COMMISSION'S 2025 KEY RECOMMENDATIONS

The Commission highlights 10 of its 28 recommendations to Congress below. [...] The Commission recommends:

I. Congress consider legislation establishing a consolidated economic statecraft entity to address the evolving national security challenges posed by China's systematic and persistent evasion of U.S. export controls and sanctions. This new unified economic statecraft entity, at a minimum, should include: the Bureau of Industry and Security (U.S. Department of Commerce), the Office of Foreign Assets Control (U.S. Department of the Treasury), the Bureau of International Security and Nonproliferation's Office of Export Control Cooperation (U.S. Department of State), the Defense Technology Security Administration (U.S. Department of Defense), and other appropriate organizations across the executive branch. [...]

III. Congress build U.S. pharmaceutical supply chain resilience by increasing visibility into the supply chain, as well as tracking and reducing U.S. direct and indirect dependence on Chinese active pharmaceutical ingredients (APIs) and related key starting materials (KSMS) [...]

IV. Congress establish as a strategic national objective that the United States build a resilient bioeconomy industrial base and unlock biology as a general-purpose technology before the end of the decade and support this objective through the following actions [...]

The United States currently faces a future in which it depends on China for access to the most cutting-edge biotechnology innovations, sophisticated biomanufacturing equipment, and advanced biomaterials. The coordinated investments in standards development, measurement science, and deployment financing outlined above are essential to ensure the United States leads in the transformation of biology into a general-purpose technology capable of producing up to 60 percent of physical goods in the global economy by mid-century while maintaining national security, supply chain resilience, and economic competitiveness against strategic competitors.

V. To protect the U.S. power grid from the economic and cybersecurity threats posed by Chinese-made components, Congress should:

- Prohibit the import of energy storage systems with remote monitoring capabilities that are manufactured by or made with technology licensed from Chinese entities.
- Allocate additional funds to the U.S. Department of Energy for grid expansion, modernization, and cybersecurity grant and loan programs and prohibit the use of those grants and loans to purchase goods or services or license technology from entities that pose a cybersecurity risk to the U.S. power grid to be designated by the Secretary of Energy, in coordination with the Secretary of Defense, Secretary of Homeland Security, the Director of the National Security Agency, and the heads of other federal departments and agencies, as the Secretary determines appropriate.
- Direct the Department of Energy and Federal Energy Regulatory Commission to strengthen supply chain risk management requirements for interstate electric transmission utilities [...]

VI. Congress strengthen the U.S. Department of Commerce, Bureau of Industry and Security's (BIS) ability to manage strategic competition with China in fast-moving technology sectors, such as leading-edge semiconductors used in artificial intelligence (AI) applications, and increase congressional oversight [...]

VII. Congress establish a “Quantum First” by 2030 national goal with a focus on quantum computational advantage in three mission-critical domains—cryptography, drug discovery, and materials science. [...]

Whoever leads in quantum (and artificial intelligence) will control the encryption of the digital economy; enable breakthroughs in materials, energy, and medicine; and gain asymmetric and likely persistent advantage in intelligence and targeting. It is imperative that the United States treat quantum not as a research silo but as a mission-critical national capability—and act accordingly.

While the United States retains world-leading research capabilities, China has mobilized state-scale investment and industrial coordination to dominate quantum systems and standards. For the purposes of this recommendation, the Commission presumes that China is actively racing to develop cryptographically relevant quantum computing capabilities and is likely concealing the location and status of its most advanced efforts. This is a domain where first-mover advantage could yield irreversible strategic consequences, particularly given the vulnerability of current global systems that rely on public key cryptography. [...]

VIII. To preserve and strengthen U.S. primacy in the critical space domain as China pursues sweeping advancements across military, commercial, and civil space sectors, Congress should:

- Increase or reallocate appropriations for the U.S. Space Force to levels necessary to achieve space control and establish space superiority against China’s rapidly expanding space and counterspace capabilities.
- Direct the U.S. Department of Defense to enhance the U.S. Space Force’s capacity to conduct space wargaming and develop realistic modeling and simulation of potential threats from China, including training programs for space operators on warfighting tactics, techniques, and procedures necessary for space control. [...]
- Express support for the strategic importance of U.S. leadership in civil space exploration and direct relevant agencies to assess the progress of the Artemis Accords, evaluate risks China poses to U.S. civil space priorities, including National Aeronautics and Space Administration (NASA) programs, and ensure program delays do not undermine U.S. credibility in establishing global norms for lunar and Martian exploration.

IX. Congress direct the President to create an interagency task force to combat scam centers, which are primarily operated by Chinese criminal networks in Southeast Asia and defraud Americans of billions of dollars annually. [...]

X. Congress direct the U.S. Department of Defense, in coordination with the U.S. Indo-Pacific Command (USINDOPACOM), to produce a report in both classified and unclassified form assessing its compliance with the legal requirement established by Congress in the Taiwan Relations Act “to maintain the capacity of the United States to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people on Taiwan.” [...]
