

SOUTHCOM Commander ADM Faller

— on —

U.S.-China Strategic Competition in the Western Hemisphere

By: Admiral Craig S. Faller

Chairman Schriver, Randy, Mr. Schriver, all the above, great to see you again, and great to see such a talented team. I really appreciated our time together when you were the Assistant Secretary of Defense for INDOPACOM, thank you for your intellect and focus, and calm, cool, collected nature, despite 23-hour trips at times.

Also, great to see Dr. Chavez, Rebecca. Good to team up again in another venue. And Ms. Mukai, nice to make your acquaintance virtually, and I look forward to the discussion today.

This is an important discussion. We talked about Secretary Mattis and the National Defense Strategy. The key concept, baked into that strategy by then-Secretary Mattis, was this idea of expanding the competitive space. Being the best that we can be across all dimensions, and being the best on the field, to use a sports analogy. Part and parcel of that was [the] recognition that the problem we faced was recognizing that we were in competition and to be able to talk openly and honestly about what that meant and what it is.

Today, we find ourselves talking a lot and focusing a lot on the Indo-Pacific region, rightly so. The tensions in the Taiwan Strait, the South China Sea, the building of islands, all demand our attention. The Pacific Deterrence Initiative and other strategies are so important. INDOPACOM Commander Admiral Davidson, in his last testimony before he retired, stated that China is the number one strategic threat we face

in the 21st century, and I could not agree more with his statement.

But that competition and borderline conflict in some domains is not just playing itself out in INDOPACOM. It's right here, right now, in this region, our neighborhood of the Western Hemisphere, and it's playing out around the globe.

My dad is 83 years old. He is well-read, very smart, watches too much TV, lives in Central PA, and asks me all the time: "Hey, what are you doing this week, why should I care?" Why should Americans or why would any of our international audience care about Latin America and the Caribbean in the context of global competition with China?

For us, it's about values. It's about democracies and the importance of those institutions going forward. I look at this region, our neighborhood here, as a region of real promise. The proximity, location, and the distance to the United States is key. The people, the values associated with the people, and the cultural connections. The economic dependencies, and the important economic powerhouse that this region really is and then resources, and fresh water at the top of that resource list. A very underappreciated dimension of the resources that are truly a blessing in this region.

But it's those values that connect us and make it a true neighborhood in addition to all the physical domains like sea, air, space and cyber,

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that we war-fighters always talk about. The values are what's key. And it's those values and their tie to democratic institutions that are really under assault. The pandemic brought that forward. It's a vicious circle of threats, this assault, creating a perfect storm. Climate change plays right into it. We saw this last year where, on top of an already fragile hemisphere, we added the pandemic and then we had back-to-back major hurricanes that devastated Central America. I mean really set the conditions back in Central America analogous to those of the Great Depression here in the United States.

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There are threats that feed on these conditions. One example is the transnational criminal organizations, a threat that should be recognized in our national security documents. They are murderous organizations and narcotrafficking is only a small piece of their overall power base. They thrive on and are fueled by corruption. Right alongside them are the external state, actors, and authoritarian regimes. And so how do we think about these authoritarian regimes and think more critically about those authoritarian regimes and our values, which are so key to the international world order in this neighborhood? We owe it to ourselves to consider how important the investment in partnerships is in terms of those shared values. That's what's key going forward.

Now, I often hear a myth and this myth is perpetuated globally that the PRC's interest beyond INDOPACOM is only economic, or primarily economic in nature. I think its global dominance to ensure their economic security and the security of the People's Republic of China, the Communist Party. That's key. This myth often obscures the inconvenient truth that

Chinese Communist Party, with its insidious and corrupt influence, seeks global dominance, wants to impose its own version of existing rules-based international order. They want to create a system in which authoritarian regimes are viewed as legitimate forms of governance and the rule of law, human rights, and free speech are subordinate to the interests of states. I see that playing out when I talk to partners. It's OK. We'll be able to deal with it. We're strong democracies. We know how to deal with authoritative regimes.

But when you look across the hemisphere, around the globe, but in this hemisphere, I see port projects of various shapes and sizes in work. Why is the PRC pursuing deep water ports in Jamaica, the Dominican Republic, El Salvador, and other places? Along with these ports and other projects often comes exposure to that corruption that underlines this instability in the region, an erosion of sovereignty and undermining of the security associated with critical infrastructure. It's not just these ports and their access. It's space, it's cyber, it's safe and smart. City projects, some thirty-one of them and growing in the region. It's 5G technology. They all give the PRC a back door into sensitive information, infrastructure and power, a way for them to take their seemingly soft games and turn them into hard power targets of influence. I think that's key, and it gives them a front seat for strong influence and coercion.

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A few stories to illustrate: Recently I traveled to Uruguay and Argentina, vibrant democracies, both have gone through elections in the last year, met with the minister of defense, senior defense leaders, and even in Argentina, they expressed desire to stay with the United States. We visited

the Port of Ushuaia, the furthest port in the hemisphere south, before jumping off to Antarctica. And it's a strategic port for access to the Strait of Magellan. Resources. And it's a port where China has aims, legitimate commercial aims, that could be used to carry out scientific research or be used to scale up to other interests. We talked about this. We also focused on the Chinese-run space station and Neuquén.

On Sunday, I'll travel to Panama. We'll talk about important issues. I'll meet with all our Central American security partners there. The Panama Canal is obviously another very important global strategic waterway. The PRC is heavily invested there: roads, bridges, railways, IT infrastructure and influence.

The PRC is taking these soft aims and hard power influence and trying to create clients, not friends. And I see that across the Hemisphere. They're trying to leverage their soft aims for greater economic and political gain.

For example, China has recently used vaccines as a way to gain leverage in 5G and leverage in Taiwan recognition. I've seen this firsthand. I flew into Argentina, and the day I arrived, half a million Chinese vaccines happened to show up. We were donating a hospital tent; China donated a half million vaccines. A week later in the Dominican Republic, we're donating a hospital tent; China's donating a half million vaccines. Coincidence? Same day as my delivery? I don't think so.

When I go to countries—and we've never stopped traveling during the pandemic, we found the travel to be more essential than ever to connect and build partnerships—I don't ask partners to choose between the U.S. and China. We're here to talk about our relationship. But we do talk about values, and we do ask questions about those values. Free speech, rule of law, respect for human rights, and gender equality. And we do have programs at SOUTHCOM for all of those values baked into our

professionalism. And I do say “where do you, partner, want to ultimately be with respect to those values, and how do you think China stacks up on that scale versus the United States?”

So how do we win this strategic competition going forward, and what does winning look like here in the Western Hemisphere from a SOUTHCOM perspective? One, we've got to remain the trusted partner, hands down. So that means staying on the field. We've got to be on the field to compete, and that means being relevant and operating with some relevant speed and making sure that our own programs and policies don't get in the way of that speed. That means being consistent. There is a narrative that our partners in this Hemisphere particularly feel abandoned, or perhaps that we're not engaged enough.

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I reject that, based on my own travel schedule, from a SOUTHCOM perspective, so I don't agree with that assessment, but I do think we can do a better job responding at the speed of relevance. Unfortunately, sometimes our own nine-month budget cycle gets in the way of that consistency and speed of response.

I think about what we did as a nation after World War Two, the long-term nature of that global commitment that built our international systems today. I look at what we did in Colombia with Plan Colombia. That was a long-range decade investment that required a good and equal investment from our partners, but didn't change every budget year or every election cycle. And I look at our recent statements from the G-7, the NATO summit, and our own emerging Secretary of Defense guidance. And I'm very

encouraged by that long term commitment and focus that's coming into our documents. We have an opportunity now, more than ever, in this pandemic to seize the moment and renew our reputation and renew these trusted partnerships.

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President Biden said it best: the U.S. is the largest pledge by far of vaccines globally and we're beginning to deliver. But he said it best this week, or recently, "The U.S. will be the world's arsenal of vaccines in our shared fight against the virus." I think we're the arsenal of values as well as we look to build strong partnerships globally. Here at SOUTHCOM during the pandemic, to help counter that perfect storm, we've got about five hundred humanitarian assistance projects, and it's been very good to stay on the field where our partners points of need are.

We've got to be responsive. We've got to be consistent. We've got to have modest investments. It doesn't take a lot, but we've got to be on the field to compete. And our regional international partners, who I know are involved in today's important dialogue, can be key to this effort. During our regional response to those massive hurricanes Eta and Iota last November, regional partners—Japan, Taiwan, and others—stepped up. Canada, Mexico, the UK, France, and the Netherlands are playing every day for stability here in the region. Just an hour ago, we hosted here at our headquarters, the chief of the Navy from the Netherlands who has important, legitimate interests for stability and security here

in the neighborhood. There's more we can do together to develop frameworks and responses—mil-to-mil, security-to-security, defense-to-defense, and government-to-government—to help ensure those democratic values and strong institutions survive and thrive as we go forward. Working together, we can enhance democracies and prevent the PRC from imposing its world order and creating dependencies.

And this means everything from the simple things we're doing with the U.S. Army Corps of Engineers to help partners build good contracts and good tenders. Helping partners evaluate PRC based projects to ensure they're delivering on international standards of safety and quality, and harnessing the interagency and private sector to bring much needed investment. It means shoring up partners' cyber defenses, a defense against surveillance and cyber-attacks from all actors, including the PRC. And it means the right level of investment at the right speed—it might not even be aggressive—in humanitarian assistance, security cooperation, cyber security, intelligence, information sharing, transparent governance, training, and education. All of this goes a long way to build resiliency, build partnerships and prevent China's malign influence in this region.

Trusted partnerships that are built to last and based on shared democratic values. That's the key to winning the competition. And importantly, from my perspective, SOUTHCOM Commander, helping ensure the promise of our neighborhood.