

BIOGRAPHY



Kevin MCCARTHY
Speaker of the House (R)
Representative, California-20

Education: BS, California State University, Bakersfield
MBA, California State University, Bakersfield

FOAC Member: No

Career:

2023-Present	Speaker of the House of Representatives
2007-Present	Representative, US House of Representatives, California's 20 th Congressional District
2002-2006	Member, California State Assembly
1987-2002	Staff Member (varying positions and levels), Rep. Bill Thomas (R-California)

McCarthy is currently the **Speaker of the US House of Representatives**. He was first elected to Congress in 2006 s 33(a)(iii)

McCarthy grew up in Bakersfield, California, the area he currently represents. At 19, he won \$5,000 in the state lottery, which he used to finance a deli from his uncle's yogurt shop. He used the proceeds from his business to fund his college education. After graduation, McCarthy began work in the district office of his congressman, Rep. Bill Thomas. He eventually rose to district director and took his seat in Congress following Thomas' retirement. For these reasons, McCarthy markets that he "Continues to fight for a strong, fiscally responsible, and free America where every person can achieve the American dream."

s 33(a)(iii)

. You [HOM] met with McCarthy on 12 July s 33(a)(iii)

He also met with PM Morrison twice in 2019, once as part of Speaker Pelosi's leadership meeting, and then a side meeting on their own. In May 2022, McCarthy's Floor Director, John Leganski, travelled on a Staffdel trip to Australia. s 33(a)(iii), s 47F(1)



Michael McCaul
Representative, R-Texas-10
US House of
Representatives

Form of Address:	Chairman
Committees:	Chair, House Foreign Affairs Committee House Homeland Security Committee (former Chair) Friends of Australia Caucus

McCaul became **Chair of the House Foreign Affairs Committee (HFAC)** when Republicans retook the House in January 2023. As HFAC's top Republican since 2019, McCaul is particularly concerned about the threats to the US from nation state actors such as China, Iran, Russia, and North Korea. He is a strong proponent of 'Peace through Strength' and has been highly critical of the Biden Administration's handling of the withdrawal from Afghanistan.

s 33(a)(iii), s 33(b)

s 33(a)(iii)

He led a CODEL to Japan, South Korea, and Taiwan at the beginning of April 2023. s 33(a)(iii)

s 33(a)(iii)

McCaul was involved in counterterrorism work prior to being elected to Congress. He is also **engaged on cybersecurity policy** and is the co-chair of the Congressional Cyber Security Caucus and the Congressional High Tech Caucus.

You (HOM) have met McCaul this year in several contexts. McCaul has also had many interactions with former Australian officials, most recently Minister for Defence Industry Conroy in July. He has previously met Defence Secretary Moriarty, Prime Minister Morrison, Foreign Minister Payne, and Ambassadors Sinodinos and Hockey. In August 2023, McCaul's Senior Professional Staff Member, Jessica Steffens, travelled to Australia on a Staffdel trip.



Joni ERNST
Senator (R-Iowa)
US Senate

Form of Address: **Senator**

Committees:

Armed Services Committee

Chair, Senate Republican Policy Committee

Ranking Member, Small Business Committee

Agriculture Committee

s 33(a)(iii)

On the Armed Services Committee, Ernst has raised her profile focusing on **issues with an outsized effect on women, such as properly-fitting equipment and sexual assault in the military**. She recognises the **importance of allies**, noting “The protection of Americans at home also requires the United States to assert itself abroad by partnering with willing nations that desire our shared values of security and prosperity”. s 33(a)(iii)

Ernst is an **Iraq War combat veteran with 23 years of military service**. She is the first Republican to hold her Senate seat since 1978, and the first woman to represent Iowa in Congress. She will face re-election in 2026.

You (HOM) met Ernst together with the Minister for Defence Industry Conroy in July.

MEETING BRIEF

DETAILS

Name	Bob (Robert) Menendez (D)
Position	Senator for New Jersey
Organisation	US Senate
Date and time	18/5/2023, 1.00-1.30
Location	s 47E(d) Capitol Building, Washington, DC, 20510
Point of contact	s 47F(1)
Other attendees	Paul Myler, Deputy Head of Mission Suzanne McCourt, Minister-Counsellor, Congressional Branch s 22(1)(a)(ii) Counsellor, Congressional Branch
Media / social media	Photo for Tweet @SenatorMenendez, @SFRCdems

Purpose of the meeting: Continuing your relationship with Senator Menendez, Chair of the Senate Foreign Relations Committee (SFRC) s 33(a)(iii)

Who sought the meeting: Ambassador Kevin Rudd
s 33(a)(iii)

KEY MESSAGES

s 33(a)(i), s 33(a)(iii)

s 33(a)(i), s 33(a)(iii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

AUKUS: In March 2023, Senator Menendez said, “As Chairman of the Senate Foreign Relations Committee, I look forward to reviewing future bilateral and trilateral Mutual Defense Agreements (MDAs) and working on any legislation that may be required to enable deeper cooperation with our AUKUS partners. I am committed to ensuring we have the highest level of nuclear safety, security, and stewardship in this endeavor and that we proceed with our AUKUS commitments in a manner that results in a U.S. Navy fleet even more ready and capable than before.”

In March 2023, Senator Menendez & Risch wrote to the State Department seeking the establishment of an AUKUS Coordinator for State. This was due to the cross-cutting nature of the AUKUS and the importance to getting its delivery right. This position is intended to mirror Abraham Denmark’s special adviser position in the Office of the Secretary of Defense. As Chairman of the powerful Senate Foreign Relations Committee, Menendez has focused his work on strategic competition with China, confronting the global pandemic, and restoring the US’s place as a leader around the globe. s 33(a)(iii)

Indo-Pacific / China: s 33(a)(iii)

For Fiscal Year (FY) 2024, Senator Menendez is focused on engagement in the Pacific Islands, where he sees the US competing with the Chinese government for influence. At a recent FY24 Budget hearing, Menendez welcomed the Administration’s request for an 18 per cent increase in its funding for the Indo-Pacific region. Menendez said, “China has made major investments in diplomacy and its diplomats are outrunning ours—not because they are better, but because there are more of them in more places around the world with more embassies and a seemingly limitless checkbook.” s 22(1)(a)(ii)

s 22(1)(a)(ii)

Safeguard Act: This year, Senator Menendez introduced the Safeguarding Human Rights in Arms Exports (SAFEGUARD) Act which elevates the protection of human rights in the control and export of defence articles and defence services as an official policy of the United States and places in statute the requirement that the provision of such articles and services will not present a significant risk of violating international humanitarian law or internationally recognized human rights. s 33(a)(iii)

BIOGRAPHY



Bob Menendez
Senior Senator for New Jersey
(Democrat)

Education: BA, St. Peter's College
JD, Rutgers University

FOAC Member: No

Career:

2006- Present	Senator for New Jersey <ul style="list-style-type: none"> • Chair, Foreign Relations Committee • Finance Committee <ul style="list-style-type: none"> ◦ Member, International Trade, Customs and Global Competitiveness Subcommittee • Banking Committee <ul style="list-style-type: none"> ◦ Chair, Securities, Insurance, and Investment Subcommittee
1993-2006	Congressman, NJ-13
1991-1993	Senator, New Jersey State Senate
1988-1991	Representative, New Jersey General Assembly
1986-1992	Mayor, Union City, NJ
1980-1986	Private Practice Attorney

Senator Menendez is the highest-ranking Democrat on the Foreign Relations Committee, a role which he has held for a decade. s 33(a)(iii)

He opposed the 2015 nuclear agreement between the US and Iran but criticized Trump's decision to withdraw from the deal in 2018, calling it a risk to US national security and a gamble with Israel's security. He has advocated for women and children struggling against oppressive poverty in Central America and sub-Saharan Africa.

s 33(a)(iii)

s 33(a)(iii)

In addition, Menendez travelled to Australia in 2022 where he met with Australian officials, including Foreign Minister Payne. In Washington, he has met with Prime Minister Scott Morrison (2021) and Prime Minister Abbott (2004).

MEETING BRIEF

DETAILS

Name	Jim (James) Risch (R)
Position	Senator for Idaho
Organisation	US Senate
Date and time	18/5/23, 11.00-11.30
Location	s 47E(d) Senate Office Building, Washington, DC, 20510
Point of contact	s 47F(1)
Other attendees	Paul Myler, Deputy Head of Mission Suzanne McCourt, Minister-Counsellor, Congressional Branch s 22(1)(a)(ii) Counsellor, Congressional Branch
Media / social media	Photo for Tweet @SenatorRisch

Purpose of the meeting: Introductory meeting with Senator Risch, Ranking Member of the Senate Foreign Relations Committee (SFRC).

Who sought the meeting: Ambassador Kevin Rudd

s 33(a)(iii)

KEY MESSAGES

s 33(a)(iii)

s 33(a)(i), s 33(a)(iii)

s 33(a)(i), s 33(a)(iii)

s 33(a)(iii)

BACKGROUND

s 33(a)(iii)

s 33(a)(iii)

Australian Connection: s 33(a)(iii)

HEO Robotics is headquartered in Sydney, Australia with the mission to make the space domain more transparent. s 33(a)(i), s 33(a)(iii)

HEO Robotics can observe other objects moving through space. This is critically important for Intelligence, surveillance, and reconnaissance (ISR) capabilities. Additionally, the Australian mining company Jervois announced the opening of its Idaho cobalt mine in October 2022, the first cobalt mine to operate in the United States in over three decades. In February 2023, Jervois subsequently halted operations at the mine due

to low cobalt prices. Supply of cobalt is highly concentrated with 70 per cent of mining taking place in the DRC and nearly 80 per cent of refining taking place in China.

BIOGRAPHY



Jim Risch
Junior Senator for Idaho
(Republican)

Education: BS, University of Idaho
JD, University of Idaho

FOAC Member: No

Career:

2009- Present	Senator for Idaho <ul style="list-style-type: none"> • Ranking Member, Foreign Relations Committee • Energy and Natural Resources Committee <ul style="list-style-type: none"> ◦ Ranking Member, Water and Power Subcommittee • Small Business Committee • Ethics Committee • Intelligence Committee
2007-2009	Lieutenant Governor of Idaho
2006-2007	Governor of Idaho (Interim)
2003-2006	Lieutenant Governor of Idaho
1995-2002	Senator, Idaho State Senate
1974-1988	Senator, Utah State Senate
1970-1973	Ada County Prosecutor

Since his election to the Senate in 2008, Jim Risch has served as a consistent voice on the Senate Foreign Relations Committee (SFRC). Risch is a confident foreign policy expert in European and Middle Eastern affairs. Risch has butted heads with Secretaries of State and other members of SFRC over policy and communication. He often works closely with the Democratic Chairman on SFRC, particularly on China-related matters.

In 2016, Risch was rated as the most conservative member of the Senate. **s 33(a)(iii)**

s 33(a)(iii)

Risch has met with various visiting Australian officials over the years, including Prime Minister Scott Morrison (2021), Foreign Minister Payne (2019), Energy and Environment Minister Frydenberg (2016), and Defence Secretary Moriarty (2022). Risch's first interaction with the Embassy was when he attended an Embassy hosted reception for the National Lt Governor's Association in 2007 when he was Lt Governor of Idaho.

Born in Milwaukee, Risch grew up in Wisconsin where his father worked as a lineman for the telephone company. He began college at the University of Wisconsin-Milwaukee but transferred to the University of Idaho earning a bachelor's degree in forestry in 1965, and a law degree in 1968. Risch entered public office at the age of 27. Over 50 years later, Risch is in his third US Senate term.

s 47F(1)

EVENT BRIEF: DINNER WITH FOREIGN POLICY SENATORS

DETAILS

Nature of event	Formal dinner
Date	Tuesday, 11 July 2023
Time	7:00pm-9:00pm
Venue	Ambassador's Residence
Host	Ambassador
Dress code	Business attire
Purpose of engagement	During the 10 May introductory meeting with HOM Rudd, s 33(a)(iii) recommended holding an informal dinner of this nature. The s 33(a)(iii)
Media / social media	An official photograph at the top of the evening with the Senators
Event lead	s 22(1)(a)(ii) First Secretary (Congressional) s 22(1)(a)(ii)
Handling note	<p>The dinner attendees hold senior positions s 33(a)(iii)</p> <p>Chair of the Senate Foreign Relations Committee (SFRC) Bob Menendez (D-New Jersey)</p> <p>Chair of the Senate Armed Services Committee Jack Reed (D-Rhode Island)</p> <p>Ranking Member of SFRC Jim Risch (R-Idaho)</p> <p>Vice Chair of the Senate Appropriations Committee Susan Collins (R-Maine)</p> <p>Ranking Member of the Senate Judiciary Committee Lindsey Graham (R-South Carolina)</p> <p>Chair of the Senate Budget Committee Sheldon Whitehouse (D-Rhode Island)</p> <p>Senator Whitehouse is only able to drop by the event from 7:00-7:15 PM, so there will only be a short window to meet with him.</p>

ATTENDEES

Total number of attendees	<p>Ambassador Kevin Rudd</p> <p>Ms Therese Rein</p> <p>Senator Lindsey Graham</p> <p>Senator Susan Collins</p> <p>Senator Jim Risch</p> <p>Mrs Vicki Risch</p> <p>Senator Sheldon Whitehouse (7:00-7:15 drop by)</p> <p>Mr Paul Myler</p> <p>Mr Andrew Jory</p>
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	Senator Bob Menendez Mrs Nadine Menendez Senator Jack Reed
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s 22(1)(a)(ii)

BIOGRAPHIES

Senator Lindsey GRAHAM
 Senator (R-South Carolina)
 US Senate



Form of Address:

Senator

**Relevant
Committees:**

Ranking Member, Senate Judiciary
Committee

Senate Appropriations Committee

Ranking Member, Subcommittee on State,
Foreign Operations, and Related Programs

Senate Environment and Public Works
Committee

Subcommittee on Clean Air, Climate, and
Nuclear Safety

Senator Graham is South Carolina's senior Senator and was first elected in 2002. ^{s 33(a)(iii)}

In addition to his recent meeting with HOM Rudd, Graham travelled to Australia on an April 2022 CODEL where he met with a range of government and opposition officials about AUKUS, China and Ukraine.

Senator Jim RISCH

Senator (R-Idaho)

US Senate

**Form of Address:****Senator****Relevant Committees:****Ranking Member**, Senate Foreign Relations Committee

Energy and Natural Resources Committee

Intelligence Committee

Senator Risch was first elected to the Senate in 2008 and has served as a consistent voice on the Senate Foreign Relations Committee. **s 33(a)(iii)**

HOM Rudd and Risch met on 18 May for an introductory call and on 8 June on the sidelines of the MINDI Conroy visit.




**Mrs. Vicki Risch**

Vicki Risch has been married to Senator Risch for nearly 53 years. They have three married sons and nine grandchildren.

Mrs. Risch served as the First Lady of Idaho during her husband's tenure as Governor of Idaho from 2006 to 2007, having served as Idaho's Second Lady for four years prior.

s 47F(1)

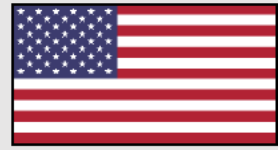
Mrs. Risch frequently accompanies her husband at official events (including a meeting with Foreign Minister Payne) and the two were selected as Idaho's Health Marriage Ambassadors in 2007.

<div>Senator Bob MENENDEZ</div> <div>Senator (D-New Jersey)</div> <div>US Senate</div>		
	<div>Form of Address:</div> <div>Relevant Committees:</div>	<div>Chairman</div> <div>Chairman, Senate Foreign Relations Committee</div> <div>Finance Committee</div> <div><ul style="list-style-type: none">Subcommittee on International Trade, Customs and Global Competitiveness</div> <div>Banking Committee</div> <div><ul style="list-style-type: none">Chair, Subcommittee on Securities, Insurance, and Investment</div>
<p>Senator Menendez was first elected to the Senate in 2006. He is the highest-ranking Democrat on the Foreign Relations Committee, a role which he has held for a decade. s 33(a)(iii)</p>		
<p>HOM Rudd and Menendez met on 18 May for an introductory call. In addition, Menendez travelled to Australia in 2022 where he met with Australian officials, including Foreign Minister Payne. In Washington, he has met with Prime Minister Scott Morrison (2021) and Prime Minister Abbott (2004).</p>		
	<div>Mrs. Nadine Menendez</div> <div>Nadine Menendez married Senator Menendez in 2020. She and Senator Menendez first met in 2016.</div> <div>s 47F(1)</div> <div>;</div> <div>)(a)</div> <div>(ii)</div>	

Senator Susan COLLINS

Senator (R-Maine)

US Senate

**Form of
Address:****Senator****Relevant
Committees:****Vice Chair (Ranking Member)**, Senate
Appropriations Committee

- **Ranking Member**, Defense Subcommittee

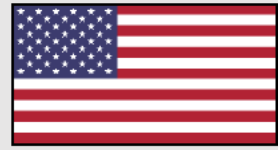
Intelligence Committee

Senator Collins was first elected to the Senate in 1997 and is the longest serving Republican woman in Senate history. She has established herself as a moderate, frequently crossing party lines to work with Democrats and vote on Democratically sponsored bills, and introducing bills that garner Democratic support. s 33(a)(iii)

Collins met HOM Rudd earlier this year at a dinner with ten other Intelligence Committee Senators.

Senator Sheldon WHITEHOUSE

Senator (D-Rhode Island)

US Senate**Form of Address:****Chairman****Relevant Committees:****Chair, Senate Budget Committee**

Senate Judiciary Committee

- **Chair, Subcommittee on Federal Courts, Oversight, Agency Action and Federal Rights**

Senate Finance Committee

Senate Environment and Public Works Committee

- Subcommittee on Clean Air, Climate, and Nuclear Safety

s 33(a)(iii)

. He began giving weekly Senate floor speeches on the issue in April 2012 and continued through 2021. **s 33(a)(iii)**

Whitehouse has made no public statements on AUKUS **s 33(a)(iii)**

Senator Jack REED (TENATIVE TO ATTEND)

Senator (D-Rhode Island)

US Senate**Form of
Address:****Chairman****Relevant****Committees:****Chair, Senate Armed Services Committee**

Senate Appropriations Committee

Senate Intelligence Committee

Senator Reed was first elected to the Senate in 1996 **s 33(a)(iii)**

Reed met HOM Rudd in June 2023 along with MINDI Conroy. In 2022, Reed dined with Secretary Moriarty. Later in the year he met with DPM Marles. Reed met with FM Payne in 2018 **s 22(1)(a)(ii)** He also visited Australia in 1999 on a Congressional Delegation.

MEETING BRIEF: LUNCH WITH SENATOR JOE MANCHIN (D-WV)

DETAILS

Nature of event	Working Lunch
Date	Monday 1 May 2023
Time	1300-1415
Venue	The Beverly Hilton [
Host	Ambassador
Dress code	Business attire
Purpose of engagement	Introductory call s 33(a)(iii)
Media / social media	At HOM/Senator's discretion – Recommended given the Senator profile
Event lead	s 22(1)(a)(ii) , First Secretary (Congressional) / s 22(1)(a)(ii)
What we want	Build on our good relationship s 33(a)(iii)
What they want	s 33(a)(iii)
Handling note	Congressional Branch sought this meeting as part of your introductory calls with Senators. s 33(a)(iii)

ATTENDEES

Total number of attendees	<u>US Delegation:</u> <ul style="list-style-type: none"> • Sen. Manchin • Ms Emily McDonald <u>Australian Delegation:</u> <ul style="list-style-type: none"> • Ambassador Rudd • Consul-General Duke s 22(1)(a)(ii) notetaker)
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SUGGESTED TOPICS OF CONVERSATION

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 33(a)(i), s 33(a)(iii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 33(a)(i), s 33(a)(iii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

You met Senator Manchin earlier this year in Davos. He briefly met Minister for Climate Bowen in September at an energy conference and had dinner with former HOM Sinodinos in May 2022. s 22(1)(a)(ii)

BIOGRAPHY



Sen. Joe Manchin (D-WV)

Manchin, the only statewide Democratic office-holder in West Virginia, has positioned himself as a centrist dealmaker in the closely divided Senate of the 117th and 118th Congresses. When Democrats took control of the Senate in January 2021, Manchin urged the parties to work together and put “the priorities of our nation before partisan politics or double down on the dysfunctional tribalism”. He is up for re-election in 2024 and has not yet announced if he will run again in what will be a highly competitive race.

s 33(a)(iii)

As Chair of the Senate Energy and Natural Resources Committee, he plays a lead role in policy development. He also opposed the energy policies of President Barack Obama, and has maintained many of his conservative views on climate into the current Administration. Senator Manchin believes in an "all-of-the-above" energy approach that includes coal. s 33(a)(iii)

Manchin recently played a pivotal role in passing the IRA: a law with unprecedented climate and clean energy provisions, but a much narrower bill than many Democrats supported. In particular, he was instrumental in including the critical minerals supply chain provisions in the electric vehicle tax credits. s 33(a)(iii)

Fun Fact: Manchin is an avid pilot, outdoorsman, hunter, angler and motorcyclist. He has frequently used his motorcycle to tour the state during campaigns and as part of annual motorcycle rides.

EVENT BRIEF: MEETING REP. MICHAEL MCCAUL (R-TX-10)

DETAILS

Nature of event	Casual chat
Date	Monday 1 May 2023
Time	1430-1515
Venue	The Beverly Hilton s 47E(d)
Dress code	Business attire
Purpose of engagement	Rep. McCaul requested this meeting following your recent engagement in Washington DC.
Media / social media	s 47E(d)
Event lead	s 22(1)(a)(ii) First Secretary (Congressional) / s 22(1)(a)(ii)

ATTENDEES

Total number of attendees	<p><u>US Delegation:</u></p> <ul style="list-style-type: none"> Rep. McCaul Ms Leslie Shedd, Communications Director <p><u>Australian Delegation:</u></p> <ul style="list-style-type: none"> Ambassador Rudd Consul-General Duke <p>s 22(1)(a)(ii) (notetaker)</p>
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TOPICS OF CONVERSATION

s 33(a)(i), s 33(a)(iii)

s 33(a)(i), s 33(a)(iii)

s 22(1)(a)(ii)

BIOGRAPHY



Rep. Michael McCaul
(R-TX-10)

Chairman, House Committee
on Foreign Affairs

McCaul became Chair of the House Foreign Affairs Committee when Republicans retook the House in January 2023. As the top Republican on the committee since 2019, s 33(a)(iii)

He has had several interactions with Australian officials including former Prime Minister Morrison, former Secretary of the Dept. of Defence Moriarty, former Foreign Minister Payne, and former Ambassadors Sinodinos and Hockey.

s 33(a)(iii)

EVENT BRIEF: DINNER WITH REP. YOUNG KIM (R-CA-40)

DETAILS

Nature of event	Formal dinner
Date	Monday, 1 May 2023
Time	1830-2030
Venue	The Grill on the Alley, 9560 Dayton Way, Beverly Hills CA 90210 / s 47E(d)
Host	Ambassador
Dress code	Business attire
Purpose of engagement	<p>You have invited Rep. Young Kim to dinner as she became Chair of the Subcommittee on the Indo-Pacific in the House Foreign Affairs Committee (HFAC) in the 118th Congress. s 33(a)(iii)</p> <p>. s 22(1)(a)(ii)</p> <p>s 33(a)(iii)</p> <p>[she is Co-Chair of the Congressional Women in STEM Caucus, Co-Chair of the Congressional Study Group on Korea and is affiliated with the Congressional Caucus on India and Indian-Americans, Congressional Taiwan Caucus, Congressional Cambodia Caucus and Congressional Pacific Islands Caucus].</p>
Media / social media	An official photograph on conclusion of the dinner
Event lead	s 22(1)(a)(ii) , First Secretary (Congressional) / s 22(1)(a)(ii)
Handling note	<p>You will be meeting Rep. Kim for the first time as she was unable to attend the HFAC Roundtable you spoke to on 18 April.</p> <p>Rep. Kim will be travelling from her Mission Viejo/Anaheim Hills District Office/La Habra Residence in north western Orange County, approximately 1 hour and 15 minutes southeast of the dinner venue.</p> <p>Consul-General Duke and s 22(1)(a)(ii) previously met the Congresswoman's District Director.</p>

ATTENDEES

Total number of attendees	<u>US Delegation:</u> <ul style="list-style-type: none"> Rep. Kim s 47F(1)
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	<u>Australian Delegation:</u> <ul style="list-style-type: none">• Ambassador Rudd• Consul-General Duke <div>s 22(1)(a)(ii) (notetaker)</div>
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SUGGESTED TOPICS OF CONVERSATION

- Welcome an overview of Rep. Kim's district, as this will be you [Ambassador's] sole official engagement with an incumbent elected member of Congress representing southern California.

s 33(a)(i), s 33(a)(iii)

s 33(a)(iii), s 33(b)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

BACKGROUND

Following the **AUKUS** announcement in San Diego, on 15 April Kim released the following statement:
"Strengthening defences and technological ties with our allies is critical for ensuring a free and open Indo-Pacific, especially as we face growing and shared threats from the Chinese Communist Party. As Chairwoman of the Indo-Pacific Subcommittee, I believe this AUKUS announcement is a significant step in the right direction of strengthening our trilateral partnership and combatting threats. I hope we can expand our capabilities and quickly deliver on our word to make this a reality".

s 33(a)(i), s 33(a)(iii)

s 22(1)(a)(ii)

BIOGRAPHIES



Young KIM
Representative
(R-California-40)

Born in South Korea, Kim is one of only two Korean American Republicans in Congress and was one of the first Korean American women to serve in the chamber. First elected in a highly competitive 2020 race, Kim won her second term in an under-the-radar but still tough election [it was one of 18 districts that voted for Joe Biden in the 2020 Presidential election while being won or held by a Republican in 2022]. Democrats had targeted the affluent, suburban, mostly Orange County district to flip, and may do so again. Kim is Chair of the House Foreign Affairs Committee's Indo-Pacific Subcommittee, and is also a member of the Financial Services Committee.

s 33(a)(iii)

Kim departed Seoul as a teenager when her family moved to Guam, and later lived in Hawaii. She received her undergraduate degree from the University of Southern California, and is a former small business owner and member of the California Assembly. She and her husband Charles have four grown children and several grandchildren.

HOM Sinodinos met Kim several times, including at a dinner for the Pacific Islands Caucus co-hosted with the New Zealand Ambassador in June 2021. **s 33(a)(iii)**

s 33(a)(i), s 33(a)(iii), s 47C(1) - this page, together with the following pages (41 to 45) are exempt and have been removed.

EVENT BRIEF: DINNER WITH SENATORS COON AND MANCHIN

DETAILS

Nature of event	Formal dinner
Date	Wednesday, 12 July 2023
Time	7:00pm-9:00pm
Venue	Ambassador's Residence
Host	Ambassador
Dress code	Business attire
Purpose of engagement	Relationship building with two long-time US Senators active in foreign affairs, defence, and climate policy.
Media / social media	Photo for tweet (if desired): @ChrisCoons; @Sen_JoeManchin
Event lead	s 22(1)(a)(ii), Senior Congressional Liaison / s 22(1)(a)(ii)
Handling note	You will be meeting with Senators Coons and Manchin. s 47F(1)

ATTENDEES

Total number of attendees: 6	Ambassador Kevin Rudd Ms Thérèse Rein Senator Chris Coons Senator Joe Manchin Ms Heather Manchin (daughter of Senator Manchin) Andrew Jory, Minister Counsellor, Trade s 22(1)(a)(ii), Counsellor, DCCEEW
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SUGGESTED TOPICS OF CONVERSATION

s 22(1)(a)(ii)

- AUKUS and implementing legislation required

s 22(1)(a)(ii)

BACKGROUND

This dinner arose out of your lunch meeting with Senator Machin in Los Angeles in May. s 22(1)(a)(ii)

During the lunch they discussed getting together for dinner at the Ambassador's Residence, proposing Senator Coons s 22(1)(a)(ii)

s 33(a)(iii)

s 22(1)(a)(ii)

BIOGRAPHIES

Senator Chris COONS

Senator (D-Delaware)

US Senate



Form of Address: Senator

Committees: Foreign Relations Committee

Appropriations Committee

- **Chair**, Subcommittee on State, Foreign Operations, and Related Agencies

Judiciary Committee

Small Business & Entrepreneurship Committee

Chair, Select Committee on Ethics

FOAC Member? Yes

Senator Coons was **elected to the Senate in 2010** to fill the Senate seat vacated by President Joe Biden when he left to serve as Vice President. **s 33(a)(iii)**

Coons is a frequent **supporter of bipartisan bills** and makes efforts to form relationships with members on both sides of the aisle.

Coons is **one of the most active Senate Democrats on foreign policy**, holding roles on Senate Foreign Relations Committee (SFRC) and the subcommittee controlling the budget for the State Department and USAID. **s 33(a)(iii)**

Before his Senate service, Coons served in New Castle County local government roles and as a lawyer. Coons lives in Wilmington with his wife, Annie, and their three children, Michael, Jack, and Maggie.

In 2021, **FM Payne met with Senators Coons** and Sullivan in a bilateral meeting.

Senator Joe MANCHIN

Senator (D-West Virginia)

US Senate



Form of Address: Senator

Committees: Chair, Energy and Natural Resources Committee
 Armed Services Committee
 Appropriations Committee
 Veterans Affairs Committee

FOAC Member? No

Senator Manchin, the only state-wide Democratic officeholder in West Virginia, has positioned himself as a **centrist dealmaker** in the closely divided Senate. **s 33(a)(iii)**

As **Chair of the Senate Energy and Natural Resources Committee**, he plays a lead role in policy development. He holds fairly conservative views on climate, supporting an "all-of-the-above" energy approach that includes coal. **s 33(a)(iii)**

Still, he played a **key role in passing the Inflation Reduction Act (IRA)**, an unprecedented climate and clean energy law.

Prior to his 2010 Senate election, he **served as a popular Governor** and as Secretary of State of his home state of West Virginia. **s 33(a)(iii)**

He has been married for more than five decades to his wife, Gayle Conelly. They have three children, Heather, Joseph IV and Brooke, and are the proud grandparents of ten grandchildren.

You **met Senator Manchin in the sidelines of the Milken Conference**, as well as earlier this year in Davos. He briefly met Minister for Climate Bowen in September at an energy conference and had dinner with former HOM Sinodinos in May 2022. **s 47F(1)**



Heather MANCHIN resides in Pennsylvania, and is the daughter of Senator Joe Manchin and his wife, Gayle Conelly. She is a former CEO of generic pharmaceutical company Mylan s 33(a)(iii)

Manchin retired in 2020, upon the closing of Mylan's combination with Pfizer's Upjohn, after nearly 30 years with the company. She has also formerly overseen the Generic Pharmaceutical Association — the generic drug industry's lobbying group.

In 2015, she was listed as #22 in Fortune magazine's "Most Powerful Women" list, and reached #95 on a similar list from Forbes. s 33(a)(iii)

EVENT BRIEF

DETAILS

Name	Drinks with Republican Members of Congress hosted by Rep. Joe Wilson (R-South Carolina)
Date and time	5/6/23, 16:30 - 17:30
Location	Capitol Hill Club, s 47E(d)
Point of contact	s 47F(1) Staff Assistant, s 47F(1)
Other attendees	Rep. Joe Wilson (R-South Carolina) Rep. Gary Palmer (R-Alabama) Rep. Randy Weber (R-Texas) Rep. Keith Self (R-Texas) Rep. Kevin Hern (R-Oklahoma) Rep. Diana Harshbarger (R-Tennessee) Rep. Jerry Carl (R-Alabama) Rep. Daniel Meuser (R-Pennsylvania) Rep. Warren Davidson (R-Ohio) Rep. Mike Ezell (R-Mississippi) Rep. Russ Fulcher (R-Idaho) Rep. Greg Murphy M.D. (R-North Carolina) s 22(1)(a)(ii) , Senior Congressional Liaison Officer <i>Possibly other members to be confirmed</i>
Media / social media	Photos for tweets - @RepJoeWilson; @USRepGaryPalmer; @TXRandy14; @RepKeithSelf; @DHarshbargerTN1; @RepJerryCarl; @RepMeuser

Purpose of the event: Introductory drinks to build relationships with members of the House Republican Conference (caucus). s 33(a)(iii)

Who extended the invitation: Rep. Joe Wilson (R-SC)
s 33(a)(iii)

Representative Joe WILSON

Congressman (R-South Carolina)

US House of Representatives

**Form of Address:** Congressman**Education:** BA, Washington and Lee University
JD, University of South Carolina**Twitter handle:** @repjoewilson**FOAC Member:** No**Career:**

2001-Present	Representative for South Carolina's 2 nd District <ul style="list-style-type: none"> • Armed Services Committee • Education and Workforce Committee • Foreign Affairs Committee <ul style="list-style-type: none"> ○ Chair, Subcommittee on the Middle East, North Africa, and Central Asia • Chair, U.S. Helsinki Commission
1984-2001	South Carolina State Senate
1972-2003	South Carolina Army National Guard (retired as Colonel)

Comment:

Republican Joe Wilson, first elected in 2001, has a reputation as a hardworking fiscal and defence hawk. With his seniority, he has been a mentor to many junior Republicans. s 33(a)(iii)

In the 118th Congress, Wilson is the most senior Republican on the House Armed Services Committee and among the longest serving on the Foreign Affairs Committee. He chairs the Republican Study Committee's National Security and Foreign Affairs Task Force and co-chairs many country caucuses (including the UK). He advocates for allied cooperation, holding the view that: "An open and candid discussion among friendly nations and a clear and consistent message to unfriendly nations will ensure the safety and prosperity of the United States."

Wilson has also supported a closer military relationship with India, and he travelled frequently to Iraq and Afghanistan to review those conflicts when U.S. forces were engaged. He urged President Donald Trump to loosen restrictions on the U.S. military fighting the Taliban in Afghanistan. In 2017-18, Wilson chaired the Readiness

Subcommittee, to provide the resources for the military to respond to what he described as an “unprecedented readiness crisis.”

Wilson resides in a safe Republican district and has easily won each of his 12 elections. In 2020, Wilson was an enthusiastic supporter of Trump’s re-election, citing his support for “a very strong national defense,” s 33(a)(iii)

He has worked vigorously to help vulnerable Republicans in elections, particularly in the 2018 cycle s 33(a)(iii)

Wilson is married and has 4 children and 7 grandchildren.

s 33(a)(iii), s 47E(d)



Gary Palmer, R-Alabama-6

Chair, House Republican Policy Committee; Energy Committee; Oversight Committee

Rep. Palmer is a 5th term representative. He grew up on a farm in Alabama, studied engineering at the University of Alabama, and founded the Alabama Policy Institute, a conservative think tank. Palmer is a leader on fiscal matters within the Republican party. He is the first Freedom Caucus member to have taken a GOP leadership position.



Randy Weber, R-Texas-14

Energy Committee, Science/Technology Committee; FOAC Member

Rep. Weber is a 6th term representative. Prior to joining Congress, he was a businessman who ran a heating and air conditioning maintenance and repair business. He received his BS from the University of Houston. He is a Freedom Caucus member, previously stating that nobody in Congress would “out-conservative” him.



Keith Self, R-Texas-3

Foreign Affairs Committee, Veterans' Affairs Committee

Rep. Self is a first term representative. He is a West Point graduate and served in the US Army for 25 years as a member of the Army Special Forces and Army Rangers. He was elected County Judge of Collin County, Texas. Self is a Freedom Caucus member and a lifetime member of the National Rifle Association. The mall shooting in Allen, TX in May 2023 was in his district.



Kevin Hern, R-Oklahoma-1

Ways and Means Committee

Rep Hern is 4th term representative. Hern grew up in poverty and made himself into a successful businessman through franchising McDonald's restaurants. He graduated with his BS in engineering from Arkansas Tech University and received an MBA from the University of Arkansas. **s 33(a)(iii)**



Diana Harshbarger, R-Tennessee-1

Energy Committee

Rep. Harshbarger is a 2nd term representative. She graduated from East Tennessee University with a BS, and then received her Doctor of Pharmacy in 1987 from Mercer University. She and her husband have owned their own pharmacy since 1987. Harshbarger is a Freedom Caucus member, describing herself as "an unapologetic conservative Trump Republican."



Jerry Carl, R-Alabama-1

Appropriations Committee, Natural Resources Committee

Rep. Carl is a 2nd term representative. Carl attended Lake County Community College, though did not finish, making him one of the few members of Congress to not hold a college degree. He owned a management group for a time, and eventually was elected to the Mobile County Commission. Carl's policy focus tends to be on economic matters, including cutting taxes and creating jobs.



Dan Meuser, R-Pennsylvania-9

Financial Services Committee, Small Business Committee

Rep. Meuser is a 3rd term representative. He holds a BA from Cornell University. After building a successful mobility aid business with his father and brother, Meuser left to become the Secretary of Revenue of Pennsylvania. While Trump-aligned in policy, Meuser describes himself as "a problem-solving conservative." He attended a reception for the Trade Minister at the Residence in spring 2022.

s 22(1)(a)(ii)



Warren Davidson R-Ohio-8

Financial Services Committee (Ranking Member, Task Force on Financial Technology);
Select Committee on the Economy

Rep. Davidson is a 5th term representative. He was first elected in a 2016 special election to replace Speaker John Boehner, who had resigned. He served for 12 years in the Army and earned BA from West Point. After the Army, Davidson returned to Ohio and opened a tool making manufacturing business and earned an MBA from University of Notre Dame. Davidson is a member of the Freedom Caucus s 33(a)(iii)



Mike Ezell R-Mississippi-4

Homeland Security; Transportation and Infrastructure

Rep. Ezell is a 1st term representative. Before Congress, Ezell was a career law enforcement officer and served for 8 years as Sheriff of Jackson County. As an avid outdoorsman and former competition shooter, he makes it a priority to defend the Second Amendment and as a member of the Homeland Security Committee works for supporting border patrol, building the wall, and stopping the flow of drugs and illegal immigrants. He has a BS from the University of Southern Mississippi and has also graduated from the Mississippi Law Enforcement Officers Training Academy and the FBI National Academy.



Russ Fulcher R-Idaho-1

Energy and Commerce; Natural Resources

Rep. Fulcher is a 2nd term representative. Before Congress, Fulcher spent 24 years in the high-tech industry and served in the Idaho State Senate for 10 years. **s 33(a)(iii)**

Fulcher earned a BBA and an MBE from Boise State University.



Dr. Greg Murphy R-North Carolina-3

Ways and Means (Trade Subcommittee); Veterans' Affairs; House Administration

Rep. Murphy is a 3rd term representative. He was first elected in a 2019 special election to replace Walter Jones who had died. He earned a BS from Davidson College and an MD from University of North Carolina. He had an extensive medical career as a urologist and is the only practicing surgeon in Congress. He has travelled extensively for the last 35 years to Third World Countries including India, several parts of Africa, Nicaragua and Haiti as a Medical Missionary. Prior to Congress, he served in the North Carolina House of Representatives from 2015-2019.

Representative Ami BERA

Representative (R-California-[CA]-06)

US House of Representatives

**Form of Address:****Congressman****Committees:**

Foreign Affairs Committee

- **Ranking Member**, Subcommittee on the Indo-Pacific

Intelligence Committee

Friends of Australia Caucus

Rep Ami Bera (D-California) entered Congress in 2013 and currently serves as **Ranking Member of the House Foreign Affairs (HFAC) Subcommittee on the Indo-Pacific**. He also serves on the HFAC Africa, Global Health, and Global Human Rights Subcommittee, and the **Select Intelligence Committee**. He is a member of the Friends of Australia Caucus.

Within HFAC, Bera has advocated for **stronger US relations with India** and has focused on the value of the Quad for US relations with the region, and remains an ardent free trade advocate. **s 22(1)(a)(ii)**

Bera recently travelled to the Indo-Pacific as part of an HFAC Co-Del led by Chair McCaul (R-Texas). **s 22(1)(a)(ii)**



s 33(a)(iii)

Bera engages closely with the region as a **co-chair of the Congressional Pacific Islands Caucus**.

Bera was born to Indian immigrant parents in Los Angeles and practiced medicine before running for Congress. He is a member—and former leader—of the moderate New Democrats and Problem Solvers Caucus.

s 33(a)(iii)

He participated in a House members Roundtable with Pacific Island Country HOMs hosted by Post and the New Zealand Embassy in July 2022, and a virtual version the year before. Bera met **former Prime Minister Morrison** following the AUKUS announcement in September 2021 and Foreign Minister Payne in the months following. **HOM Sinodinos** also met Bera several times, including a June 2022 Pacific Islands Caucus dinner. A Bera staffer was invited to travel to Australia in April 2023 on the DFAT-funded Congressional Staff Delegation visit but was unable to participate.

<div>Representative Michael <u>McCAUL</u></div> <div>Representative (R-Texas-[TX]-10)</div> <div>US House of Representatives</div>		
	Form of Address:	Chairman [first instance]; Congressman
	Committees:	Chair, House Foreign Affairs Committee
		House Homeland Security Committee (former Chair)
		Friends of Australia Caucus

McCaul became **Chair of the House Foreign Affairs Committee (HFAC)** when Republicans retook the House in January 2023. As HFAC's top Republican since 2019, ^{s 33(a)(iii)}

s 33(a)(iii)

McCaul has met HOM Rudd this year in several contexts. McCaul has also had many interactions with former Australian officials, including Defence Secretary Moriarty, Prime Minister Morrison, Foreign Minister Payne, and Ambassadors Sinodinos and Hockey.

Representative Gregory MEEKS

Representative (D-New York-[NY]-05)

US House of Representatives

**Form of Address:****Ranking Member [first instance]; Congressman****Committees:****Ranking Member, Foreign Affairs Committee****Financial Services Committee****Friends of Australia Caucus (former Co-Chair)**

Meeks, now the **Ranking Member**, served as the Chairman of the House Foreign Affairs Committee (HFAC) in the 117th Congress (2021-2022). His priorities are **working with allies and partners in boosting the West's competitiveness** with China, building the **US presence in the Indo-Pacific**, and free trade as a long-term mechanism to boost US competitiveness.

s 33(a)(iii)

He has consistently **supported AUKUS**, tweeting in 2021 that he "welcome[s] this step to bolster cooperation with our allies Australia and the UK in the pivotal Indo-Pacific region".

s 33(a)(iii)

Meeks was raised in public housing and aspired to be a lawyer, eventually earning his bachelor's and law degrees. He served several years in the New York state assembly prior to his 1998 House election. His largely middle-class congressional district in the New York City borough of Queens is a safe Democratic seat.

Meeks led a **Co-Del to Australia**, Palau and Papua New Guinea in October 2022 and accompanied then Speaker Pelosi on her visit to Taiwan in August 2022. s 33(a)(iii), s 47F(1)

has had several interactions with Australian ministers and senior officials.

Representative Mike WALTZ

Representative (R-Florida-[FL]-06)

US House of Representatives

**Form of
Address:****Representative****Committees:**

Armed Services Committee

Foreign Affairs Committee

Intelligence Committee

A decorated combat veteran and former U.S. Army Green Beret, Rep. Waltz is currently in his third term in Congress having first taken office in January 2019 s 33(a)(iii)

He later served in senior roles at the Pentagon and with Vice President Cheney's office as a counterterrorism advisor.

s 33(a)(iii)

MEETING BRIEF

DETAILS

Name	Richard Blumenthal
Position	Senator for Connecticut (D)
Organisation	US Senate
Date and time	6/6/23, 15:00
Location	s 47E(d) Senate Office Building
Point of contact	s 47F(1)
Other attendees	Suzanne McCourt, Minister-Counsellor, Congressional Branch s 22(1)(a)(ii) Senior Congressional Liaison Officer, Defence
Media / social media	@SenBlumenthal

Purpose of the meeting: Introductory call to build relationship s 33(a)(iii)

Who sought the meeting: Ambassador Kevin Rudd

s 33(a)(iii)

. s 22(1)(a)(ii)

KEY MESSAGES

- Thank Senator Blumenthal for his statements of support for AUKUS.
s 33(a)(i), s 33(a)(iii)

s 33(a)(i), s 33(a)(iii)

s 22(1)(a)(ii)

BACKGROUND

s 33(a)(iii)

s 22(1)(a)(ii)

BIOGRAPHY



Richard Blumenthal (D)
Senior Senator for Connecticut

Education: BA, Harvard University
JD, Yale University

FOAC Member: No

Career

2011-Present	Senator for Connecticut <ul style="list-style-type: none">Judiciary Committee<ul style="list-style-type: none">Chair, Subcommittee on Privacy, Technology, and the LawArmed Services CommitteeHomeland Security Committee<ul style="list-style-type: none">Chair, Permanent Subcommittee on InvestigationsVeterans' Affairs CommitteeAging Committee
1990-2011	Connecticut Attorney General
1987-1990	Connecticut State Senate
1984-1987	Connecticut House of Representatives
1977-1981	US Attorney for Connecticut
1970-1976	Marine Corps Reserves

Richard 'Dick' Blumenthal has long been focused on consumer protection throughout his career in Connecticut and in the Senate. He is able to shape the debate on numerous related issues from holding companies accountable for the safety of their products to introducing legislation holding tech platforms accountable for privacy failings, illegal content, and other serious harms. The latter he is able to prosecute through his chairmanship of the Subcommittee on Privacy, Technology, and the Law (Judiciary).

s 33(a)(iii)

s 33(a)(iii)

Blumenthal has never lost an election. He won his last race in 2022 over a Republican challenger, 57%-43%.

MEETING BRIEF

DETAILS

Name	Shelley Moore Capito
Position	Senator for West Virginia (R)
Organisation	US Senate
Date and Time	12 July 2023, 11:45
Location	s 47E(d) Senate Office Building, Washington, DC, 20510
Point of contact	s 47F(1)
Other attendees	s 22(1)(a)(ii) A/g Principal Adviser / First Sec., Congressional s 22(1)(a)(ii) , Senior Congressional Liaison – Climate and Energy
Media / social media	Photo for tweet: @SenCapito

Purpose of the meeting: Introductory meeting with a Republican Congressional leader on climate issues and women's rights. She will lead a Congressional delegation (Codel) to Australia in August.
s 33(a)(iii)

Who sought the meeting: Ambassador Kevin Rudd
s 33(a)(iii)

KEY MESSAGES

s 33(a)(iii)

- I understand you're **traveling to Australia** this summer. I would be happy to welcome you and your colleagues to the Residence after your trip and discuss your experience over dinner.

s 22(1)(a)(ii)

s 33(a)(iii)

s 22(1)(a)(ii)

BACKGROUND

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 33(a)(iii)

s 33(a)(iii)

she is **leading her first Congressional delegation (Codel) later this summer to Australia** and New Zealand. The main impetus of the trip is the **FIFA Women's World Cup**, taking place from mid-July through mid-August in the two countries. She and Senator Cantwell led legislation – now law – that supported equal pay for the US Women's National Soccer team. Other attendees include Senator Maria **Cantwell** (D-Washington) and four female House Members. They will be **in Australia from 13-17 August**.

BIOGRAPHY



Shelley Moore Capito
Junior Senator for West Virginia (R)

Education: Duke University (B.S.)

University of Virginia (M.Ed.)

FOAC Member: Yes

Career:

2015-present	Senator for West Virginia <ul style="list-style-type: none"> • Ranking Member, Environment and Public Works Committee • Appropriations Committee • Commerce, Science, & Transportation Committee • Rules and Administration Committee
2000-2014	Representative, US House of Representatives, West Virginia 2 nd Congressional District
1996-2000	Representative, West Virginia House of Delegates
Prior	Career Counsellor and Director, Education Information Center

Capito, a second-term Senator from West Virginia, prides herself on knowing the ins and outs of every region of West Virginia. She grew up in the state's northern panhandle and represented other parts of the states as a US Representative. She now resides in Charlestown, West Virginia.

s 33(a)(iii)

When she first ran for Congress in 2000, there were no Republicans in the West Virginia delegation. By 2015, Sen. Joe Manchin, a long-time friend of Capito, was the only Democrat left serving in federal office from West Virginia. She won her 2020 re-election easily and would next face re-election in 2026.

Fun Fact: Capito is a keen tennis player, and recently took up pickleball. In May, she launched the bipartisan Pickleball Caucus.

MEETING BRIEF

DETAILS

Name	Ben Cardin
Position	Senator for Maryland (D)
Organisation	US Senate
Date and Time	12 July 2023, 11:15AM
Location	s 47E(d) Senate Office Building, Washington, DC, 20510
Point of contact	s 47F(1)
Other attendees	s 22(1)(a)(ii) , Senior Congressional Liaison Officer
Media / social media	Photo for tweet: @SenatorCardin

Purpose of the meeting: Introductory meeting with senior member of the Senate Foreign Relations Committee.

Who sought the meeting: Ambassador Kevin Rudd

s 33(a)(iii)

KEY MESSAGES

s 33(a)(iii)

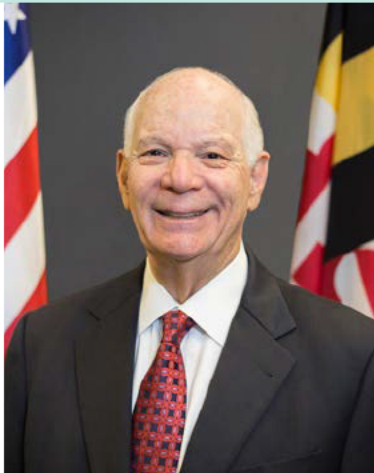
s 22(1)(a)(ii)

BACKGROUND

s 33(a)(iii)

s 22(1)(a)(ii)

BIOGRAPHY



Ben Cardin
Senior Senator for Maryland (D)

Education: BA, University of Pittsburgh
JD, University of Maryland

FOAC Member: No

Career:

2007-present	Senator for Maryland <ul style="list-style-type: none"> Foreign Relations Committee <ul style="list-style-type: none"> Chair, State Department & USAID Management, International Operations, & Bilateral International Development Subcommittee Chair, Small Business and Entrepreneurship Committee Chair, Commission on Security and Cooperation in Europe Finance Committee Environment and Public Works Committee
1987-2007	Congressman, 3 rd District of Maryland
1967-1987	Maryland House of Delegates

Cardin has never lost an election in over 50 years of political life. Sworn into the chamber in 2007, he is retiring in 2024, so he is in his last two years in the Senate. s 33(a)(iii)

Cardin has long advocated for international anti-corruption and human rights legislation and penned health and small business legislation. Cardin is an advocate for **stronger export controls on technology transfer to China**. He also has worked to ensure gender equity in national security programs and policies.

s 33(a)(iii)

Cardin most recently travelled to Tokyo with Senator (and former ambassador to Japan) Hagerty a year ago. Cardin's Senior Foreign Policy Advisor is attending a Staffdel to Australia this year. In February, a Cardin advisor travelled to Papua New Guinea, Solomon Islands, and Fiji. In June, the same staffer also attended the Senate Pacific Island Countries roundtable on behalf of Cardin.

MEETING BRIEF

DETAILS

Name	Kevin Cramer (R)
Position	Senator
Organisation	US Senate
Date and time	1/6/23, 9:45 AM
Location	s 47E(d) Washington, DC 20510 Constitution Ave NE, opposite intersection with Maryland Ave
Point of contact	s 47F(1)
Other attendees	Belinda McNamara, Minister Counsellor Defence Policy s 22(1)(a)(ii) Counsellor, Congressional // s 22(1)(a)(ii)
Media / social media	Photo for Tweet @senkevincramer

Purpose of the meeting: Introduction, **update on AUKUS** progress

Who sought the meeting: Ambassador Kevin Rudd

s 33(a)(iii)

KEY ISSUES

- AUKUS: Pillars I and II

s 22(1)(a)(ii)

KEY MESSAGES

s 33(a)(iii)

s 33(a)(iii)

s 22(1)(a)(ii)

BIOGRAPHY

Kevin Cramer
Junior Senator for North
Dakota
(R)

Education: BA, Concordia College (pre-seminary, social work)
MA, University of Mary (management)

FOAC Member: Yes

Career:

2019- Present	Senator for North Dakota <ul style="list-style-type: none">• Armed Services Committee<ul style="list-style-type: none">◦ Ranking Member, Seapower Subcommittee• Banking, Housing and Urban Affairs Committee• Environment and Public Works Committee• Veterans' Affairs Committee
2013-2019	Representative, ND-At Large

2004-2012

Member, North Dakota Public Service Commission

Senator Cramer serves as the **Ranking Member on the SASC Seapower Subcommittee**, s 33(a)(iii)

. Cramer was invited but **unable to join dinner at the Residence with Minister for Defence Industry Pat Conroy** during his visit to DC next week.

s 33(a)(iii), s 33(b)

s 33(a)(iii)

Cramer first ran for Congress in 1996, and again in 1998 and 2010, all unsuccessfully. He tried again in 2012, and this time successfully became the sole Representative for North Dakota in the US House of Representatives. s 33(a)(iii)

Inspired to get into politics by former President Ronald Reagan, Cramer is both fiscally and socially conservative, supporting cuts in spending on benefits such as food stamps and estate tax repeal, and opposing abortion, gun control, and same sex marriage.

A self-described 'advocate for the free market system', Cramer helped oversee North Dakota's energy boom while serving on the North Dakota Public Service Commission. While in the House, he advocated to open more federal lands for oil and gas drilling.

s 33(a)(iii)

He is in his **first term as a senator** and is up for re-election in 2024.

s 33(a)(iii)

s 33(a)(iii)

MEETING BRIEF

DETAILS

Name	Tammy Duckworth
Position	Senator for Illinois (D)
Organisation	US Senate
Date and Time	14/6/23, 14:50
Location	s 47E(d) Senate Office Building, Washington, DC, 20510
Point of contact	s 47F(1)
Other attendees	s 22(1)(a)(ii) , Congressional s 22(1)(a) , Congressional
Media / social media	(ii) Photo for tweet: @SenDuckworth

Purpose of the meeting: Introductory meeting s 33(a)(iii)

Who sought the meeting: Ambassador Kevin Rudd

s 33(a)(iii)

KEY ISSUES

s 33(a)(iii)

s 22(1)(a)(ii)

BACKGROUND

Duckworth's roles on the Armed Services and Foreign Relations Committees, as well as her decorated military service, demonstrate her keen interest in international and defence policy. **s 33(a)(iii)**

She also recently led a congressional delegation to Indonesia and Japan. In March, Senator Duckworth spoke on Indo-Pacific security at the Chicago Council on Global Affairs. She highlighted how US relations with the Indo-Pacific influence everything from US national security to workforce development, to climate change – with Illinois being a lead exporter of biofuels. She has introduced legislation to further engage with Taiwan, ASEAN, and the region more broadly.

BIOGRAPHY



Tammy Duckworth
Junior Senator for Illinois (D)

Education: BA, University of Hawaii
MA, George Washington University
PhD, Capella University

FOAC Member?: No

Career:

2017-present	Senator for Illinois <ul style="list-style-type: none">• Foreign Relations Committee• Armed Services Committee• Small Business Committee• Commerce Committee• Joint Congressional-Executive Commission on China
2013-2017	Representative, US House of Representatives, Illinois-08

2009-2011	Assistant Secretary of Veterans Affairs for Public and Intergovernmental Affairs
2006-2009	Director, Illinois Department of Veterans Affairs
1992-2004	Helicopter Pilot, US Army Reserve, US Army National Guard

Duckworth, a decorated combat veteran and the first Thai American woman elected to Congress, grew up in Southeast Asia and Hawaii as the child of an American UN worker. She speaks Thai and Indonesian fluently.

Duckworth's family has a long tradition of military service, with her father having served in both WWII and Vietnam, and ancestors who served in every major American conflict since the American Revolution. While deployed in Iraq in 2004, the helicopter Duckworth was piloting was hit by a rocket propelled grenade. The explosion and crash caused her to lose her right leg near the hip, and her left leg below the knee, as well as a severe break in her right arm. She now uses both a wheelchair and prosthetic legs.

s 33(a)(iii)

Fun Fact: Duckworth met her husband, Bryan, in Army ROTC, and in 2018, Duckworth became the first senator to give birth while in office (to her second daughter).

MEETING BRIEF

DETAILS

Name	Deb Fischer (R)
Position	Senator
Organisation	US Senate
Date and time	10/5/23, 1.30-2.00
Location	s 47E(d) Senate Office Building, Washington, DC, 20510
Point of contact	
Other attendees	Suzanne McCourt, s 47F(1)
Media / social media	Photo for Tweet

Purpose of the meeting: Introduction, update on AUKUS progress

Who sought the meeting: Ambassador Kevin Rudd

s 33(a)(iii)

KEY ISSUES

- AUKUS: Pillars I and II

s 22(1)(a)(ii)

TOPICS FOR DISCUSSION

s 33(a)(iii)

s 22(1)(a)(ii)

BIOGRAPHY



Deb Fischer
Senior Senator for Nebraska

Education: BS, University of Nebraska

FOAC Member: No

Career:

2013- Present	<p>Senator for Nebraska</p> <ul style="list-style-type: none"> • Armed Services Committee <ul style="list-style-type: none"> ◦ Ranking Member, Strategic Forces Subcommittee • Appropriations Committee <ul style="list-style-type: none"> ◦ Military Construction, Veterans Affairs, and Related Agencies • Commerce, Science, and Transportation Committee • Agriculture, Nutrition, and Forestry Committee • Ranking Member, Rules and Administration Committee • Ethics Committee
2005-2013	Senator, Nebraska State Legislature
2000-2004	Commissioner, Nebraska Coordinating Commission for Post-Secondary Education
1990-2004	Member, Valentine Rural High School Board of Education

Elected in 2012, Senator Fischer is a self-professed lover of the legislative process, preferring to keep a low profile and prioritize policy over politics. [s 33\(a\)\(iii\)](#)

In the senate, Fischer has established herself as one of the higher-ranking GOP women. She is a close ally of Minority Leader Mitch McConnell, serving as his counsel since 2015 and now as a member of the Republican Whip Team too. [s 33\(a\)\(iii\)](#)

As the Ranking Member of the Armed Services' Strategic Forces Subcommittee, Fischer has direct oversight of Naval Reactors. [s 33\(a\)\(iii\)](#)

s 33(a)(iii)

With over 40 years running a cattle ranch with her husband, she is focused on reducing regulations and opening up new trade opportunities for farmers and ranchers. s 33(a)(iii)

Senator Fischer has visited Australia several times, s 22(1)(a)(ii)

She is married to husband Bruce. They have three grown sons and four grandchildren.

MEETING BRIEF

DETAILS

Name	Mike Gallagher (R)
Position	Representative Wisconsin – District 8
Organisation	US House of Representatives
Date and time	18/5/23, 8.00 – 9.00am
Location	Capitol Hill Club s 47E(d) Washington DC
Point of contact	s 47F(1) NB Not attending.
Other attendees	s 47F(1) , Visiting Fellow at the Hoover Institution, specialising in US-China policy s 22(1)(a)(ii) Counsellor, Congressional Branch
Media / social media	Photo for Tweet @RepGallagher

Purpose of the meeting: Introductory meeting over breakfast with Mr Gallagher, Chair of the House Select Committee on Strategic Competition between the United States and the Chinese Communist Party (SCC), FOAC and AUKUS Working Group Co-Chair, and **s 47F(1)**, US-China relations expert.

Who sought the meeting: Ambassador Kevin Rudd

s 33(a)(iii)

KEY MESSAGES

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 33(a)(iii)

s 33(a)(iii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

BACKGROUND

AUKUS:

s 33(a)(iii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

BIOGRAPHY



Mike Gallagher
Representative for Wisconsin-08

Education: BA, Princeton University

MA, Georgetown University

MA, National Intelligence University

PhD, Georgetown University

FOAC Member: Yes, Co-Chair

Career:

2017-present	Congressman for Wisconsin's 8 th Congressional District <ul style="list-style-type: none"> • Co-Chair, Friends of Australia Caucus • Co-Chair, AUKUS Working Group • Chair, Select Committee on Strategic Competition Between the Chinese Communist Party and the United States (SCC) • Select Committee on Intelligence • Armed Services Committee • Chair, Cyber, Information Technology, and Innovation subcommittee
2015-2016	Senior Marketing Strategist, Breakthrough Fuel
2015-2015	National Security Advisor, Scott Walker for President
2013-2015	Republican staffer, US Senate Foreign Relations Committee
2006-2013	US Marine Corps (Captain)

s 33(a)(iii), Congressman Gallagher is an outstanding friend of Australia in Congress, as a founding and very active Co-Chair of the Friends of Australia Caucus in 2017. Gallagher and fellow founding FOAC Co-Chair Rep. Joe Courtney (D-Connecticut) with two other Members of the House formed the AUKUS Working Group in April 2022. In August 2019, Gallagher co-led with Rep Courtney a Congressional Delegation visit to Australia, attending AALD sessions in Perth. **s 33(a)(iii), s 47F(1)**

Gallagher is Chair of the Select Committee on the Strategic Competition Between the United States and the Chinese Communist Party (SCC). He also serves on the House Armed Services Committee (chairing the Cyber, Information Technologies, and Innovation subcommittee), and on the Permanent Select Committee on Intelligence. With his military expertise and Committee assignments, Gallagher has insights on Syria and Afghanistan, and

s 33(a)(iii)

Changing his language major from Spanish to Arabic after 9/11, Gallagher served in Marine Corps intelligence for seven years, primarily in the Middle East and North Africa, earning the rank of Captain. He served two tours in Iraq, and on General Petraeus' Central Command Assessment Team in the Middle East; he has worked closely overseas with Australian counterparts. He also served at the National Counterterrorism Centre and the Drug Enforcement Agency. Through his military service, he joined the Senate Foreign Relations Committee in 2013 as the lead Republican Staffer on the Middle East, North Africa and Counterterrorism; and worked briefly on former Wisconsin Governor Scott Walker's Republican presidential campaign as his National Security Adviser.

When elected to Congress in 2016, Gallagher was the youngest Freshman of the class of that year, and the second youngest Member of the 115th Congress. He maintains strong majority support in his district, and easily won re-election in 2022 with 72.2 per cent of the vote.

Gallagher was born in Green Bay, in the district he represents. He married fellow Wisconsinite and actress Anne Gallagher in mid-2019. They have two young daughters s 22(1)(a)(ii)

s 47F(1)

MEETING BRIEF

DETAILS

Name	Lindsey Graham (R)
Position	Senator
Organisation	US Senate
Date and time	10/5/23, 3.00-3.30
Location	s 47E(d) Senate Office Building, Washington, DC, 20510
Point of contact	
Other attendees	Suzanne McCourt, s 22(1)(a)(ii)
Media / social media	Photo for Tweet

Purpose of the meeting: Introduction, discussion on AUKUS s 22(1)(a)(ii)

Who sought the meeting: Ambassador Kevin Rudd

s 33(a)(iii)

KEY ISSUES

- AUKUS, s 22(1)(a)(ii)
s 22(1)(a)(ii)

TOPICS FOR DISCUSSION

- Provide general update on AUKUS s 22(1)(a)(ii)
 - Mention three Australian Naval officers studying in Charleston, South Carolina (graduating nuclear power school on 7 July)

s 33(a)(iii)

s 22(1)(a)(ii)

BIOGRAPHY



Lindsey Graham
Senior Senator for South
Carolina

Senator Graham calls himself a 'Reagan-style Republican,' s 33(a)(iii)

Graham travelled to Australia as part of a Senate congressional delegation (Codel) in April 2022 where he met with a range of government and opposition officials about AUKUS, China and Ukraine. s 33(a)(iii), s 33(b)

South Carolina has a large defence presence and is home to the US Naval Nuclear Power Training Command. Three Royal Australian Navy officers are students at the US Navy's Nuclear Power School located in Charleston, SC. They are completing their course of study – slated to graduate on 7 July.

He has also met with various Australian Ambassadors and officials in Washington, including then-Home Affairs Minister Dutton in 2020, then-Shadow Foreign Minister Penny Wong in 2018, and an AmCham delegation in June 2022.

In 2015, Graham announced a bid for the 2016 Republican presidential nomination, s 33(a)(iii)

s 33(a)(iii)

Senator Graham is in his fourth term and will not face re-election again until 2026. South Carolina is a reliably Republican state, and he won his last election 54%-44%.

s 47F(1)

MEETING BRIEF

DETAILS

Name	Bill Hagerty
Position	Senator for Tennessee (R)
Organisation	US Senate
Date and time	22 June 2023, 1:45PM
Location	s 47E(d) Senate Office Building, Washington, DC, 20510
Point of contact	s 47F(1) Director of Scheduling / s 47F(1)
Other attendees	Suzanne McCourt, Minister Counsellor, Congressional s 22(1)(a)(ii) Senior Congressional Liaison
Media / social media	Photo for Tweet: @SenatorHagerty

Purpose of the meeting: Introductory meeting s 33(a)(iii)

Who sought the meeting: Ambassador Kevin Rudd
s 33(a)(iii)

KEY MESSAGES

s 33(a)(iii)

s 22(1)(a)(ii)

BACKGROUND

s 33(a)(iii)

BIOGRAPHY



Bill Hagerty
Junior Senator for Tennessee (R)

Education: BA, Vanderbilt University
JD, Vanderbilt University

FOAC Member: No

Career:

2021-present	Senator for Tennessee <ul style="list-style-type: none"> Committee on Foreign Relations <ul style="list-style-type: none"> East Asia & Pacific Subcommittee Committee on Appropriations Committee on Banking, Housing, & Urban Affairs Committee on Rules
2017-2019	US Ambassador to Japan
2011-2014	Commissioner, Tennessee Department of Economic and Community Development
1981-2017	Private equity and consulting firms

Hagerty is a **first-term Senator** from his home state of Tennessee. He prides himself on being a lifelong businessman, but entered public service first in 2011 as at the state level, and then again in 2017 as the **Ambassador to Japan during the Trump Administration**.

Given this experience and his Foreign Relations Committee assignment, Hagerty focuses closely on Indo-Pacific affairs, including China. He **lived in Japan for three years** early in his career, and calls it “America’s closest ally in the region.” In 2022, he helped introduce bipartisan legislation to encourage the US government to establish new diplomatic posts in the Pacific Island countries.

s 33(a)(iii)

He worked previously for President George W. Bush and Senators Mitt Romney’s and John McCain’s 2012 and 2008 presidential campaigns, respectively. **s 33(a)(iii)** he served full time as **Trump’s 2016 Tennessee Victory Chair** and on the former President’s transition team. Hagerty was born in Gallatin, Tennessee and **lives in Davidson County (which encompasses Nashville)**. He spent much of his career in consulting and private equity firms before working in politics and public service. Hagerty is still in his first term, having taken office in 2021, and will be up for re-election in 2026.

Hagerty met with **Ambassador Sinodinos in February 2022**, after Deputy Prime Minister Joyce was unable to in December 2021. **s 22(1)(a)(ii)**

s 33(a)(iii)

MEETING BRIEF

DETAILS

Name	Seth Magaziner
Position	Representative (D-Rhode Island-02)
Organisation	US House of Representatives
Date and Time	22 June 2023, 11:15AM
Location	s 47E(d) House Office Building, Washington, DC, 20515
Point of contact	s 47F(1)
Other attendees	s 22(1)(a)(ii) , A/g Principal Adviser / First Sec., Congressional s 22(1)(a)(ii) , Senior Congressional Liaison
Media / social media	Photo for tweet: @Rep_Magaziner

Purpose of the meeting: Introductory meeting with a freshman member of Congress s 33(a)(iii)

Who sought the meeting: Ambassador Kevin Rudd, s 47F(1)
s 33(a)(iii)

KEY MESSAGES

s 22(1)(a)(ii)

s 33(a)(i), s 33(a)(iii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

BACKGROUND

This meeting arose out of your travel to the Milken Conference, when s 47F(1) introduced you over email. s 47F(1) Congressman might be interested in travel to Australia at some point s 33(a)(iii) s 22(1)(a)(ii)

s 33(a)(iii)

s 33(a)(iii)

Rhode Island is also home to a US Navy base in Newport that encompasses the US Naval Undersea Warfare Center and the US Naval War College.

BIOGRAPHY



Seth Magaziner
Representative, Rhode Island (D)

Education: BA, Brown University
MBA, Yale University

FOAC Member: NO

Career:

2023-present	Representative, Rhode Island 2 nd Congressional District <ul style="list-style-type: none"> Committee on Homeland Security <ul style="list-style-type: none"> Ranking Member, Counterterrorism, Law Enforcement, and Intelligence Committee on Natural Resources
2015-2022	General Treasurer, State of Rhode Island
2009, 2010-2013	Trillium Asset Management, Point Judith Capital
2006-2008	Public school teacher, Louisiana

Magaziner is a **lifelong Rhode Islander** who served in Rhode Island state government prior to winning his first Congressional race in 2022.

As a **freshman**, Magaziner's key policy focuses are still revealing themselves. **s 33(a)(iii)**

Though Rhode Island has not elected a Republican to national office since 2006, **Magaziner faced a strong opponent in 2022** and eked out a win with 50.4 per cent of the vote **s 33(a)(iii)**

Fun Fact: Of all the states, Rhode Island has the longest ratio of coastline to overall area. Despite being only 60 kilometres wide and 77 kilometres long, Rhode Island has a total coastline of 400 miles (644 kilometres).

MEETING BRIEF

DETAILS

Name	Kevin McCarthy
Position	Speaker of the US House of Representative, CA-20 (R)
Date and Time	12 July, 2.30 PM – 3:30 PM s 47E(d)
Location	Capitol Building, s 47E(d)
Point of contact	s 47F(1)
Other attendees	Paul Myler, Deputy Chief of Mission s 22(1)(a)(ii) A/g Principal Advisor (First Secretary, Congressional) s 22(1)(a)(ii) , Senior Congressional Liaison Officer
Media / social media	Photo for tweet: @GOPLeader, @SpeakerMcCarthy

Purpose of the meeting: Introductory call to build relationship s 33(a)(iii)

Who sought the meeting: Ambassador Kevin Rudd
s 33(a)(iii)

KEY MESSAGES

s 22(1)(a)(ii)

s 33(a)(iii)

s 22(1)(a)(ii)

BACKGROUND

s 33(a)(iii)

s 22(1)(a)(ii)

BIOGRAPHY



Kevin McCarthy
Speaker of the House (R)
Representative, California-20

Education: BS, California State University, Bakersfield
MBA, California State University, Bakersfield

FOAC Member: No

Career:

2023- Present	Speaker of the House of Representatives
2007-Present	Representative, US House of Representatives, California's 20 th Congressional District
2002-2006	Member, California State Assembly
1987-2002	Staff Member (varying positions and levels), Rep. Bill Thomas (R-California)

McCarthy is currently the **Speaker of the US House of Representatives**. He was first elected to Congress in 2006 and made his first bid for the position in 2015 to succeed the sudden resignation of Speaker John Boehner, s 33(a)(iii). When the Republicans regained control of the House in the 2022 election, s 33(a)(iii).

McCarthy grew up in Bakersfield, California, the area he currently represents. At 19, he won \$5,000 in the state lottery, which he used to finance a deli from his uncle's yogurt shop. He used the proceeds from his business to fund his college education. After graduation, McCarthy began work in the district office of his congressman, Rep. Bill Thomas. He eventually rose to district director and took his seat in Congress following Thomas' retirement. For these reasons, McCarthy markets that he "Continues to fight for a strong, fiscally responsible, and free America where every person can achieve the American dream."

s 33(a)(iii). He met with PM Morrison twice in 2019, once as part of Speaker Pelosi's leadership meeting, and then a side meeting on their own. s 22(1)(a)(ii)

MEETING BRIEF

DETAILS

Name	Jeff Merkley (D)
Position	Senator for Oregon
Organisation	US Senate
Date and time	1/6/23, 16.15pm
Location	s 47E(d) Senate Office Building, Washington, DC, 20002 Constitution Ave NE, opposite the intersection with Maryland Ave
Point of contact	s 47F(1)
Other attendees	s 22(1)(a)(ii) Counsellor, Congressional, s 22(1)(a)(ii)
Media / social media	Photo for Tweet

Purpose of the meeting: Introductory meeting with SFRC member and climate policy leader

Who sought the meeting: Ambassador Kevin Rudd

s 33(a)(iii)

KEY ISSUES

- Foreign policy, including China, Indo-Pacific, AUKUS legislation

s 22(1)(a)(ii)

KEY MESSAGES

s 22(1)(a)(ii)

s 33(a)(iii)

s 33(a)(iii)

s 22(1)(a)(ii)

BIOGRAPHY



Jeff Merkley (D)
Junior Senator for Oregon

Education: BA, Stanford University
MPP, Princeton University

FOAC Member: No

Career:

2009-present	Senator for Oregon <ul style="list-style-type: none"> • Co-Chair, Joint Congressional-Executive Commission on China • Foreign Relations Committee • Budget Committee • Appropriations Committee • Environment and Public Works Committee • Rules Committee
2007-2009	Speaker of the House, Oregon House of Representatives
1999-2009	Member, Oregon House of Representatives
1994-1999	Director of Housing Development, Human Solutions
1991-1994	Executive Director, Oregon Habitat for Humanity

First elected to the Oregon House of Representatives in 1999,
s 33(a)(iii)

Merkley is a **progressive Democrat**, favouring Wall Street reform, public option health insurance, and sweeping environmental protection legislation. He has an extensive foreign policy portfolio, with particular attention paid to non-proliferation. **s 33(a)(iii)**

Merkley is currently in his third term, with his last election in 2020.
s 33(a)(iii)

s 33(a)(iii)

Oregon has become a Democratic safe state in the last 20 years.

MEETING BRIEF

DETAILS

Name	Lisa Murkowski
Position	Senator for Alaska (R)
Organisation	US Senate
Date and Time	11 July 2023, 15:00
Location	s 47E(d) Senate Office Building, Washington, DC, 20510
Point of contact	s 47F(1)
Other attendees	s 22(1)(a)(ii) , A/g Principal Adviser / First Sec., Congressional s 22(1)(a)(ii) , Congressional Liaison
Media / social media	Photo for tweet: @lisamurkowski

Purpose of the meeting: Introductory meeting s 33(a)(iii)

Who sought the meeting: Ambassador Kevin Rudd

Outcome we seek from the meeting: Relationship building s 33(a)(iii)

KEY MESSAGES

s 22(1)(a)(ii)

s 33(a)(iii)

s 22(1)(a)(ii)

BACKGROUND

s 33(a)(iii)

The Senator's policy priorities and **views are heavily tied to those of the state she represents**, and include oil, natural gas, and federal land use. 90 per cent of Alaska's revenue is based in energy, primarily oil and **natural gas**, and 60 per cent of land is federally-owned, s 33(a)(iii)

Murkowski vocally **advocates for oil and gas exploration in Alaska, including in protected areas**. She has led several s 33(a)(iii) comprehensive bipartisan energy packages in the last decade, and is engaged on the permitting discussions currently dominating Congress. Her state is also home to many **Alaska Natives**, whose interests she represents leading both the Indian Affairs Committee and the relevant Appropriations Subcommittee.

s 33(a)(iii)

joined the Friends of Australia Caucus after the March AUKUS announcement. s 33(a)(iii)

BIOGRAPHY



Lisa Murkowski
Senior Senator for Alaska (R)

Education: BA, Georgetown University
JD, Willamette University

FOAC Member: Yes

Career:

2003-present	Senator for Alaska <ul style="list-style-type: none"> • Energy and Natural Resources Committee • Vice Chairman, Indian Affairs Committee • Appropriations Committee <ul style="list-style-type: none"> ◦ Ranking Member, Environment and Interior Subcommittee • Health, Education, Labor, and Pensions Committee
1998-2002	Representative, Alaska State House
1989-1998	Private Practice Attorney
1987-1989	Attorney Anchorage District Court Clerk's Office

Murkowski is a 5th term senator, first appointed to the seat in 2002 by her father, former Senator Frank Murkowski, upon his election as Governor of Alaska. A senior member of her party, she has previously

served as Chair of the Energy and Natural Resources Committee and is currently the top Republican on Indian Affairs. s 33(a)(iii)

Murkowski has most frequently sided with Democrats on social issues, supporting initiatives from abortion access to LGBTQI+ protections. Indeed, she has voted with her party a relatively low 74.9 per cent of the time. s 33(a)(iii)

Her most recent win was in 2022.

Fun Fact: While 45 sons of Senators have followed in their fathers' footsteps and joined the Senate, Murkowski is the only daughter to have carried that legacy. She is also the only person appointed to the Senate by their parent.

MEETING BRIEF

DETAILS

Name	Lunch discussion with members of the New Democrat Coalition
Date and time	13/6/23, 13:00
Location	s 47E(d) Capitol Visitor's Center (CVC)
Point of contact	s 47F(1)
Other attendees	Rep. Annie Kuster (D-New Hampshire -02), Chair, New Democrats Approx. 30 members of the New Democrats (they do not take rsmps – see attachment for membership) British Ambassador Dame Karen Pierce Suzanne McCourt s 22(1)(a)(ii), Congressional Branch s 22(1)(a)(ii), Trade Branch s 22(1)(a)(ii), Defence
Media / social media	Photo for tweet: @NewDemCoalition, @RepAnnieKuster
Running order:	13:00 Ambassadors will sit on either side of Chair Kuster 13:01 Chair Kuster opens meeting with some housekeeping announcements 13:05 Chair Kuster introduces Ambassador Pierce 13:10 Ambassador Pierce concludes remarks Chair Kuster introduces Ambassador Rudd 13:15 Ambassador Rudd concludes remarks Floor opens to Member Q&A 14:00 Lunch concludes

Purpose of the meeting: Briefing on AUKUS, s 22(1)(a)(ii)

Who sought the meeting: Rep Joe Courtney (D-Connecticut)

Outcome we seek from the meeting: s 33(a)(iii)

; s 22(1)(a)(ii)

KEY ISSUES

- AUKUS Pillar I s 33(a)(iii) s 22(1)(a)(ii)
- AUKUS Pillar II s 22(1)(a)(ii), s 33(a)(iii)

KEY MESSAGES

s 33(a)(iii)

s 33(a)(iii)

s 33(a)(iii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

BIOGRAPHY



Ann Kuster
Representative, NH-02

Education: BA, Dartmouth College
JD, Georgetown University Law

FOAC Member: No

Career:

2013-present	Representative, US House of Representatives, New Hampshire -02 <ul style="list-style-type: none">Energy and Commerce Committee
2023-present	Chair, New Democrat Coalition
1989-2009	Lobbyist in New Hampshire
	Practicing Attorney, including a private adoption practice

Attachment One:

New Democrats Member List:

* Denotes Member of HASC, HFAC, or FOAC

- [Rep. Ann Kuster \(D-NH\)](#)
Chair
- [Rep. Suzan DelBene \(D-WA\)](#)
Chair Emeritus
- [Rep. Nikki Budzinski \(D-IL\)](#)
Freshmen Leadership Representative
- [Rep. Lori Trahan \(D-MA\)*](#)
Leadership Member
- [Rep. Marc Veasey \(D-TX\)*](#)
Leadership Member
- [Rep. Sharice Davids \(D-KS\)*](#)
Vice Chair for Member Services
- [Rep. Brad Schneider \(D-IL\)*](#)
Vice Chair of Communications
- [Rep. Salud Carbajal \(D-CA\)](#)
Vice Chair of Outreach
- [Rep. Derek Kilmer \(D-WA\)*](#)
Vice Chair of Policy
- [Rep. Susie Lee \(D-NV\)](#)
Whip
- [Rep. Pete Aguilar \(D-CA\)](#)
- [Rep. Colin Allred \(D-TX\)*](#)
- [Rep. Ami Bera \(D-CA\)*](#)
- [Rep. Don Beyer \(D-VA\)*](#)
- [Rep. Lisa Blunt Rochester \(D-DE\)](#)
- [Rep. Brendan Boyle \(D-PA\)](#)
- [Rep. Shontel Brown \(D-OH\)](#)
- [Rep. Julia Brownley \(D-CA\)](#)
- [Rep. Yadira Caraveo \(D-CO\)](#)
- [Rep. Tony Cárdenas \(D-CA\)](#)
- [Rep. André Carson \(D-IN\)](#)
- [Rep. Troy Carter \(D-LA\)](#)
- [Rep. Ed Case \(D-HI\)*](#)
- [Rep. Sean Casten \(D-IL\)](#)
- [Rep. Joaquin Castro \(D-TX\)*](#)
- [Rep. Gerry Connolly \(D-VA\)*](#)
- [Rep. Lou Correa \(D-CA\)](#)
- [Rep. Jim Costa \(D-CA\)*](#)
- [Rep. Joe Courtney \(D-CT\)*](#)
- [Rep. Angie Craig \(D-MN\)](#)
- [Rep. Jason Crow \(D-CO\)*](#)
- [Rep. Henry Cuellar \(D-TX\)](#)
- [Rep. Don Davis \(D-NC\)*](#)
- [Rep. Madeleine Dean \(D-PA\)*](#)
- [Rep. Veronica Escobar \(D-TX\)*](#)
- [Rep. Lizzie Fletcher \(D-TX\)](#)
- [Rep. Bill Foster \(D-IL\)](#)
- [Rep. Valerie Foushee \(D-NC\)](#)
- [Rep. Vicente Gonzalez \(D-TX\)](#)
- [Rep. Josh Gottheimer \(D-NJ\)](#)
- [Rep. Josh Harder \(D-CA\)](#)
- [Rep. Jim Himes \(D-CT\)*](#)
- [Rep. Steven Horsford \(D-NV\)*](#)
- [Rep. Chrissy Houlahan \(D-PA\)*](#)
- [Rep. Val Hoyle \(D-OR\)](#)
- [Rep. Glenn Ivey \(D-MD\)](#)
- [Rep. Jeff Jackson \(D-NC\)*](#)
- [Rep. Sara Jacobs \(D-CA\)*](#)
- [Rep. Bill Keating \(D-MA\)*](#)
- [Rep. Raja Krishnamoorthi \(D-IL\)](#)

- [Rep. Greg Landsman \(D-OH\)](#)
- [Rep. Rick Larsen \(D-WA\)](#)
- [Rep. Kathy Manning \(D-NC\)*](#)
- [Rep. Lucy McBath \(D-GA\)](#)
- [Rep. Jenn McClellan \(D-VA\)*](#)
- [Rep. Morgan McGarvey \(D-KY\)](#)
- [Rep. Gregory Meeks \(D-NY\)*](#)
- [Rep. Joe Morelle \(D-NY\)](#)
- [Rep. Jared Moskowitz \(D-FL\)*](#)
- [Rep. Seth Moulton \(D-MA\)*](#)
- [Rep. Frank Mrvan \(D-IN\)](#)
- [Rep. Wiley Nickel \(D-NC\)](#)
- [Rep. Donald Norcross \(D-NJ\)*](#)
- [Rep. Jimmy Panetta \(D-CA\)*](#)
- [Rep. Chris Pappas \(D-NH\)](#)
- [Rep. Scott Peters \(D-CA\)](#)
- [Rep. Brittany Pettersen \(D-CO\)](#)
- [Rep. Dean Phillips \(D-MN\)*](#)
- [Delegate Stacey Plaskett \(D-VI\)](#)
- [Rep. Mike Quigley \(D-IL\)](#)
- [Rep. Deborah Ross \(D-NC\)](#)
- [Rep. Raul Ruiz \(D-CA\)](#)
- [Rep. Pat Ryan \(D-NY\)*](#)
- [Rep. Andrea Salinas \(D-OR\)](#)
- [Rep. Mary Gay Scanlon \(D-PA\)](#)
- [Rep. Adam Schiff \(D-CA\)*](#)
- [Rep. Hillary Scholten \(D-MI\)](#)
- [Rep. Kim Schrier \(D-WA\)](#)
- [Rep. David Scott \(D-GA\)](#)
- [Rep. Terri Sewell \(D-AL\)*](#)
- [Rep. Mikie Sherrill \(D-NJ\)*](#)
- [Rep. Elissa Slotkin \(D-MI\)*](#)
- [Rep. Adam Smith \(D-WA\)*](#)
- [Rep. Eric Sorensen \(D-IL\)](#)
- [Rep. Darren Soto \(D-FL\)](#)
- [Rep. Abigail Spanberger \(D-VA\)](#)
- [Rep. Greg Stanton \(D-AZ\)](#)
- [Rep. Haley Stevens \(D-MI\)](#)
- [Rep. Marilyn Strickland \(D-WA\)*](#)
- [Rep. Emilia Sykes \(D-OH\)](#)
- [Rep. Shri Thanedar \(D-MI\)](#)
- [Rep. Norma Torres \(D-CA\)](#)
- [Rep. David Trone \(D-MD\)*](#)
- [Rep. Juan Vargas \(D-CA\)](#)
- [Rep. Gabe Vasquez \(D-NM\)*](#)
- [Rep. Debbie Wasserman Schultz \(D-FL\)](#)
- [Rep. Jennifer Wexton \(D-VA\)](#)
- [Rep. Susan Wild \(D-PA\)*](#)
- [Rep. Nikema Williams \(D-GA\)](#)

MEETING BRIEF

DETAILS

Name	Jon Ossoff (D)
Position	Senator for Georgia
Organisation	US Senate
Date and time	9/5/23, 5.00-5.30
Location	s 47E(d) Senate Office Building, Washington, DC, 20510
Point of contact	s 22(1)(a)(ii)
Other attendees	Suzanne McCourt, s 22(1)(a)(ii)
Media / social media	Photo for Tweet

Purpose of the meeting: Build rapport with the sole Member of Congress with Australian heritage.

Who sought the meeting: Ambassador Kevin Rudd

s 33(a)(iii) ; s 22(1)(a)(ii) , s 33(a)(iii)
s 22(1)(a)(ii)

KEY ISSUES

- Congressional support for the passage of AUKUS legislation.
s 22(1)(a)(ii)

s 22(1)(a)(ii)

TOPICS FOR DISCUSSION

s 22(1)(a)(ii)

BIOGRAPHY



Jon Ossoff
Senior Senator for Georgia

Education: BS, Georgetown University School of Foreign Service

MS, London School of Economics

FOAC Member: Yes

Career:

2021-Present	<p>Senator for Georgia</p> <ul style="list-style-type: none"> • Select Intelligence Committee • Homeland Security and Governmental Affairs Committee • Judiciary Committee <ul style="list-style-type: none"> ○ Chair, Subcommittee on Human Rights and the Law • Rules Committee
2013-2021	CEO, Insight: The World Investigates, (documentary film studio)
2017	Democratic Nominee, Special Election for Georgia's 6 th Congressional District

Elected at 33 years old, Senator Ossoff is the first millennial and **youngest person elected to the Senate in 40 years**. He and his Georgia colleague, Sen. Raphael Warnock (D), both won their seats in runoff elections against incumbent Republican candidates in closely contested races. Ossoff beat David Perdue (R) with 50.6% of the vote in a run-off giving the Democrats the majority in the Senate.

Having been **mentored by civil rights leader and Representative John Lewis** (D-Georgia), Ossoff rose to national political prominence in 2017 in a closely contested special election in the House to represent a Republican-held district in the Atlanta suburbs. It is the most expensive House race in history which Ossoff lost by 3.5%.

In the Senate, Ossoff is **s 33(a)(iii)**

s 33(a)(iii)

Ossoff is the only Member of Congress with Australian ancestry. s
22(
1)
(a)
(ii)

has met with HOM Sinodinos and had extended an invitation to him
to have dinner in Atlanta when visiting, but their diaries did not align.
s 22(1)(a)(ii)

Ossoff will be up for re-election in 2026 s 33(a)(iii)

MEETING BRIEF

DETAILS

Name	Rick Scott (R)
Position	Senator
Organisation	US Senate
Date and time	10/5/23, 2.10-2.40
Location	s 47E(d) Senate Office Building, Washington, DC, 20510
Point of contact	
Other attendees	Suzanne McCourt, s 22(1)(a)(ii)
Media / social media	Photo for Tweet

Purpose of the meeting: Introduction

Who sought the meeting: Ambassador Kevin Rudd

s 33(a)(iii)

KEY ISSUES

s 22(1)(a)(ii)

- AUKUS: Pillars I and II

s 22(1)(a)(ii)

TOPICS FOR DISCUSSION

s 33(a)(iii)

s 22(1)(a)(ii)

BIOGRAPHY



Rick Scott
Junior Senator for Florida

Education: BS, University of Missouri-Kansas City
JD, Southern Methodist University

FOAC Member: No

Career:

2019- Present	Senator for Florida <ul style="list-style-type: none">• Armed Services Committee• Homeland Security and Government Affairs Committee• Budget Committee• Aging Committee
2011-2019	Governor of Florida
1997-2009	Venture Capitalist
1987-1997	Co-Founder, CEO, President, Columbia Hospital Corporation

Senator Scott is a self-made man having grown up in a working class family. After high school he enlisted in the US Navy where he spent almost three years as a radarman. While at college, he bought and revived a failing donut shop before becoming a practicing attorney and moving into health businesses and venture capital. **s 33(a)(iii)**

s 33(a)(iii)

Scott served as the Chair of the National Republican Senatorial Committee (NRSC) working to get GOP Senate candidates elected in the 2022 cycle. In February 2022, he released s 33(a)(iii) 11 Point Plan to Rescue America, which would make all federal legislation sunset within five years, including programs like Medicare and Social Security. The plan also proposed closing the Department of Education, stripping federal funding from sanctuary cities, banning the teaching of critical race theory, and banning transgender women from participating in women's sports, among other things.

Scott is in his first term as a Senator and will be up for re-election in 2024. Florida is a swing state, although it has leaned Republican the last few election cycles. Scott has thus far won every election he has run in, s 33(a)(iii)

He has been married to wife, Ann, for 51 years. They have 2 children and 7 grandchildren.

MEETING BRIEF

DETAILS

Name	Chuck Schumer
Position	Senate Majority Leader
Organisation	US Senate
Date and time	May 31, 2023, 11-11.30am s 47E(d)
Location	s 47E(d) Capitol Building, cnr Constitution Ave. & Delaware Ave. NW
Point of contact	s 47F(1)
Other attendees	Paul Myler, DCM; Suzanne McCourt
Media / social media	Photo for Tweet @SenSchumer at end of the meeting
Handling note	Post (Congressional) hosted the Majority Leader's Counsel s 47F(1) on a DFAT-funded StaffDel to Australia in April 2023

Purpose of the meeting: Introductory call s 33(a)(iii)

s 22(1)(a)(ii)

Who sought the meeting: Ambassador Kevin Rudd

s 33(a)(iii)

s 22(1)(a)(ii)

KEY MESSAGES

- Thank Senator Schumer for his statements of support for AUKUS.
s 33(a)(iii)

s 22(1)(a)(ii)

s 33(a)(iii)

s 33(a)(iii)

s 22(1)(a)(ii)

s 33(a)(i), s 33(a)(iii)

If time

s 22(1)(a)(ii)

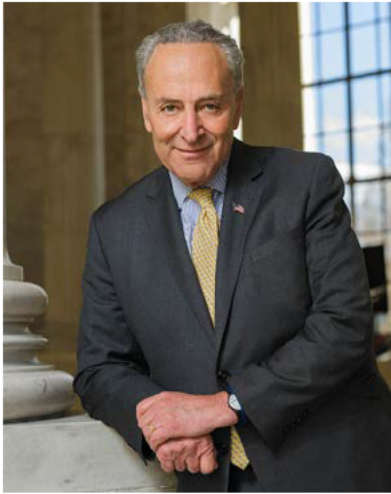
Background

The day after President Biden, Prime Minister Albanese and Prime Minister Sunak met in San Diego to announce the AUKUS Optimal Pathway on 13 April 2023, **Senator Schumer announced his support for AUKUS on the Senate floor**. Schumer said, ‘The President's announcement is a bold and generational investment to create a new fleet of nuclear-powered submarines to counter President Xi and the Chinese Communist Party’s influence in the Pacific. And AUKUS in general will be a critical part of ensuring stability in the region. I applaud President Biden for recognizing the need to forge ahead on this multinational partnership’. ‘The U.S. will only stay ahead of President Xi and the Chinese Communist Party if we can bring other democracies of the world to partner with us—from India, Australia, Japan, the UK, and so many others. And India and Australia can be very important partners in containing President Xi and the CCP’. On the same day, Schumer also **tweeted**, “President Biden's announcement of AUKUS with the UK and Australia is a bold and generational investment. **AUKUS will create a new fleet of nuclear-powered submarines to counter the CCP's influence in the Pacific**. It will be a **critical part of ensuring stability in the region**.”

s 22(1)(a)(ii)

s 22(1)(a)(ii)

BIOGRAPHY



Chuck Schumer
Senior Senator for New York

Education: AB, Harvard University
JD, Harvard University

FOAC Member?: No

Career:

1999-present	Senator for New York <ul style="list-style-type: none">Senate Majority LeaderSenate Rules Committee
1980-1999	Representative, New York-16
1974-1980	Member, New York State Assembly

Senator Schumer, who has served as the **leader of the Senate Democratic Caucus since 2017**, has never lost an election in nearly 50 years of holding public office. **s 33(a)(iii)**

Senator Schumer, who has been the Senate Majority Leader since 2021, has spent his tenure working to further the Biden administration's agenda by uniting a highly diverse caucus. Ranging from deeply progressive to centrist, the **Senate Democrats have managed to consistently clear legislation with slim margins, in no small part due to Schumer's leadership.**

s 33(a)(iii)

s 33(a)(iii)

MEETING BRIEF

DETAILS

Name	Shelley Moore Capito
Position	Senator for West Virginia (R)
Organisation	US Senate
Date and Time	15 June 2023, 14:00
Location	s 47E(d) Senate Office Building, Washington, DC, 20510
Point of contact	s 22(1)(a)(ii)
Other attendees	s 22(1)(a)(ii) , A/g Principal Adviser / First Sec., Congressional s 22(1)(a)(ii) , Senior Congressional Liaison – Climate and Energy
Media / social media	Photo for tweet: @SenCapito

Purpose of the meeting: Introductory meeting with a Republican Congressional leader s 22(1)(a)(ii)
She will lead a Congressional delegation (Codel) to Australia in August.

Who sought the meeting: Ambassador Kevin Rudd
s 33(a)(iii)

KEY MESSAGES

s 22(1)(a)(ii)

s 33(a)(iii)

s 22(1)(a)(ii)

BACKGROUND

s 22(1)(a)(ii)

s 33(a)(iii)

, she is leading her first Congressional delegation (Codel) later this summer to Australia and New Zealand. The main impetus of the trip is the FIFA Women's World Cup, taking place from mid-July through mid-August in the two countries. She and Senator Cantwell led legislation – now law – that supported equal pay for the US Women's National Soccer team. Other attendees include Senator Maria Cantwell (D-Washington); Representative Chrissy Houlahan (D-Pennsylvania-06); Representative Julia Letlow (R-Louisiana-05); and Representative Kathy Castor (D-Florida-14). She will be in Australia from 13-17 August.

BIOGRAPHY



Shelley Moore Capito
Junior Senator for West Virginia (R)

Education: Duke University (B.S.)

University of Virginia (M.Ed.)

FOAC Member: Yes

Career:

2015-present	Senator for West Virginia <ul style="list-style-type: none"> • Ranking Member, Environment and Public Works Committee • Appropriations Committee • Commerce, Science, & Transportation Committee • Rules and Administration Committee
2000-2014	Representative, US House of Representatives, West Virginia 2 nd Congressional District
1996-2000	Representative, West Virginia House of Delegates
Prior	Career Counsellor and Director, Education Information Center

Capito, a second-term Senator from West Virginia, prides herself on knowing the ins and outs of every region of West Virginia. She grew up in the state's northern panhandle and represented other parts of the states as a US Representative. She now resides in Charlestown, West Virginia.

s 33(a)(iii)

When she first ran for Congress in 2000, there were no Republicans in the West Virginia delegation. By 2015, Sen. Joe Manchin, s 33(a)(iii), was the only Democrat left serving in federal office from West Virginia. She won her 2020 re-election easily and would next face re-election in 2026.

Fun Fact: Capito is a keen tennis player, and recently took up pickleball. In May, she launched the bipartisan Pickleball Caucus.

C-STREET DINNER – CHAIR GALLAGHER

DETAILS

Name	Mike Gallagher (R)
Position	Representative Wisconsin – District 8
Organisation	US House of Representatives
Date and time	13/6/23, from 7:15pm
Location	133 C St. SE, Washington, D.C., 20003
Point of contact	s 22(1)(a)(ii)
Other attendees	Nil. s 33(a)(iii)
Media / social media	Recommend no social media.

Purpose of the meeting: Follow up to your (HOM) introductory breakfast meeting on 18 May. s 33(a)(iii)

Who sought the meeting: Chairman Gallagher
s 33(a)(iii)

s 22(1)(a)(ii)

BACKGROUND

C-Street

The Fellowship, known as 'C-Street' for its Capitol Hill location, is a US-based non-profit religious and political organisation. Its stated purpose is to provide a fellowship forum for decision makers to attend various religious activities, including bible study and prayer meetings. It sponsors the annual National Prayer Breakfast each February in DC where every president since Eisenhower has attended at least once. With this exception, the Fellowship avoids the spotlight. We understand membership includes Republicans and Democrats of various Christian persuasions. It also has a broad international network.

s 33(a)(iii)

s 22(1)(a)(ii)

BIOGRAPHY



Mike Gallagher
Representative for Wisconsin-08

Education: BA, Princeton University

MA, Georgetown University

MA, National Intelligence University

PhD, Georgetown University

FOAC Member: Yes, Co-Chair

Career:

2017-present	<p>Congressman for Wisconsin's 8th Congressional District</p> <ul style="list-style-type: none"> • Co-Chair, Friends of Australia Caucus • Co-Chair, AUKUS Working Group • Chair, Select Committee on Strategic Competition Between the United States and the Chinese Communist Party • Select Committee on Intelligence • Armed Services Committee • Chair, Cyber, Information Technology, and Innovation Subcommittee
2015-2016	Senior Marketing Strategist, Breakthrough Fuel
2015-2015	National Security Advisor, Scott Walker for President
2013-2015	Republican staffer, US Senate Foreign Relations Committee
2006-2013	US Marine Corps (Captain)

You (HOM Rudd) met Chair Gallagher for breakfast at the Capitol Hill Club on 18 May 2023 **s 47F(1)**

s 33(a)
(iii), s
33(b)

s 33(a)(iii)

Gallagher is an outstanding friend of Australia in Congress, as a founding and very active Co-Chair of the Friends of Australia Caucus in 2017. Gallagher and fellow founding FOAC Co-Chair Rep. Joe Courtney (D-Connecticut) with two other Members of the House formed the AUKUS Working Group in April 2022. In August 2019, Gallagher co-led with Rep Courtney a Congressional Delegation visit to Australia, attending AALD sessions in Perth. **s 22(1)(a)(ii)**

s 22(1)(a)(ii)

Gallagher is **Chair of the Select Committee on the Strategic Competition Between the United States and the Chinese Communist Party (SCC)**. He also serves on the House Armed Services Committee (chairing the Cyber, Information Technologies, and Innovation subcommittee), and on the Permanent Select Committee on Intelligence. With his military expertise and Committee assignments, Gallagher has insights on Syria and Afghanistan,^s

33(a)(iii)

Changing his language major from Spanish to Arabic after 9/11, Gallagher served in Marine Corps intelligence for seven years, primarily in the Middle East and North Africa, earning the rank of Captain. He served two tours in Iraq, and on General Petraeus' Central Command Assessment Team in the Middle East; he has worked closely overseas with Australian counterparts. He also served at the National Counterterrorism Centre and the Drug Enforcement Agency. Through his military service, he joined the Senate Foreign Relations Committee in 2013 as the lead Republican Staffer on the Middle East, North Africa and Counterterrorism; and worked briefly on former Wisconsin Governor Scott Walker's Republican presidential campaign as his National Security Adviser.

When elected to Congress in 2016, **Gallagher was the youngest Freshman of the class of that year**, and the second youngest Member of the 115th Congress. He maintains strong majority support in his district, and easily won re-election in 2022 with **72.2 per cent of the vote**.

Gallagher was born in Green Bay, in the district he represents. He married fellow Wisconsinite and actress Anne Gallagher in mid-2019. They have two young daughters ^s 47E(d)

Senator Mitt ROMNEY

Senator (R-Utah)

US Senate

**Form of Address:** Senator

Education: BA, Brigham Young University
 JD, Harvard University
 MBA, Harvard University

Twitter handle: @senatorromney

NOT a FOAC member

Career:

2019-Present	Senator for Utah <ul style="list-style-type: none"> • Budget Committee • Foreign Relations Committee <ul style="list-style-type: none"> ◦ Ranking Member, East Asia, the Pacific, & International Cybersecurity Policy Subcommittee • Health, Education, Labour, and Pension Committee • Homeland Security Committee
2009-2018	Board Member, Marriott International
2011-2012	Republican Presidential Candidate
2003-2007	Governor of Massachusetts
1984-2001	Bain Capital, Founder & Managing Partner

Comment: Senator Romney comes from a family steeped in GOP politics and business. His father, George Romney, was CEO of American Motors before serving as the Governor of Michigan, and as Nixon's Secretary of Housing and Urban Development. His mother, Lenore, unsuccessfully ran for the Senate in Michigan.

In 1984 Senator Romney founded Bain Capital, an investment company, which he headed until 2001. In 1999, he headed the Salt Lake Olympic Organizing Committee, erasing a \$379 million deficit.

As Governor of Massachusetts, Romney enacted a state health insurance plan that became a model for President Obama's Affordable Care Act. In 2012 he was the Republican Presidential nominee but lost to incumbent President Obama.

Senator Romney has frequently expressed his distaste for Donald Trump's policies and demeanour, becoming one of the former President's biggest GOP detractors.

s 33(a)(iii)

He also bucked popular GOP sentiment by marching with Black Lives Matter protesters in DC in 2020.

s 33(a)(iii)

has supported legislation to enhance US partnership with ASEAN, combat the influence of TikTok in the US and encourage a tax agreement with Taiwan. In April 2020, a planned visit to Australia was cancelled due to the pandemic. Due to the pandemic, the visit was cancelled and has not been replanned. Romney attended a FOAC briefing with then Foreign Minister Payne in 2021.

He and his wife, Ann, have five sons, 25 grandchildren and one great-grandchild.

Fun Facts: At 19, Romney served as a Latter-Day Saints missionary in France. He is fluent in French s 47C(1). In 2021, he was presented with the JFK Library's Profile in Courage Award for his defence of the principles of democratic governance.

Senator Brian SCHATZ

Representative (D-Hawaii)

US Senate

**Form of Address:** Senator**Education:** BA, Pomona College**Twitter handle:** @senbrianschatz**NOT a FOAC member****Career:**

2012-Present	Senator for Hawaii <ul style="list-style-type: none"> • Chair, Indian Affairs Committee • Appropriations Committee • Foreign Relations Committee <ul style="list-style-type: none"> ◦ Member, East Asia, the Pacific, & International Cybersecurity Policy Subcommittee • Commerce, Technology, and Science Committee • Ethics Committee
2010-2012	Lieutenant Governor, Hawaii
2008-2010	Chair, Hawaii Democratic Party
2002-2010	CEO, Helping Hands Hawaii
1999-2006	Representative, Hawaii House of Representatives

Comment: Brian Schatz was appointed to fill the vacant Senate seat left by the passing of Senator Daniel Inouye (D) in late 2012 contrary to Inouye's dying wishes that his seat be filled by then Rep. Colleen Hanubasa (D). **s 33(a)(iii)**

Schatz is a keen environmentalist, at one point having been a member of the Green Party. His legislation has frequently focused on conservation, opposing measures like the Keystone XL oil pipeline, supporting a Green New Deal and carbon tax, and securing the expansion of a marine reserve in Northwestern Hawaii. He has also supported measures to reduce student debt and create a public option for health insurance.

As a Senator for a Pacific Island state, Schatz has an interest in Indo-Pacific affairs. s 33(a)(iii)

Schatz is in his fourth term (his first term being only two years due to his appointment), and securely holds his seat. Hawaii is reliably Democratic, and Schatz won his 2022 election with 71% of the vote.

Schatz is married and has two children.

Fun Facts: Schatz has three brothers, including an identical twin brother, Steve. Schatz attended the same high school as Barak Obama and later studied abroad in Kenya while at university.

MEETING BRIEF

DETAILS

Event	Senate Dinner – AUKUS and US-AUS International Cooperation
Date and time	11/7/23, 19.00-21.00
Location	Residence of the Ambassador of Australia 3120 Cleveland Avenue NW, Washington, DC 20008
Point of contact	s 22(1)(a)(ii) , Senior Congressional Liaison Officer s 22(1)(a)(ii)
Other attendees	s 22(1)(a)(ii) Senior Congressional Liaison Officer
Media / social media	Photo for Tweet

Purpose of the meeting: Informal setting to discuss AUKUS and other international priorities with senior Senators focused on foreign policy and national security.

Who sought the meeting: Ambassador Kevin Rudd, Senator Lindsey Graham (R-SC)

s 33(a)(iii)

Senator Sheldon WHITEHOUSE

Senator (D-Rhode Island)

US Senate

**Form of
Address:****Senator****Committees:**

Chair, Senate Budget Committee

Senate Judiciary Committee

Senate Finance Committee

Senate Environment and Public Works Committee

Joint Commission on Security and Cooperation in
Europe**s 33(a)(iii)**

He is an advocate for climate change legislation, **s 33(a)(iii)**. He began giving weekly Senate floor speeches on the issue in April 2012, and continued through 2021 **s 33(a)(iii)**

s 33(a)(iii)

s 33(a)(i), s 33(a)(iii), s 33(b) - this page together with the following pages (144 to 146) are exempt and have been removed.

Senator Todd YOUNG

Senator (R-Indiana)

US Senate

**Form of Address:** Senator

Education: BS, US Naval Academy
 MBA, University of Chicago
 MA, University of London
 JD, Indiana University

Twitter handle: @sentoddyoung
 Friends of Australia Caucus member

Career:

2016-Present	Senator for Indiana <ul style="list-style-type: none"> Finance Committee <ul style="list-style-type: none"> Member, International Trade, Customs, and Global Competitiveness Subcommittee Foreign Relations Committee <ul style="list-style-type: none"> Ranking Member, Near East, South Asia, Central Asia & Counterterrorism Subcommittee Small Business Committee Commerce, Science, and Technology Committee
2010-2016	Congressman, IN-9
2007-2009	Prosecutor, Orange County, IN
2004-2006	Associate, Tucker and Tucker
1996-2000	US Marine Corps
1990-1995	US Navy

Comment: Young has served in both the US Navy and the US Marine Corps, where he attained the rank of Captain and was stationed both domestically and in the Caribbean. He has lived in Indiana since he was 14.

In July 2022, Young and Coons introduced to the Senate the Countering Economic Coercion Act of 2022 “to provide meaningful support to partners and allies facing economic pressure and retaliation from foreign adversaries”. Young and Coons re-introduced a revised Countering Economic Coercion bill to this Congress on 8 February 2023. [s 33\(a\)\(iii\)](#), [s 33\(b\)](#)

[s 33\(a\)\(iii\)](#)

s 33(a)(iii)

He also introduced the Pacific Islands Embassies Act with Senator Jon Ossoff (D-Georgia) in 2022 to strengthen US diplomatic presences in the region. He also co-led the recently passed bipartisan legislation to repeal the 1991 and 2002 Authorizations for Use of Military Force (AUMFs) and formally end the Gulf and Iraq wars. In 2020, he introduced the Endless Frontier Act with Majority Leader Chuck Schumer (D-NY), s 33(a)(iii)

Young is currently in his second term, having won his Senate campaign in 2022 with 58.7 per cent. He will not be up for re-election until 2028.

Young is married to Jennifer and they have four children.

Fun Fact: Young played soccer as a child where he won a state soccer championship. He went on to varsity letter as a member of the US Naval Academy's NCAA Division I soccer team.

Title: United States: Congress: Bill advancing our AUKUS agenda passes House, s 33(a)(iii)
MRN: s 22(1)(a)(ii)
To: Canberra
Cc: RR : Americas Posts, Europe Posts, Indo-Pacific Posts, Middle East Posts, USA Posts
From: Washington
From File:
EDRMS
Files:
References: s 22(1)(a)(ii)
Response: Routine, Information Only

s 22(1)(a)(ii)

Summary

s 33(a)(iii)

Less than a fortnight since the AUKUS announcement, and the House of Representatives has already passed a bill in support of AUKUS – in this case, to introduce a reporting requirement for progress on Pillar II. s 33(a)(iii)

House of Representatives

2. Late Wednesday evening, the House of Representatives passed **House Foreign Affairs Committee (HFAC)** Chair Michael McCaul's (R-Texas) bill H.R. 1093, which would direct the US Department of State to report within 90 days to Congress on efforts to implement AUKUS Pillar II, as well as identify export controls reform Congress can lead on to achieve AUKUS' ambition s 22(1)(a)(ii). The bill passed with overwhelmingly bipartisan support [393 affirmative; 4 (all-Democrats) opposed]. In his comments, McCaul said there was much more to the AUKUS partnership than the submarines announced on 13 March. He said, "The second pillar of AUKUS is cooperation on advanced capabilities" and collaboration on high-

tech research and the application of systems, and the “legislation focuses on ensuring the State Department is authorising technology transfers quickly to fully support implementation of this vital pillar”. s 33(a)(iii)

3. Also speaking in support, Rep. Joe Courtney (D-Connecticut), Ranking Member [the highest-ranking Democrat] on the House Seapower Subcommittee and the second-highest ranking Democrat on the **House Armed Services Committee (HASC)** and Co-Chair of the Friends of Australia Caucus (FOAC) and AUKUS Working Group, spoke for several minutes in support of the bill. In his remarks, he cited former INDOPACOM Commander and former Trump appointee as Ambassador to the Republic of Korea, Harry Harris, who cautioned a recent HASC hearing that our shared interests of a safe and prosperous Indo-Pacific risked “[being] bound up by [US] regulation and regulatory policy”.

4. Remarks by HFAC Ranking Member, Rep. Gregory Meeks (D-New York), underscored the bipartisanship, albeit through differing lens. While Chair McCaul’s commentary stuck to the broader GOP script of “how one dictator, Chairman Xi, is defying the free world and threatening the open navigation and the free flow of trade”, Ranking Member Meeks underscored the geostrategic imperative, noting “sharing our defence technologies and capabilities in a safe, secure and regulated manner will only make us all stronger and more unified”.

5. This is the second time the House has passed a bill in direct support of AUKUS, the first being in December 2022 when Rep. Courtney and his AUKUS Working Group Co-Chairs introduced H.R. 8073, the Australia-US Submarine Officer Pipeline Act s 22(1)(a)(ii) which similarly passed overwhelmingly in favour after being included in the 2023 NDAA.

6. Having passed the House, the bill will now go to the Senate. s 33(a)(iii), s 33(b)

s 33(a)(iii), s 33(b)

s 33(a)(iii)

s 22(1)(a)(ii)

Title: United States: Congress: Staff Delegations to Australia: April 2023

MRN: s 22(1)(a)(ii)

To: Canberra; Melbourne; Perth; Sydney

Cc: RR : Indo-Pacific Posts, USA Posts

From: Washington

From File:

EDRMS

Files:

References: s 22(1)(a)(ii)

The cable has the following attachment/s -
 DFAT MECEA STAFFDEL - MARCH-APRIL 2023 - PARTICIPANT
 BIOS.pdf
 CRS - Australia snapshot.pdf
 CRS - Report on Australia.pdf

Response: Routine, Information Only

s 22(1)(a)(ii)

Summary

DFAT, Defence and Home Affairs will each fund and host a Congressional Staff Delegation ('StaffDel') to Australia next month, during Congress' spring recess. s 33(a)(iii)

Three agencies at Post - DFAT, Defence and Home Affairs - will each sponsor travel to Australia for six Congressional staffers, known in Congress as a 'StaffDel'. StaffDel travel is undertaken pursuant to the *Mutual Educational and Cultural Exchange Act* (MECEA), which allows Congressional staffers to accept travel paid for by a foreign government. Each StaffDel will be accompanied by a liaison officer from Post s 22(1)(a)(ii) and a Canberra-based officer from hosting agencies for the duration of their visit: 31 March to 8 April 2023.

2. A table identifying participants and their principals is attached, with some staff drawn from personal Congressional offices while others work directly to leadership of relevant Committees. s 33(a)(iii)

3. These activities will be the second DFAT s 22(1)(a)(ii) and Defence-funded s 22(1)(a)(ii) StaffDels since our international borders reopened last year, and the first

Home Affairs StaffDel on record. Each agency has developed a separate program of engagements [for which we thank the respective Visit Coordinators and convening branches in Canberra]. s 22(1)(a)(ii)

will visit
Sydney, Canberra and Perth, focusing on next steps on AUKUS implementation, industrial base integration, and regional force posture. s 22(1)(a)(ii)

Programs as completed will be
cabled at the conclusion of each visit.

Joint AUKUS briefing

4. The Canberra elements of the three programs have been aligned to accommodate a joint US Embassy briefing and, importantly, a joint AUKUS briefing hosted by DFAT, both on 5 April.

s 33(a)(iii)

Comment

s 22(1)(a)(ii)

s 33(a)(iii)

s 33(a)(iii)

s 22(1)(a)(ii)

DFAT MECEA STAFFDEL – 30 MARCH-8 APRIL			
PHOTO	NAME	PERSONAL PROFILE	MEMBER PROFILE

s 33(a)(iii), s 47F(1)

LEX 12382 - DFAT - DECLASSIFIED UNDER THE FREEDOM OF INFORMATION ACT 1982 (CTH)

DEFENCE MECEA STAFFDEL – 30 MARCH-9 APRIL

s 33(a)(iii), s 47F(1)

LEX 12382 - DFAT - DECLASSIFIED UNDER THE FREEDOM OF INFORMATION ACT 1982 (CTH)



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Specialist in Asian Affairs

January 5, 2023

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**R47378**

January 5, 2023

Bruce VaughnSpecialist in Asian Affairs
bvaughn@crs.loc.govFor a copy of the full report,
please call 7-5700 or visit
www.crs.gov.

Australia: Background and U.S. Relations

Congressional interest in Australia has focused on Australia's role as a key ally and trade partner of the United States. Australia also figures prominently in congressional oversight of the Administration's strategic policies toward the Indo-Pacific region. The Commonwealth of Australia and the United States enjoy a close alliance relationship. Australia is a key trade and investment partner of the United States, shares many cultural traditions and values with the United States, and has been a treaty ally since the signing of the Australia-New Zealand-United States (ANZUS) Treaty in 1951. Australia made major contributions to the allied cause in the First and Second World Wars, and the conflicts in Korea, Vietnam, Iraq, and Afghanistan. Australia is also a close intelligence partner through the "Five Eyes" group of nations, which includes Australia, Canada, New Zealand, the United Kingdom and the United States. U.S. Marines have been conducting rotational deployments in northern Australia since 2012 and Australia trains with U.S. forces in both bilateral and multilateral exercises. A traditional cornerstone of Australia's strategic outlook is the view that the United States is Australia's most important strategic partner and is a key source of stability in the Indo-Pacific region.

In 2022, Prime Minister Albanese of the Australian Labor Party (Labor) defeated former Prime Minister Scott Morrison of the center-right Liberal Party in parliamentary elections. Labor's promise to implement policies to address climate change was a decisive factor in the election: the Green Party and "Teal" independents, both of which favor climate action, also gained seats. Prime Minister Albanese also campaigned to amend the constitution of Australia to establish an indigenous voice in parliament that would represent Aboriginal and Torres Strait Islander interests to parliament and government.

The Albanese government has continued the previous government's commitment to strengthening the U.S. alliance. In 2021, under the Morrison government, Australia, the United Kingdom, and the United States had announced the Australia-United Kingdom-United States (AUKUS) Partnership. The three governments have described AUKUS as a significant new security cooperation under which the parties will cooperate to expand their capabilities to address a range of 21st century threats, including in the domains cybersecurity, artificial intelligence, and other technologies. It also commits to helping Australia develop a fleet of nuclear-propelled submarines using U.S. technology.

In 2022, the Australian Foreign and Defense Ministers and the U.S. Secretaries of State and Defense met for the 32nd annual Australia-United States Ministerial Consultations (AUSMIN) meeting. In advance of the meeting, Australian Minister for Defence Richard Marles stated, "we are meeting at a time when the strategic landscape we face, collectively by the Australia, the United States, and the world really is as complex and precarious it's been at any point really since the end of the second world war." Marles also indicated there will be "an increased level of activity between our two countries across all domains" and that Australia and the United States were looking at increased force-posture cooperation to enhance the capacity of facilities in Australia. Following the AUSMIN meeting, Defense Secretary Lloyd Austin stated that the United States will increase its rotational presence in Australia and invite Japan to integrate into force posture initiatives in Australia. Austin also stated, "China's dangerous and coercive actions throughout the Indo-Pacific, including around Taiwan, and toward the Pacific Island countries and in the East and South China Seas, threaten regional peace and stability."

While Australia has a complex array of international relations, its geopolitical context has to a large extent been defined by its economic relationship with China and its strategic relationship with the United States. Australia's political leadership has sought to have constructive trade relations with China while maintaining its close strategic alliance relationship with the United States. Australia plays a key role in promoting regional stability in Southeast Asia and the Southwest Pacific, and has led peacekeeping efforts in the Asia-Pacific, including in Timor-Leste and the Solomon Islands. Australia's relationship with China has been tense in recent years, though there are signs that the government in Canberra is seeking to limit future tensions. China is Australia's largest two-way trade partner and is Australia's largest export destination. Facing mounting concerns over China's efforts to exert influence in Australia, the Australian government passed legislation to block foreign interference and banned China's Huawei telecommunications provider from Australia's 5G rollout in 2018. In 2020, Australia also called for an investigation into the origins of the Coronavirus Disease 2019 (COVID-19) pandemic. Prime Minister Anthony Albanese met with Xi Jinping on the sidelines of the G20 meeting in Bali, Indonesia, in November 2022 in what was described in the media as a "breakthrough meeting after years of tensions." This was the first meeting between Xi and an Australian Prime Minister since 2016. During the meeting, Albanese called on China to drop sanctions on Australian exports to China which were imposed following Canberra's calls for an independent investigation into the origins of COVID-19.

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Overview

The United States and Australia enjoy close social, economic, political, cultural, and security relations. This includes consistent Australian support for U.S. strategic initiatives globally and in the Indo-Pacific region, deepening alignment between the two countries' strategic views, broad defense collaboration, and close intelligence cooperation. Australia and the United States in recent years have sought to further strengthen defense ties both bilaterally and with regional and global partners, due in large part to growing Australian security concerns related to the Peoples Republic of China (PRC, or China) increasing its efforts to exert influence in Australia and the region. Australia's relations with China have been strained, largely due to Australian security concerns.

In September 2021, Australia, the United Kingdom, and the United States resolved to deepen diplomatic, security and defense cooperation in the Indo-Pacific region and announced the creation of an enhanced trilateral security partnership called "AUKUS," which among other measures seeks to provide Australia with nuclear propulsion technology for its next-generation submarines.¹ (See "AUKUS" section, below.) Australia also signed a reciprocal access agreement with Japan in January 2022 that facilitates closer defense cooperation between the two nations. The United States, Australia, Japan, and India have boosted ties through the developing Quadrilateral Security Dialogue, known as the "Quad." There is also increasing focus in the U.S.-Australia relationship on promoting the green economy and developing resilient supply chains, and in particular the "role that critical minerals play in driving the clean energy transition."² Australia has significant deposits of minerals, such as lithium, which are critical to many green technologies.³

Background

Australia was first inhabited between 40,000 and 60,000 years ago. The Aboriginal people were hunter-gatherers, and developed a complex spiritual "Dreamtime" culture focusing on creation myths, rituals, laws, and connections to ancestors and the Australian landscape. Captain James Cook claimed Australia for Britain in 1770, and in 1788, the first European settlement, largely made up of British convicts, was established. Australia evolved into a pastoral settler society based on sheep and wool, along with the increasing importance of minerals. Despite the centrality of the "bush" or the "outback" to the national myth, Australia has evolved into an urbanized society. While geographically situated in the Indo-Pacific region (see **Figure 2**, "Map of Australia") and increasingly ethnically diverse, Australia continues to have deep cultural ties to Britain, the United States, and Europe. Australia's Prime Minister Anthony Albanese in July 2022 proposed putting a referendum question to Australian voters asking whether including an indigenous voice in parliament should be enshrined in the constitution.⁴ (See "Indigenous Voice" section below.) Approximately 3.2% of the population of Australia identifies as Aboriginal or

¹ The White House, "Joint Leaders Statement on AUKUS," September 15, 2021.

² U.S. Department of Commerce, "Next Steps on U.S.-Australia Critical Minerals Collaboration," press release, November 17, 2021.

³ Australian Government, Department of Industry, Science, Energy and Resources, "2022 Critical Minerals Strategy," March 2022.

⁴ Lorena Allam, "Anthony Albanese Reveals 'Simple and Clear' Wording of Referendum Question on Indigenous Voice," *The Guardian*, July 29, 2022.

Torres Strait Islander.⁵ In June 2021, there were six parliamentarians with indigenous heritage in federal and state parliaments in Australia.⁶

Political Setting

The Commonwealth of Australia is an independent nation within the British Commonwealth. The Head of State is the ruling monarch of the United Kingdom, King Charles III, who is represented in Australia by Governor General Sir David Hurley. In practice, the Prime Minister and Cabinet, who are elected members of Parliament, hold power. Parliamentary elections are called by the government and must be held at least once every three years. There is a strong republican movement in Australia that supports breaking with the British Crown.⁷ The Australian government, however, is an active participant in Commonwealth programs and argues that it “provides a means to strengthen democracy and development outcomes in our near region as well as in Commonwealth countries further afield.”⁸ Following the September 2022 death of Queen Elizabeth, Prime Minister Albanese stated, “Now is not a time to talk about our system of government. Now is a time for us to pay tribute to the life of Queen Elizabeth.”⁹ Prime Minister Albanese reportedly favors having a referendum vote on declaring Australia a republic in his second term.¹⁰

Australia is divided into several administrative divisions. There are six states and two territories. The states are: New South Wales, Queensland, Victoria, South Australia, West

Australia at a Glance

Government: Parliamentary democracy and federal state system

Leadership: Prime Minister Anthony Albanese

Head of State: King Charles III, who appoints a Governor-General on the advice of the prime minister. David Hurley was appointed Governor General in 2019.

Main Political Parties: Labor, Liberal, National, Greens, and Teal Independents

Area: About the size of the lower 48 U.S. states

Capital: Canberra, population 431,000 (2021 est.)

Population: 26 million (2022 est.)

Urbanization: 86.2% (2020 est.)

Life expectancy at birth: 83.2 years (2020 est.)

Foreign-born population: 29.1% (2021 est.)

Natural resources: Bauxite, coal, iron ore, copper, tin, gold, silver, uranium, nickel, tungsten, mineral sands, lead, zinc, diamonds, natural gas, and petroleum.

Key exports: Coal, iron ore, gold, meat, wool, alumina, wheat, machinery, and transport equipment

Export Partners: China 37.6%, Japan 13.5%, South Korea 7.6%, Taiwan 5.5%. (2021 est.)

GDP growth: 3.7% (2022 est.), 1.3% (2023 projection)

GDP per capita ppp: US\$63,829 (2022 est.)

Unemployment: 3.7% (2022 est.)

Inflation: 6.4% (2022 est.), 3.7% (2023 projection)

Exchange rate: A\$1 = US\$0.68 (12/1/22)

Sources: Economist Intelligence Unit, Australian Bureau of Statistics, World Bank, and other sources

⁵ Government of Australia, Australian Bureau of Statistics, “Aboriginal and Torres Strait Islander Population Summary,” January 7, 2022.

⁶ Parliament of Australia, “Indigenous Australian Parliamentarians in Federal and State/territory Parliaments,” June 15, 2021.

⁷ One poll indicates 54% of Australians support making Australia a republic but remain split on the best way to choose a head of state to replace the King. David Crowe, “Support for a Republic Is Strong Enough to Win Approval in Bigger States: Poll,” *Sydney Morning Herald*, January 24, 2022.

⁸ Australian High Commission, United Kingdom, “Australia and the Commonwealth,” https://uk.embassy.gov.au/lhlh/Australia_Commonwealth.html.

⁹ Australian Broadcasting Corp., *Insiders*, David Speers interview with Prime Minister Anthony Albanese, September 11, 2022, at <https://www.abc.net.au/insiders/prime-minister-anthony-albanese/14050120>.

¹⁰ Amanda Coletta, “As Elizabeth Gives Way to Charles, Realms Consider Severing Ties,” *Washington Post*,

Australia, and Tasmania. The territories are the Australian Capital Territory and the Northern Territory. There also are a number of dependent islands including Christmas Island, Norfolk Island, and the Cocos Islands.

Australia has a bicameral parliament consisting of the House of Representatives and the Senate. Its representatives are elected through a preferential ballot in which voters rank their preferences.¹¹ The Senate has 76 seats, with 12 senators from each of the six states and two senators from each of the two territories. Members of the House of Representatives serve for three years and senators for six, with half of the senators being elected each term. Although the government must dissolve the House and call elections every three years, it may call elections early. A double dissolution, when all members of both legislative bodies must stand for election, may be called when there is a deadlock between the two houses of parliament.¹² Australia has compulsory voting for those over the age of 18.¹³ The center-right Liberal-National Party Coalition, which most recently led Australia from 2013 to 2022, and the current ruling Labor Party, are the two main political parties in Australia.

Table 1. Australian House of Representatives Composition

Political Parties	Seats
Australian Labor Party	77
The Coalition [The Liberal Party of Australia, The Nationals and the Country Liberal Party]	58
Independents	10
Greens	4
Centre Alliance	1
Katter's Australia Party	1
Total	151

Source: Parliamentary Education Office, "47th Parliament at Work," July 26, 2022.

Table 2. Australian Senate Composition

Political Parties	Seats
The Coalition [The Liberal Party of Australia, The Nationals and the Country Liberal Party]	32
Australian Labor Party	26
Green Party	12

September 14, 2022.

¹¹ "If the absolute majority is not gained on the first count, then preferences are distributed until an absolute majority is obtained." See "Preferential Voting Systems," Electoral Council of Australia and New Zealand, at ecanz.gov.au/electoral-systems/preferential.

¹² Parliamentary Education Office, "Double Dissolution," <https://peo.gov.au/understand-our-parliament/having-your-say/elections-and-voting/double-dissolution/>.

¹³ Australians can be fined for failing to vote government elections. See "I Didn't Vote," NSW Electoral Commission, <https://www.elections.nsw.gov.au/Voters/I-didnt-vote>.

United Australia Party	1
Hanson's One Nation Party	2
Jacqui Lambie Network	2
Independents	1
Total	76

Source: Parliamentary Education Office, "47th Parliament at Work," July 26, 2022.

An opinion poll in December 2022 indicated that the Labor Party's and Prime Minister Albanese's popularity with voters has increased significantly since he was elected in May 2022. A December 2022 poll indicated that Labor's support with the Australian electorate had increased to 42% as compared to the Coalition, which had 30% support. Labor won the election in May with a primary vote of 32.6%. When asked their preference for Prime Minister, Prime Minister Albanese polled 54% as compared to 19% for Opposition Leader Peter Dutton of the Liberal Party.¹⁴

Morrison Scandal

Former Prime Minister Scott Morrison was censured by the Australian parliament in November 2022 over a secret ministries scandal. Morrison had himself secretly been appointed by the Governor General to administer five ministerial positions, including health, finance, treasury, resources and home affairs portfolios while prime minister without informing parliament or the Australian public. This was the first time a former Australian Prime Minister has been censured by the Australian Parliament. The motion passed in an 86 to 50 vote in the House of Representatives.¹⁵ Former High Court Justice Hon. Virginia Bell headed an inquiry into the matter which found that "the lack of disclosure of the appointments to the public was apt to undermine public confidence in government ... the secrecy with which they had been surrounded was corrosive of trust in government."¹⁶ Prime Minister Albanese office issued a media statement explaining that

The Bell Inquiry confirms the Solicitor-General's conclusion that the principles of responsible government were "fundamentally undermined" because Mr. Morrison was not "responsible" to the Parliament, and through the Parliament to the electors, for the departments he was appointed to administer.¹⁷

The Bell inquiry recommendations include more transparency laws.

Indigenous Voice

Prime Minister Albanese has called for a referendum on an Indigenous Voice to Parliament to be held between July 2023 and July 2024. The proposed Indigenous Voice would advise the Australian Parliament and Government on matters of significance to Aboriginal and Torres Strait

¹⁴ David Crowe, "Labor Takes Strong Lead over Peter Dutton, New Research Shows," *Sydney Morning Herald*, December 6, 2022.

¹⁵ Alasdair Pal, "Australian Parliament Censures Former PM Morrison over Secret Ministries," *Reuters*, November 29, 2022.

¹⁶ Hon Virginia Bell, "Report of the Inquiry," Inquiry into the Appointment of the Former Prime Minister to Administer Multiple Departments," <https://www.ministriesinquiry.gov.au/publications/report-inquiry>.

¹⁷ Prime Minister of Australia, Media Release, "Government Welcomes Bell Inquiry Report," November 25, 2022.

Islander peoples.¹⁸ Albanese delivered a speech at the Garma Festival (Australia's largest indigenous cultural gathering) in the Northern Territory in July 2022 where he recognized the traditional owners' custodianship of the land for over 60,000 years and called for a new spirit of partnership between government and First Nations people. Albanese has proposed that a draft question to be put to the Australian people at a referendum, which the Prime Minister suggested could be as simple as "Do you support an alteration to the constitution that establishes an Aboriginal and Torres Strait Islander Voice?"¹⁹ Albanese also outlined three sentences the government could propose to add to the constitution as a starting point for dialogue.

1. There shall be a body, to be called the Aboriginal and Torres Strait Islander Voice.
2. The Aboriginal and Torres Strait Islander Voice may make representations to Parliament and the Executive Government on matters relating to Aboriginal and Torres Strait Islander Peoples.
3. The Parliament shall, subject to this Constitution, have power to make laws with respect to the composition, functions, powers and procedures of the Aboriginal and Torres Strait Islander Voice.²⁰

In 2017, over 250 Aboriginal and Torres Strait Islander Delegates gathered "in the shadow of Uluru" to sign the Uluru Statement from the Heart.²¹

The Uluru Statement from the Heart is an invitation to the Australian people. We ask Australians to accept our invitation to walk with us in a movement of the Australian people for a better future. We call for the establishment of a First Nations Voice enshrined in the Constitution and a Makarrata Commission to supervise a process of agreement-making and truth-telling about our history.²²

A recent poll found that 64% of Australian voters are in favor of such a Voice. A Referendum Working Group has released a set of principles that describe the Voice as a body that would provide independent advice to parliament but would have no veto power over legislation.

The plan does not have universal support. Some have criticized the Voice as an initiative of elites "including corporate Australia, media figures and Aboriginal academics" and have asserted that Aboriginal people express "indifference, confusion as to what it's about or outright opposition ... The Voice, like the representative bodies before it, is not built around Aboriginal cultures and how we look at ourselves."²³ Some indigenous leaders, including Green Party Senator Lidia Thorpe, have been critical of the Voice.²⁴ Senator Thorpe has called for a treaty to be established with First Nations peoples before holding a referendum on an Indigenous Voice.²⁵ Media reports

¹⁸ Australian Government, National Indigenous Australians Agency, "Indigenous Voice Discussion Paper, 2021.

¹⁹ Lorena Allam, "Anthony Albanese Reveals Simple and Clear Wording of Referendum Question," *The Guardian*, July 29, 2022. Australian Government, National Indigenous Australians Agency, "Referendum on an Aboriginal and Torres Strait Islander Voice," July 30, 2022.

²⁰ P. Karvelas, "After More Than 200 Years of Waiting, Albanese Puts Forward a 'Simple' Proposition for an Indigenous Voice to Parliament," *ABC News*, July 29, 2022.

²¹ Uluru is a massive sandstone monolith in the Northern Territory of Australia that is sacred to Aboriginal Australians.

²² The Uluru Statement from the Heart, <https://ulurustatement.org/>.

²³ Nyunggai Warren Mundine, "Aboriginal Australians Have Heard the Voice Before," *Daily Telegraph*, August 2, 2022.

²⁴ Voice of America, "Divisions in Australia over Plan for Indigenous Voice to Parliament," September 6, 2022.

²⁵ Carly Williams, "Push for an Indigenous Voice to Parliament Ramps Up, as PM Promises Referendum Next Year," *ABC News*, September 29, 2022.

indicate that Leader of the Liberal Party Dutton will most likely join the National Party and reject the Voice to Parliament.²⁶

Aboriginal Australian's ties to "country," a specific territory or landscape within Australia, complicates the role and functioning of any national body seeking to speak on behalf of the many different Aboriginal groups from across the country. Indigenous Australians are thought to be the world's oldest surviving culture. There are about 500 groups or nations of First Nation people speaking 250 indigenous languages with 800 dialects that have lived in Australia for approximately 60,000 years.²⁷ As of 2021, there were 984,000 Aboriginal and Torres Strait Islander People representing 3.8% of the population of Australia.²⁸

Recent Election and Climate Change²⁹

The May 2022 parliamentary election transformed Australia's policy on climate change, as it brought to power more candidates favoring climate action. Former Prime Minister Morrison of the right of center Liberal-National Coalition prioritized economic growth over addressing climate issues, and famously brought a lump of coal into parliament in 2017 to urge Australia not to be afraid of coal.³⁰ Observers say Morrison's reluctance to take action to address climate change was a key reason for his electoral defeat³¹ by Prime Minister Albanese of the Australian Labor Party, which won 77 of 151 seats in the House of Representatives and 26 of 76 in the Senate. The Labor Party campaigned on a pledge to reduce carbon emissions significantly. "Teal" independents³² and the Green Party, who urge more comprehensive and immediate action on climate change, made significant gains in the election; the Green Party won 12 seats in the Senate.³³ The Climate Change Act of 2022, introduced by the Labor government in July 2022, pledges a 43% cut in emissions by 2030 and net zero by 2050. It passed both houses of the Australian parliament with support from the Greens and independents, and entered into force in September 2022.³⁴

Economics and Trade

The export of commodities, particularly minerals, has become increasingly important to the Australian economy over the past two decades. Australia has been a consistent supporter of trade liberalization. The Australian Trade and Investment Commission reports that the International Monetary Fund projected Australia would be the world's 13th largest economy in 2022 with a

²⁶ Tyrone Clark, "Peter Dutton Will 'Most Likely' Join Nationals and Oppose Voice to Parliament," *Sky News*, November 28, 2022.

²⁷ AIATSIS, "Australia's First Peoples," <https://aiatsis.gov.au/explore/australias-first-peoples>.

²⁸ Australian Bureau of Statistics, "Aboriginal and Torres Strait Islander Peoples," <https://www.abs.gov.au/statistics/people/aboriginal-and-torres-strait-islander-peoples>.

²⁹ See also CRS In Focus IF12282, *Australia: Climate Change Issues*, by Bruce Vaughn.

³⁰ Katherine Murphy, "Scott Morrison Brings Coal to Question Time: What Fresh Idiocy Is This?" *The Guardian*, February 9, 2017.

³¹ Katherine Murphy, "Australia's Right Wing Government Weaponized Climate Change—Now It Has Faced Its Reckoning," *The Guardian*, May 22, 2022.

³² Calla Wahlquist, "Teal Independents: Who Are They and How Did They Upend Australia's Election?" *The Guardian*, May 23, 2022.

³³ "Australia's Climate Election Shows Shifting Priority for Voters," *NBC News*, May 23, 2022.

³⁴ Adam Morton, "Australian Parliament Passes First Climate Change Legislation in a Decade," *The Guardian*, September 8, 2022.

gross domestic product (GDP) of approximately \$1.7 trillion.³⁵ With 0.3% of the world's population Australia accounts for 1.6% of the global economy.³⁶ Australian exports typically are resources, energy, agriculture, tourism and education. Australia is among the world's top three exporters of resources and energy.³⁷

China is Australia's largest two-way trade partner in goods and services and accounts for over one-third of Australia's trade with the world.³⁸ From 2009 to 2019, Australian exports to China tripled to A\$149 billion per year.³⁹ (1 Australian dollar = 0.64 U.S. dollar as of October 6, 2022.) While the Australia-China Free Trade Agreement came into force in 2015, the PRC government has restricted some Australian exports due to political concerns. Despite this, Australian exports to China increased 24% in the year to August 2021.⁴⁰ More recently, China's imports from Australia reportedly fell 11.1% in the first seven months of 2022, while China's exports to Australia grew by 24.1%.⁴¹

The Australia-United States Free Trade Agreement (AUSFTA) came into force in 2005. Since that time, according to the Australian government, "two-way trade has doubled, two-way investment has tripled, hundreds of thousands of jobs have been created, and the economies of the United States and Australia have become more closely integrated."⁴² In 2021, U.S. exports to Australia increased 13.1% as compared with 2020, to \$26.4 billion, and the United States had a trade surplus of \$14 billion.⁴³ In the 2019-2020 period, the United States was Australia's second largest two-way trade partner in goods and services and the United States was the largest investor in Australia. The United States is also Australia's largest foreign investment destination.⁴⁴

Strategic Outlook

While there is a large degree of strategic continuity in Australia regardless of which party is in power, particularly with regard to the alliance with the United States, Australian foreign policy may subtly shift as the new Labor government moves forward. Australia's geopolitical context has been defined by its trade relationship with China and its strategic relationship with the United States. The previous government took a more confrontational approach to China, and as tensions mounted with the PRC, Australia doubled down on its alliance with the United States and

³⁵ "12 Updates on Australia's Pandemic Performance," Australian Trade and Investment Commission, December 6, 2021.

³⁶ "Resilient Economy," Why Australia Benchmark Report 2021, at <https://www.gov.au/benchmark-report/resilient-economy>.

³⁷ "Dynamic Industries," Why Australia Benchmark Report 2021, at <https://www.gov.au/benchmark-report/resilient-economy>.

³⁸ Australia Department of Foreign Affairs and Trade, "China Country Brief," at <https://www.austrade.gov.au/geo/china/china-country-brief>.

³⁹ Jeffrey Wilson, "Australia Shows the World What Decoupling from China Looks Like," *Foreign Policy*, November 9, 2021.

⁴⁰ W. Tan, "Australia's Exports to China Are Jumping Despite Their Trade Fight," CNBC, October 27, 2021.

⁴¹ "China's Imports from Australia Fell 11.1% in the First Seven Months of 2022," *Global Times*, August 7, 2022.

⁴² Australian Trade and Investment Commission, "The United States of America: Market Profile," at <https://www.austrade.gov.au/australian/export/export-markets/countries-and-economies/united-states-of-america/market-profile/market-profile>.

⁴³ U.S. Department of Commerce, Office of Technology Evaluation, "U.S. Trade with Australia," 2021.

⁴⁴ "Australia-US FTA," July 2, 2021, at <https://www.dfat.gov.au/trade/agreements/in-force/ausfta/australia-united-states-fta>.

deepened strategic ties with Japan and other U.S. allies. Speaking to the Davos World Economic Forum in January 2022, then-Prime Minister Morrison stated that the Indo-Pacific had become “highly contested” due to increased use of “grey-zone tactics” seeking to “coerce and intimidate.”⁴⁵ Then-Australian Defence Minister Dutton, who is currently Leader of the Opposition, warned in September 2021 that the world “would be foolish to repeat the mistakes of the 1930s”⁴⁶ and declared that the PRC viewed states like Australia as “tributary states.”⁴⁷ Former Australian Treasurer Josh Frydenburg has also warned that Australia must diversify its economy to rely less on China and look to new markets.⁴⁸ Australian defense spending, including spending for the Australian Signals Directorate, increased 6.1% in 2021 to reach AD\$44.6 billion, which put defense spending at 2.1% of GDP.⁴⁹ One analyst called this increase in nominal terms as compared with the previous year “a good sign for Australia’s ability to rapidly develop defence capability in the face of increasing strategic uncertainty.”⁵⁰

The new Labor government has taken a less directly confrontational stance on China.⁵¹ It appears to be placing relatively more emphasis on multilateralism and Asian regionalism while retaining Australia’s long-standing emphasis on its alliance with the United States and support for a rules-based order where the sovereignty of states is respected.⁵² Australian Foreign Minister Penny Wong⁵³ has actively engaged the Quad, as well as South Pacific and Southeast Asian nations since assuming office in May, and has expressed a desire for Australia to play an active role in shaping its strategic environment and expanding its power and influence.⁵⁴ Wong also has emphasized Australia’s ties to the Association of Southeast Asian Nations (ASEAN),⁵⁵ speaking about “ASEAN centrality” and the importance and interconnected nature of ASEAN’s and Australia’s security.⁵⁶

Australia’s “Defence Strategic Review” and Defense Spending

The Albanese government initiated a Defence Strategic Review in 2022. The review is to examine Australian defense spending, capacity, and posture and report its findings before March

⁴⁵ Paul Karp, “Morrison Speaks Out Against China’s ‘Economic Coercion’ at Davos,” *The Guardian*, January 21, 2022.

⁴⁶ Daniel Hurst, “‘Mistakes of the 1930s’: Peter Dutton Ramps Up China Rhetoric as Keating Calls Him a ‘Dangerous Personality,’” *The Guardian*, November 26, 2021.

⁴⁷ Andrew Tillett, “China Won’t Stop at Taiwan,” *Financial Review*, November 27, 2021.

⁴⁸ “Australia’s Treasurer Says Economy Must Diversify and Rely Less on China,” Reuters, September 5, 2021.

⁴⁹ Katherine Ziesing, “2021 Defence Budget at a Glance,” *Australian Defence Magazine*, May 11, 2021.

⁵⁰ Marcus Hellyer, “Defence Budget Climbs to \$4.6 Billion,” Australian Strategic Policy Institute, May 12, 2021.

⁵¹ “Australia and China Are on Speaking Terms Again,” *The Economist*, July 26, 2022.

⁵² Margaret Simons, “Penny Wong Wants Australia to be More Than a Supporting Player,” *Foreign Policy*, October 1, 2022.

⁵³ Wong’s father was from Malaysia and went to study in Australia at the University of Adelaide on a Colombo Plan Scholarship. Wong’s mother was from Australia. Wong grew up in Malaysia until the age of 8 when she moved to Australia. Ministry of Foreign Affairs, “Penny Wong Keynote Address in Kuala Lumpur, Malaysia,” June 29, 2022.

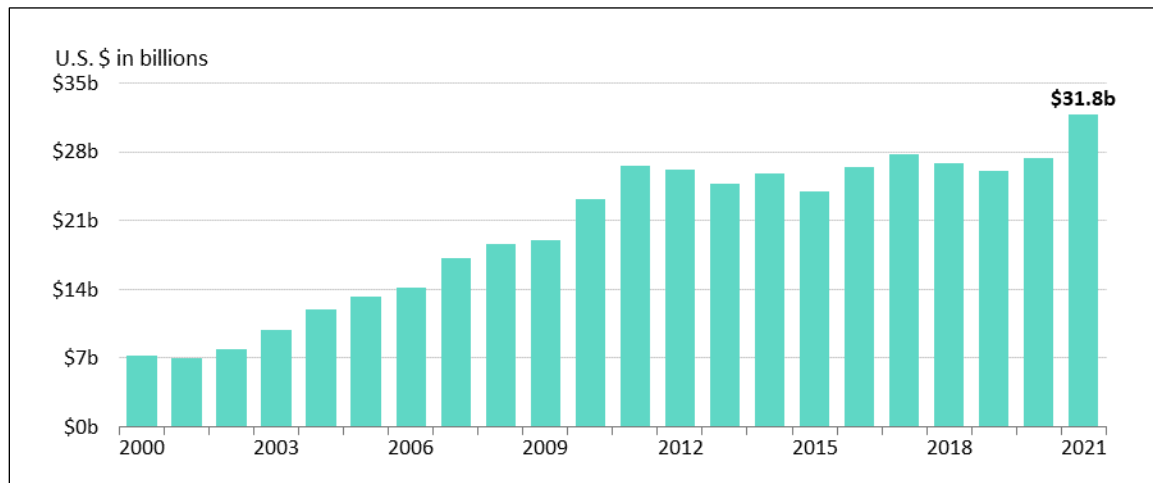
⁵⁴ Senator Penny Wong, “Expanding Australia’s Power and Influence: Speech to the National Security College, The Australian National University,” November 23, 2021.

⁵⁵ ASEAN is an intergovernmental organization of 10 Southeast Asian nations: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam.

⁵⁶ Minister for Foreign Affairs Penny Wong, “A Shared Future: Australia, ASEAN and Southeast Asia,” IISS, July 6, 2022.

2023.⁵⁷ The government is to make decisions related to the Defence Review in tandem with decisions related to the acquisition of a new fleet of nuclear propelled submarines. Australian observers have identified meeting “China’s direct security challenge in Australia’s near region” and finding “new ways to increase Australian military power quickly” as key challenges for the review.⁵⁸

Figure 1. Australian Defense Spending in U.S. Dollars



Source: Chart created by CRS. Information from Bloomberg figure sourced to SIPRI. See Hal Brands, “Why Australia Is Gearing Up for Possible War with China,” *Bloomberg*, November 9, 2022.

Relations with the PRC

Revelations regarding the PRC’s attempts in recent years to influence Australia’s society and region have had a negative impact on Australian perceptions of China. Examples of the PRC’s efforts to influence Australia include its hacking of the Australian parliament⁵⁹ and major political parties; apparent efforts to buy influence through political donations, including to former Member of Parliament Sam Dastyari; efforts to purchase or lease critical infrastructure, such as port facilities in Darwin; efforts to sway Australia’s Chinese language media and to curb free speech on university campuses; and moves to impose trade restrictions against Australia.⁶⁰ A 2021 poll found that 63% of Australians believe that China is “more of a security threat” while 34% felt that China was “more of an economic partner.” This is a significant reversal from 2018, when 82% felt China was “more of an economic partner” and 12% felt that China was “more of a security threat.”⁶¹

Australia has undertaken a number of measures to counter the PRC’s growing influence. Some observers have viewed Australia’s resistance to China’s influence as suggesting that the PRC

⁵⁷ “The Australian Defence Review and Time,” CSIS, September 6, 2022.

⁵⁸ Michael Shoebridge, “Marles’ Defence Strategic Review—An Exploding Suitcase of Challenges,” Australian Strategic Policy Institute, August 17, 2022.

⁵⁹ Colin Packham, “Australia Concluded China Was Behind Hack on Parliament, Political Parties—Sources,” *Reuters*, September 15, 2019.

⁶⁰ Clive Hamilton, *Silent Invasions: China’s Influence in Australia* (Richmond, Victoria: Hardie Grant Books, 2018).

⁶¹ “China: More of an Economic Partner or a Security Threat?” Lowy Institute Poll, 2021, at <https://poll.lowyinstitute.org/charts/china-economic-partner-or-security-threat>.

“may have overplayed its hand” in its “longstanding campaign to pressure Canberra against adopting policies at odds with China’s interests and drive a wedge through the United States-Australia alliance.”⁶² In 2018, the Australian parliament passed new laws on espionage, foreign interference, and foreign influence, and the government of then-Prime Minister Malcolm Turnbull blocked the PRC telecommunications company Huawei from participating in the country’s development of its 5G mobile network. Then-Prime Minister Morrison signaled a key change in Australia’s defense posture with the 2020 Defence Strategic Update.⁶³ Canberra has responded to Chinese influence efforts in the South Pacific with renewed diplomatic, foreign aid, and security efforts in the region.⁶⁴

Albanese-Xi Meeting

Prime Minister Albanese’s meeting with Chinese Communist Party General Secretary Xi Jinping on the sidelines of the G20 meeting in Bali, Indonesia, in November 2022 was viewed by many as a breakthrough after years of tensions. This was the first meeting between Xi and an Australian Prime Minister since 2016. Albanese called on China to drop sanctions on Australian agricultural and mineral exports to China. While the meeting was generally viewed as a diplomatic breakthrough, observers noted that the move should not be viewed as a strategic reset by Australia.⁶⁵ Analysts have stated that while Australia should look to issues like climate change cooperation and the lifting of trade sanctions for improvement in bilateral relations, there should be a recognition that some issues, such as the South China Sea, Taiwan, and China’s growing presence in the Pacific, will likely remain areas of tension.⁶⁶ Following the meeting, Australian Defence Minister Marles stated, “A commitment to stabilising our relationship with China does not mean we won’t also maintain a clear-eyed focus on our security.”⁶⁷

Strategic Ties with the United States

Australia has been a U.S. treaty ally since the signing of the Australia-New Zealand-United States (ANZUS) Treaty in 1951. Australia sent troops to support the allied cause in the First and Second World Wars, and in the conflicts in Korea, Vietnam, Iraq, and Afghanistan. Australia is also a close U.S. intelligence partner through the “Five Eyes” group of nations, which also includes Canada, New Zealand, and the United Kingdom. U.S. Marines have been conducting regular rotational deployments in northern Australia since 2012. The ongoing strength of the defense relationship is demonstrated through various bilateral and multilateral military exercises such as the Talisman Sabre, Rim of the Pacific (RIMPAC), and Malabar exercises. When asked in 2021 “How important is our alliance relationship with the United States for Australia’s security?” 78% of Australians polled responded that it was “very important” or “fairly important.”⁶⁸ When asked this poll question again in 2022, 87% responded that it was “very important” or “fairly

⁶² See for example Ashley Townshend, “China’s Pandemic Fueled Standoff with Australia,” *War on the Rocks*, May 20, 2020.

⁶³ Prime Minister Morrison, “Launch of the 2020 Defence Strategic Update,” Office of the Prime Minister, July 1, 2020.

⁶⁴ Australian Government, Department of Foreign Affairs and Trade, “Building a Stronger and More United Pacific Family,” June 2022.

⁶⁵ “Albanese-Xi Talks Should Help Stabilise Relationship,” *The Australian*, November 16, 2022.

⁶⁶ James Malcolm, “Wolf Warrior era Over: Downer,” *The Australian*, November 17, 2022.

⁶⁷ “No Shift in Defence Policy After Xi Meeting,” *Reuters*, November 15, 2022.

⁶⁸ “Importance of the US Alliance,” Lowy Institute Poll 2021, at <https://poll.lowyinstitute.org/themes/united-states/>.

important.”⁶⁹ The Australia-U.S. Ministerial (AUSMIN) consultations are the central dialogue guiding the bilateral relationship.

The ANZUS Alliance

The United States–Australia bilateral defense and alliance relationship has traditionally remained strong even as it has evolved through different strategic contexts over the past 100 plus years.⁷⁰ In 1908, in one of the first bilateral military-to-military contacts, President Theodore Roosevelt’s Great White Fleet was welcomed in Australia, which was concerned with the expansion of Japanese naval power at that time. The defense relationship between the United States and Australia was forged when the two nations fought together on the Western Front in World War I. There U.S. troops fought under Australian General Monash at the Battle of Hamel. They also fought together in World War II in the South Pacific theater of operations, including the Battle of the Coral Sea, a joint action by U.S. and Australian naval forces that checked the Japanese naval advance on Papua and New Guinea just north of Australia and helped turn the tide of war in the Pacific. Former Australian Minister of Defence and former Ambassador to the United States Kim Beazley stated that the Battle of the Coral Sea “looms large in our strategic consciousness” and that it was a “nation saving” event.⁷¹ (At the outbreak of World War II, the Territory of New Guinea was a League of Nations Mandate of Australia while the Territory of Papua was under the direct authority of the Commonwealth of Australia.) Australia and the United States also fought together in the Korean War.

The 1951 ANZUS Treaty was signed at a time when Australia and New Zealand were concerned about a resurgent Japan and the United States was increasingly concerned with the growing power of the Soviet Union. The U.S.-New Zealand leg of the ANZUS alliance was suspended as a result of differences over nuclear policy in the mid-1980s, while U.S.-Australia defense ties continued. The two nations came to share common concern during the Cold War, which saw Australian troops fighting alongside U.S. forces in Vietnam, and the two nations worked together to promote stability in the post-Cold War era in places like Somalia.

The “Global War Against Terror” following the September 11, 2001, attacks on the United States also drew the two nations together. Then-Prime Minister John Howard invoked the ANZUS alliance to come to the assistance of the United States by sending Australian troops to serve in Iraq and Afghanistan. Australia and the United States also share a deep and broad-based intelligence relationship.⁷² U.S.-Australia joint defense facilities have aided intelligence collection, ballistic missile early warning, submarine communications, and satellite-based communications.⁷³

⁶⁹ Natasha Kassam, “The Lowy Institute Poll 2022: Understanding Australian’s Attitudes to the World,” June 2022.

⁷⁰ Understanding why U.S. strategic relationships in Asia have endured beyond the Cold War is the subject of a study supported by the East West Center. See William Tow, “Understanding the Persistence of American Alliances and Partnerships in the Asia Pacific,” East West Center, *Asia Pacific Bulletin*, August 14, 2014. The Alliance 21 project at the United States Studies Centre at the University of Sydney and the Australian-American Leadership Dialogue are two independent organizations that help promote knowledge and understanding of the bilateral relationship.

⁷¹ Kim Beazley, “The Coral Sea, 1942: A Nation Saving Event,” *The Strategist*, Australian Strategic Policy Institute, May 3, 2017.

⁷² H.E. The Hon. Kim Beazley, Australian Ambassador to the United States, “On ANZUS Turning 60,” 2011 ANZAC Lecture, Georgetown University, April 20 2011.

⁷³ Australian Government, Department of Defence, *Defending Australia in the Asia Pacific Century: Force 2030*, Defence White Paper 2009, <http://www.defence.gov.au>.

The Wellington Declaration of 2010 and the Washington Declaration of 2012 moved the United States and New Zealand beyond past differences over nuclear policy and set the stage for further cooperation between the original three ANZUS countries. These declarations established a renewed strategic partnership between the United States and New Zealand and provide for enhanced military cooperation and a range of other areas.⁷⁴

AUSMIN 2021.⁷⁵ U.S. Secretary of State Antony Blinken and Secretary of Defense Lloyd Austin hosted their Australian counterparts, former Foreign Affairs Minister Marise Payne and former Defense Minister Dutton, in September 2021, for AUSMIN consultations at the U.S. Department of State. Their Joint Statement emphasized “shared values” and the need to “strengthen the rule-based international order.”⁷⁶ It also discussed several initiatives, including AUKUS and Australia’s acquisition of nuclear powered submarines; enhanced force posture cooperation and alliance integration; strategic capabilities cooperation; and cooperation on industry, technology, and innovation. Areas of future force posture cooperation identified in the Joint Statement included “enhanced air cooperation through the rotational deployment of U.S. aircraft of all types ... enhanced maritime cooperation by increasing logistics and sustainment capabilities of U.S. surface and subsurface vessels ... [and] enhanced land cooperation,” among other measures. The Joint Statement also highlighted “the positive progress made in hypersonic weapons and electromagnetic warfare cooperation.” The two governments also signed a classified Statement of Intent on Strategic Capabilities Cooperation and Implementation.⁷⁷

AUSMIN 2022. Secretary of State Blinken and Secretary of Defense Austin hosted Minister for Foreign Affairs Wong and Deputy Prime Minister and Minister for Defence Marles on December 6, 2022, in Washington, DC, for the 32nd annual AUSMIN meeting. AUSMIN 2022 was followed by a meeting of AUKUS Defense Ministers on December 7. Austin described the alliance with Australia as “the strongest it has ever been” before stating “we’re meeting at a time of tension ... especially from Russia’s reckless and lawless invasion of Ukraine, as well as from coercive and destabilizing military activities by the People’s Republic of China.” Marles stated “we are meeting at a time when the strategic landscape we face, collectively by the Australia, the United States, and the world really is as complex and precarious it’s been at any point really since the end of the second world war.”⁷⁸ The AUSMIN 2022 Joint Statement expressed the commitment

to advancing a stable, rules-based international order where differences are resolved peacefully and without coercion, and where states cooperate transparently to address shared challenges. They further committed to deepening their cooperation to strengthen and reform the multilateral system and galvanize collective action to address the climate crisis; protect and promote human rights and fundamental freedoms, democracy, and gender equity and equality; and advance the rules of the road for technology, cyberspace, trade, and commerce. The principals also decided to evolve their defense and security

⁷⁴ “US, New Zealand Sign Pact Ending 25-Year Rift,” *Voice of America*, November 4, 2011. Australian Government, Department of Defence, *Defending Australia in the Asia Pacific Century: Force 2030*, Defence White Paper 2009, <http://www.defence.gov.au>.

⁷⁵ Australian Government, Department of Foreign Affairs and Trade, “AUSMIN-Australia-United States Ministerial Consultations,” <https://www.dfat.gov.au/geo/united-states-of-america/ausmin/ausmin-australia-united-states-ministerial-consultations>.

⁷⁶ U.S. Department of State, Office of the Spokesperson, “Joint Statement on Australia-U.S. Ministerial Consultations (AUSMIN) 2021,” September 16, 2021.

⁷⁷ U.S. Department of State, Office of the Spokesperson, “Joint Statement on Australia-U.S. Ministerial Consultations (AUSMIN) 2021,” September 16, 2021.

⁷⁸ Secretary of Defense Lloyd Austin, “Remarks Welcoming Australian Deputy Prime Minister and Minister for Defence Richard Marles to the Pentagon,” U.S. Department of Defense, December 5, 2022.

cooperation to ensure they are equipped to deter aggression, counter coercion, and make space for sovereign decision making.⁷⁹

Defence Minister Marles reportedly stated that home-porting U.S. submarines in Australia was “not the answer” to addressing a capability gap that is anticipated to emerge before Australia puts its new fleet of submarines into service. Instead of acquiring new conventional submarines to fill the gap, Australia is reportedly looking to extend the life of the existing Collins class submarines and fast track the new fleet of nuclear powered submarines.⁸⁰ The 2022 AUSMIN Joint Statement highlighted Indo-Pacific Cooperation; Climate, Clean Energy, and Environment; Prosperity, Innovation, and Resilient Supply Chains; Defense and Security; and Securing our Technological Edge.

AUKUS

In September 2021, the White House announced a new Australia-United Kingdom-United States (AUKUS) trilateral security partnership. Some observers described the AUKUS security pact as the most significant security arrangement among the three nations in a generation.⁸¹ President Biden stated in announcing the pact that AUKUS will “update and enhance our shared ability to take on the threats of the 21st century just as we did in the 20th century: together.” Biden referenced that the three nations have “stood shoulder-to-shoulder” and fought together in WWI, WWII, Korea, and the Persian Gulf, and that AUKUS seeks to “maintain and expand our edge in military capabilities and critical technologies, such as cyber, artificial intelligence, quantum technologies, and undersea domains.”⁸² The pact focuses mostly on developing military capability, and opens the way for Australia to build nuclear-powered submarines.⁸³ It was initially reported that Australia plans to build approximately eight nuclear-powered submarines in Adelaide, Australia. More recently there are reports that some of the submarines may be built in the United States to accelerate the timeline so that Australia could receive its first new submarines by the mid-2030s.⁸⁴ Currently, six nations operate nuclear powered submarines. The UK, and now Australia, are the only nations with which the United States shares nuclear propulsion technology. As part of the agreement, Australia reportedly also will acquire long-range missiles, including Tomahawk cruise missiles for its Hobart Class destroyers, anti-ship missiles for its Super Hornet aircraft, hypersonic missiles and unmanned underwater vehicles. The pact also pledges significant collaboration on capability development. One analyst said it “means China faces a powerful new defence alliance in the Indo-Pacific.”⁸⁵

⁷⁹ U.S. Department of Defense, “Joint Statement on Australia-U.S. Ministerial Consultations (AUSMIN) 2022, December 6, 2022.

⁸⁰ Tom Minear, “More Visits but No Home for U.S. Subs,” *The Daily Telegraph*, December 6, 2022.

⁸¹ “AUKUS: United Kingdom, United States, Australia Launch Pact to Counter China,” *BBC News*, September 16, 2021.

⁸² The White House, “Remarks by President Biden, Prime Minister Morrison of Australia, and Prime Minister Johnson of the United Kingdom Announcing the Creation of AUKUS,” September 15, 2021.

⁸³ For more information on nuclear aspects of AUKUS see CRS In Focus IF11999, *AUKUS Nuclear Cooperation*, by Paul K. Kerr and Mary Beth D. Nikitin.

⁸⁴ Chantelle Francis, “US in Talks to Build Australia’s First Nuclear-Powered Submarines by Mid-2030s,” <http://www.news.com.au>, September 24, 2022.

⁸⁵ Patrick Wintour, “What Is the AUKUS Alliance and What Are Its Implications?” *The Guardian*, September 16, 2021.

Critical Minerals

According to the White House, demand for critical minerals, which provide key inputs for clean energy technologies, is projected to “skyrocket by 400-600 percent over the next several decades” and “China controls most of the market for processing and refining for cobalt, lithium, rare earths and other critical minerals.”⁸⁶ Australia can provide many of these critical minerals. In 2020, Australia had 49% of the world’s production of lithium, was the world’s 4th largest producer of rare earth minerals and accounted for 18% of world cobalt production.⁸⁷ In July 2022, the United States and Australia advanced existing cooperation in critical minerals in a Joint Statement on the Establishment of the Australia-United States Net Zero Technology Acceleration Partnership. A statement from Secretary of Energy Jennifer Granholm and her Australian counterpart said

Given the crucial role critical minerals and materials will play in the energy transition and in enabling the deployment of many of the above technologies, Australia and the United States also intend to collaborate on ensuring resilient, diversified, responsible, and sustainable critical material supply chains encompassing production, processing, and manufacturing capacity.⁸⁸

In June 2022, the U.S. Department of Defense (DOD) signed a \$120 million follow-on contract with Australian Lynas Corporation to develop a heavy rare earth minerals separation facility in the United States.⁸⁹ Feedstock for the facility is planned to come from Lynas’ mine in Western Australia.⁹⁰ DOD previously signed a \$30.4 million contract with Lynas in February 2021 to “establish domestic processing capabilities for light rare earth elements (LREE)” and establish a LREE separation capacity in Texas.⁹¹

Other Strategic and Defense Relationships

Australia has a number of strategic relationships that augment or complement its strategic and defense relationship with the United States.

Australia and Ukraine

Prime Minister Albanese traveled to Kyiv to meet with Ukrainian President Volodymyr Zelensky in July 2022. During the visit, he pledged more support, including armored vehicles, for Ukraine and described the devastation of Bucha and Irpin as a “war crime.”⁹² Foreign Minister Wong has also spoken out against the Russian invasion of Ukraine and stated, “The world cannot accept a situation where large countries determine the fate of smaller countries.”⁹³ Australia has committed

⁸⁶ The White House, “Fact Sheet: Securing a Made in America Supply Chain for Critical Minerals,” February 22, 2022.

⁸⁷ Australian Government, Department of Industry, Science, Energy and Resources, “2022 Critical Minerals Strategy,” March 2022.

⁸⁸ Secretary of Energy Jennifer Granholm and Minister for Climate Change and Energy Chris Bowen, “Joint Statement on the Establishment of the Australia-United States Net Zero Technology Acceleration Partnership,” July 12, 2022.

⁸⁹ Praveen Menon, “Australia’s Lynas Gets \$120 Million Pentagon Contract for U.S. Rare Earths Project,” Reuters, June 14, 2022.

⁹⁰ Amanda Lacaze, “DoD Awards Australia’s Lynas \$120 Million to Build a Heavy Rare Earths Facility in the USA” Investorintel, June 28, 2022.

⁹¹ Department of Defense, “DOD Announces Rare Earth Element Award to Strengthen Domestic Industrial Base,” February 1, 2021.

⁹² “Australian PM Visits Kyiv, Pledges More Military Aid,” BBC News, July 4, 2022.

⁹³ General Assembly of the United Nations, “General Debate, Remarks of H.E. Ms. Penny Wong,” September 23,

\$655 million in support for Ukraine since the Russian invasion, including \$475 million in military support. Australian defense personnel are also helping train Ukrainian troops in the United Kingdom. Albanese has described Australian support for Ukraine as “standing up for the international rule of law.”⁹⁴ Australia has also established a sanctions regime against Russia “in response to the Russian threat to the sovereignty and territorial integrity of Ukraine” which was first established in 2014 and extended in 2015 and 2022.⁹⁵

Australian observers have reacted to the Russian invasion of Ukraine by considering their own security as a middle power. With the Russian invasion of Ukraine having shattered the illusion that the world is safe from great power aggression, there appears to be increasing interest among small and medium powers, including Australia, on what lessons should be learned from the war in Ukraine. One prominent Australian national security observer recommends that a democratic and developed middle power can respond to the challenge of Russia or China through “a combination of internal and external balancing: self-strengthening and strategic partnerships.”⁹⁶

Albanese Government on Taiwan

While Taiwan is an important trade partner of Australia, the Australian government “does not regard the authorities in Taiwan as having the status of a national government.”⁹⁷ In November 2022, Prime Minister Albanese suggested that Australia is unlikely to support Taiwan’s push to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).⁹⁸ Following pushback from Taiwan, an Australian government spokesperson clarified that Australia continues to support the entry of all economies that meet CPTPP’s high standards, including Taiwan.⁹⁹ President Biden discussed the importance of peace and stability across the Taiwan Strait with Prime Minister Albanese when the leaders met on the sidelines of the East Asia Summit in Cambodia in November 2022.¹⁰⁰ Almost half of Australians polled in September 2022 supported sending troops to defend Taiwan in a conflict with China, a higher percentage than in the United States or Japan.¹⁰¹

The Quad. Australia is developing its strategic relations with like-minded democracies through the Quadrilateral Security Dialogue, or “Quad.” The first-ever in-person Leader’s Summit of the Quad was held in Washington, DC, in September 2021. President Biden, then-Prime Minister Morrison, Prime Minister Narendra Modi of India and then-Prime Minister Yoshihide Suga of Japan recommitted to “promoting the free, open, rules-based order, rooted in international law

2022.

⁹⁴ K. Murphy, “Albanese Meets Ukrainian Foreign Minister, Who Says It Will be a Joint Success When Russia Defeated,” *The Guardian*, November 12, 2022.

⁹⁵ Department of Foreign Affairs and Trade, Australian Government, “Russia Sanctions Regime,” <https://www.dfat.gov.au/international-relations/security/sanctions/sanctions-regimes/russia-sanctions-regime>.

⁹⁶ Rory Medcalf, “Australia Finds Its Way: How a Middle Power Prepared for Peril in the Indo-Pacific,” Danish Institute for International Affairs, November 22, 2022.

⁹⁷ Department of Foreign Affairs and Trade, Australian Government, “Australia-Taiwan Relationship,” <https://www.dfat.gov.au/geo/taiwan/australia-taiwan-relationship>.

⁹⁸ Claudia Long, “Albanese Says Australia Is Unlikely to Support Taiwan’s Push to Join CPTPP,” *ABC News*, November 18, 2022.

⁹⁹ Michael Smith, “Australia Reassures Taiwan over Trade Pact Entry,” *The Financial Review*, November 18, 2022.

¹⁰⁰ The White House, “Readout of President Joe Biden’s Meeting with Prime Minister Anthony Albanese of Australia,” November 13, 2022.

¹⁰¹ Daniel Hurst, “Almost Half of Australians Support Sending Troops to Help Defend Taiwan, Poll Suggests,” *The Guardian*, October 24, 2022.

and undaunted by coercion, to bolster security and prosperity in the Indo-Pacific and beyond.”¹⁰² All Quad nations participated in the RIMPAC exercises which were held from June to August 2022 and included approximately 25,000 personnel from a total of 26 countries.¹⁰³ Prime Minister Albanese and Foreign Minister Penny Wong flew to Tokyo for a Quad meeting just hours after assuming office in what was widely viewed as a demonstration of their government’s commitment to regional security and stability.¹⁰⁴ Prime Minister Albanese is to host the first leaders-level meeting of the Quad in Australia in 2023. President Biden’s planned visit to Australia for the Quad meeting will be his first to Australia as President. Prime Minister Albanese has invited President Biden to address a Joint Sitting of Parliament.¹⁰⁵

New Zealand. A core identity of the Australian military and broader Australian culture is the ANZAC legend. ANZAC refers to the Australia New Zealand Army Corps that fought together in World War I in places such as Gallipoli. The ANZAC experience at Gallipoli was central in helping Australia define its national identity independent of its status as part of the British Empire. Australia-New Zealand defense relations were formalized through the 1944 Canberra Pact and the 1951 ANZUS Treaty. The 1991 Closer Defence Relations (CDR) Agreement, which was revised in 2003, serves as a framework for bilateral defense ties between Australia and New Zealand.¹⁰⁶ Australian and New Zealand military forces have worked together to promote regional stability in places such as Bougainville, Timor-Leste, and the Solomon Islands. Australia and New Zealand are also linked through the 1971 Five Power Defence Arrangements, which also includes Great Britain and two other former British colonies, Malaysia and Singapore.

Japan. Australia has done much in recent years to develop its strategic relationship with Japan. Australia and Japan signed a Joint Declaration on Security Cooperation (JDSC) in 2007 and a Japan-Australia Economic Partnership Agreement in 2015. The JDSC established a regular 2+2 meeting of foreign and defense ministers. Australia and Japan also signed a Reciprocal Access Agreement in January 2022:

The Japan-Australia RAA will facilitate implementation of cooperative activities between the defence forces of the two countries and further promote bilateral security and defense cooperation. The agreement will also pave the way for an enhanced contribution by Japan and Australia to the peace and stability of the Indo-Pacific region.¹⁰⁷

One media report characterized the agreement as “a landmark, in the latest step to bolster security ties against the backdrop of rising Chinese military and economic might.”¹⁰⁸ Japan and Australia upgraded their Joint Declaration on Security Cooperation in October 2022. The new bilateral security agreement covers military, intelligence, and cybersecurity cooperation.¹⁰⁹ The growing defense cooperation with Japan will allow Japanese troops to train with Australian troops in Australia.¹¹⁰ Australia and Japan also strengthened critical minerals cooperation in October 2022

¹⁰² The White House, “Joint Statement From Quad Leaders,” September 24, 2021.

¹⁰³ Brad Lendon, “World’s Largest Naval Exercise to Include All 4 Quad Nations and 5 South China Sea Countries,” CNN, June 1, 2022.

¹⁰⁴ Phillip Corey, “Not So Fast, Albanese Tells China, as Quad Meets in Japan,” *Financial Review*, May 23, 2022.

¹⁰⁵ “World Leaders Meet in Sydney to Push Back on China,” *The Sydney Morning Herald*, December 1, 2022.

¹⁰⁶ Australian Government, Department of Foreign Affairs and Trade, “New Zealand Country Brief,” November 2008.

¹⁰⁷ Ministry of Foreign Affairs of Japan, “Japan-Australia Reciprocal Access Agreement,” January 6, 2022.

¹⁰⁸ “Japan, Australia Sign Defence Pact for Closer Cooperation,” *Reuters*, January 6, 2022.

¹⁰⁹ Rod McGuirk, “Japan, Australia Upgrade Security Pact Against China,” *Associated Press*, October 22, 2022.

¹¹⁰ Hamish Hastie, “Japanese Soldiers to Train with ADF After Historic New Security Agreement,” *The Sydney Morning Herald*, October 22, 2022.

“to help build secure supply chains for critical minerals, which are crucial elements of clean energy technologies needed to help both countries meet net-zero commitments.”¹¹¹

India. Past obstacles¹¹² to developing closer relations with India began to change with the signing of a deal to export uranium from Australia to India during a visit to India by former Prime Minister Abbott in 2014. This created an opening for an expansion of bilateral relations between the two nations.¹¹³ Prime Minister Modi made an official visit to Australia in November 2014, when he addressed a joint sitting of both houses of parliament. A Framework for Security Cooperation was established in 2014, and is based on “converging political, economic and strategic interests.”¹¹⁴ Bilateral defense relations are based on a 2006 memorandum on Defense Cooperation and a 2009 Joint Declaration on Security Cooperation. Strategic dialogues include annual Defense Policy Talks and an annual Track 1.5 Defense Strategic Dialogue.¹¹⁵ The Australia-India defence relationship now encompasses:

strategic dialogues, coordination, and information exchanges, including those involving third countries; military exercises involving ground, air, and especially maritime forces that reflect a growing degree of interoperability; military-to-military exchanges and training; and defence commerce and technological cooperation.¹¹⁶

Indonesia. Australia and Indonesia’s bilateral relationship has experienced periods of tension. These date back to Australia’s military deployment in support of Malaysia during Indonesia’s period of *Konfrontasi* in the mid-1960s. Australia, under the United Nations, also played a key role in assisting Timor-Leste to become an independent nation. The former Portuguese colony of Timor-Leste, located less than 400 nautical miles from Australia’s north coast, was occupied by Indonesia from 1975 to 1999. In 1998, diplomatic intervention by then-Prime Minister Howard prompted dialogue between Indonesian officials and East Timorese nationalists that resulted in an agreement to hold U.N.-supervised elections in 1999. On August 30, 1999, nearly 80% of Timor’s electorate voted to separate from Indonesia. Following the announcement of the result, anti-independence militias launched a campaign of violence. On September 15, 1999, the U.N. Security Council authorized the International Force East Timor (INTERFET) to restore peace and security and protect and support the U.N. mission personnel in East Timor. INTERFET operated under a unified command structure headed initially by Australia. Timor-Leste became independent in 2002.¹¹⁷ Australia and Timor-Leste now work together to establish arrangements for the exploitation of energy resources beneath the Timor Sea.

¹¹¹ Hon Madeleine King, Minister for Resources and Minister for the Northern Territory, “Australia-Japan Strengthen Critical Minerals Cooperation,” October 22, 2022.

¹¹² India’s concern over Indian students’ welfare in Australia, India’s fears that Australia might elevate its ties with China, and Australia’s reluctance to supply uranium to India were past obstacles to developing bilateral ties. See Rory Medcalf, “Problems to Partnership: A Plan for Australia-India Strategic Ties,” Lowy Institute Policy Brief, November 2009.

¹¹³ A. Pillalamarri, “Australian PM Visits India, Signs Nuclear Deal,” *The Diplomat*, September 6, 2014.

¹¹⁴ Australian Government, Department of Foreign Affairs and Trade, “Framework for Security Cooperation Between Australia and India 2014,” November 18, 2014, <https://www.dfat.gov.au/geo/india/Pages/framework-for-security-cooperation-between-australia-and-india-2014>.

¹¹⁵ Indian Ministry of External Affairs, “India-Australia Bilateral Relations,” August 31, 2017.

¹¹⁶ Australian High Commission, New Delhi, “Australia-India Relations,” https://india.embassy.gov.au/ndli/Australia-India_Relations.html.

¹¹⁷ “Australian PM Hints at Long-Term Military Presence in East Timor,” *BBC Monitoring Service*, June 19, 2003.

Australia's role in Timor Leste's independence movement was viewed negatively by many in Indonesia,¹¹⁸ but those concerns have moderated over time. Australia and Indonesia's cooperation on security matters is underpinned by the Lombok Treaty of 2006. The two nations also signed a Defence Cooperation Arrangement in 2012.¹¹⁹ Australia has focused on counterterrorism cooperation with Indonesia, following attacks against the Australian Embassy in Jakarta in 2004 as well as attacks which killed numerous Australians in Bali in 2002 and 2005. Australia and Indonesia signed a Comprehensive Economic Partnership Agreement in March 2019, which seeks to remove impediments to bilateral trade and improve access to each nations' services markets and improve investment between the countries.¹²⁰ Indonesian President Widodo addressed the Australian Parliament in February 2020. During their June 2022 meeting in Indonesia, Prime Minister Albanese and President Widodo affirmed their two nations' Comprehensive Strategic Partnership (CSP), which was launched in 2018.¹²¹ A plan of action for the CSP was signed during President Widodo's visit to Australia in 2020.¹²²

The Pacific Islands. Many in Australia view the Southwest Pacific as its "Near Abroad" and, as such, part of Australia's natural sphere of influence.¹²³ The South Pacific is an area of key strategic importance to Australia and Australia is the region's largest aid donor.¹²⁴ The Guadalcanal Campaign, in which 44,000 members of U.S. Armed Forces fought alongside allied forces from Australia, the United Kingdom, New Zealand Tonga and Fiji, was a key turning point of World War II in the Pacific.¹²⁵ The islands remain strategically significant for their location close to sea lanes that transit the Pacific Ocean.¹²⁶ More recently, the region has been subject to a number of shocks including natural disasters, ethnic conflict, challenges to democratic government, the rising influence of China, and the negative effects of climate change.¹²⁷ Australia has led peacekeeping efforts in the region, including in the Solomon Islands, in an effort to promote stability in the South Pacific.

Australia headed a multinational Regional Assistance Mission to the Solomon Islands (RAMSI) to restore order following ethnic tensions in the Solomon Islands in 2003. This was augmented in 2006 when Australia sent more troops to the Solomon Islands to quell rioting and violence.¹²⁸ RAMSI was established under the Biketawa Declaration and was supported by the members of the Pacific Islands Forum and led by Australia and New Zealand.¹²⁹ The Australian government

¹¹⁸ Australian Government, Department of Foreign Affairs and Trade, "Indonesia," <http://aid.defat.gov.au>.

¹¹⁹ Australian Government, Department of Foreign Affairs and Trade, "Indonesia Country Brief," <http://dfat.gov.au>.

¹²⁰ Australian Government, Department of Foreign Affairs and Trade, "Indonesia-Australia Comprehensive Economic Partnership Agreement," <https://www.dfat.gov.au/trade/agreements/in-force/iacepa/Pages/indonesia-australia-comprehensive-economic-partnership-agreement>.

¹²¹ Prime Minister of Australia, "Joint Communique: Indonesia-Australia Annual Leaders Meeting," June 6, 2022.

¹²² Australian Government, Department for Foreign Affairs and Trade, "Plan of Action for the Indonesia-Australia Comprehensive Strategic Partnership (2020-2024)," <https://www.dfat.gov.au/geo/indonesia/plan-of-action-for-the-indonesia-australia-comprehensive-strategic-partnership-2020-2024>.

¹²³ "Our Near Abroad: Australia and Pacific Islands Regionalism," Australian Strategic Policy Institute, November 2011.

¹²⁴ "Pacific Islands Remain Key Beneficiaries of ANZ Aid," Economist Intelligence Unit, May 27, 2021.

¹²⁵ U.S. Marine Corps, "Guadalcanal Campaign, WWII," <https://www.marforpac.marines.mil/Unit-Home/History/Pacific-Campaign-WWII/Guadalcanal-Campaign/>.

¹²⁶ G. Rachman, "Australia, China and the Judgement of the Solomons," *Financial Times*, December 5, 2022.

¹²⁷ Jenny Hayward-Jones, "The Pacific Islands and the World: The Global Economic Crisis," Lowy Institute, August 2009.

¹²⁸ John Kerin, "Flying Squad to Quell Solomons Riots," *Financial Review*, April 20, 2006.

¹²⁹ "Forum Secretary General Praises Success of RAMSI," *PACNEWS*, July 16, 2009.

expressed concerns about regional security when the Solomon Islands signed a security pact with China in April 2022, particularly about the possibility that the agreement could lead to a PRC security presence in the Solomon Islands. Solomon Island Prime Minister Manasseh Sogavare reportedly assured Australian Foreign Minister Penny Wong in June 2022 that there would be no persistent Chinese military presence in the Solomon Islands.¹³⁰

Congressional Interest

Congressional interest in Australia has focused on Australia's role as a key ally and trade partner of the United States. Australia also figures prominently in congressional oversight of the Administration's strategic policies toward the Indo-Pacific region and military construction in Australia. The bipartisan Friends of Australia Congressional Caucus also maintains an interest in bilateral relations with Australia.¹³¹ The co-chairs of the Japan, Australia and India Congressional Caucus stated in 2021 that

the Quad is taking critical steps to expand technological cooperation and military interoperability. In recent years, Japan, Australia, and India, along with countless other nations across the Indo-Pacific and beyond have all been the targets of attempted economic coercion from the People's Republic of China. The Quad is ideally positioned to build a blueprint for collective resilience against this type of aggression and assist others facing similar challenges.¹³²

An AUKUS Caucus Working Group was formed in 2022. The Working Group issued a press release welcoming the April 2022 update from the trilateral AUKUS partners.

The trilateral statement on the implementation of the AUKUS partnership is an encouraging update of the work done to date to translate that security agreement from a concept into real, tangible change.... The statement identifies key action components in the short-term focused on unmanned undersea capabilities and quantum computer technologies, AI, and hypersonics. For the long-term work on development of a nuclear-powered, conventionally armed submarine, the statement describes concrete steps to establish submarine basing, a nuclear-qualified workforce, and new submarine construction facility. The bipartisan AUKUS Working Group looks forward to connecting with key officials in the Administration and British and UK Embassies to sustain Congressional support for this critical effort.¹³³

¹³⁰ Eryk Bagshaw, "Sogavare Promises Wong No Persistent Chinese 'Military Presence' in Solomons," *Sydney Morning Herald*, June 17, 2022.

¹³¹ "Friends of Australia Caucus Lead Bicameral, Bipartisan Coalition in Pledging Support to Australia Amid Ongoing Bushfire Crisis," January 9, 2020.

¹³² Joaquin Castro, "Co-Chairs of Japan, Australia and India Congressional Caucuses Release Joint Statement on Heads of State Quad Summit," September 24, 2021.

¹³³ Congressman Joe Courtney, AUKUS Working Group Issues Statement as New Details of the Trilateral Defense Alliance Emerge," April 6, 2022.

Congress has a role in considering the transfer of sensitive nuclear technology for naval propulsion and may consider the implications of this for the United States' interests.

The Agreement between the UK and the USA for Cooperation in the Uses of Atomic Energy for Mutual Defence Purposes 1958, also known as the Mutual Defence Agreement (MDA), allows the United States and the UK to exchange nuclear materials, technology and information. It was the result of an amendment to post-war US non-proliferation law.¹³⁴

Australia is referenced in National Defense Authorization Acts and other legislation. In the 117th Congress, other recent passed and proposed legislation related to Australia includes

- S. 4718, the Australia-United States Submarine Officer Pipeline Act;
- S. 4404, the HARD ROCK Act of 2022, and H.Res. 1106, Expressing support for the Association of Southeast Asian Nations, its member states, and the United States-ASEAN Special Summit in Washington, DC, and reaffirming the commitment of the United States to continue to remain a strong, reliable, and active partner to ASEAN in the Indo-Pacific;
- S.Res. 611, A resolution expressing the sense of Congress that the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) continues to make an invaluable contribution to the United States and international security, and recognizing that the United States will seek a successful Ninth Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons;
- S. 3962, the Quad Critical Minerals Partnership Act, and H.Res. 994, Recognizing and reaffirming the strong relationship between the United States and the Pacific Islands;
- S. 2845, the Indo-Pacific Strategic Energy Initiative Act;
- S. 2792 the National Defense Authorization Act for Fiscal Year 2022;
- H.Res. 622, Commemorating the 70th anniversary of the signing of the Security Treaty among Australia, New Zealand, and the United States of America; and
- H.R. 3373, the Honoring OCEANIA Act, and H.R. 3524, the EAGLE Act.

¹³⁴ House of Commons Library, "UK-US Mutual Defence Agreement," October 20, 2014. For more information on nuclear aspects of AUKUS see CRS In Focus IF11999, *AUKUS Nuclear Cooperation*, by Paul K. Kerr and Mary Beth D. Nikitin.

Figure 2. Map of Australia

Source: Map prepared by Amber Wilhelm, CRS.

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Updated June 2, 2022

Australia

Overview

Australia is a key U.S. ally and trade and investment partner at a time of increasing geopolitical uncertainty in the Indo-Pacific. The United States and Australia enjoy close people-to-people, trade and investment, political, cultural, intelligence, defense, and alliance relations. In recent years, as Australia's relations with China have become strained, Australia and the United States have strengthened their partnership. This includes the announcement of the Australia, United Kingdom, United States (AUKUS) agreement, which will provide Australia with nuclear propulsion technology for its next generation submarines, and provides for the three countries to jointly develop advanced military technology and other capabilities. Australia's ties with the United States, Japan, and India have been boosted through the developing Quadrilateral Security Dialogue, known as the "Quad." In addition, Australia signed a reciprocal access agreement with Japan in January 2022 designed to facilitate closer defense cooperation between the two nations.

Background

Australia was first inhabited between 40,000 and 60,000 years ago. The Aboriginal population were hunter-gatherers with a complex spiritual culture focusing on creation myths, rituals, laws, and connections to ancestors and the Australian landscape. Captain James Cook claimed Australia for Britain in 1770, and in 1788 the first European settlement, largely made up of British convicts, was established. Australia evolved into a pastoral settler society based on sheep, wool, and minerals. Despite the centrality of the "bush" or the "outback" to the national myth, Australia more recently has evolved into an urbanized society. While geographically situated in the Indo-Pacific region, Australia continues to have deep cultural ties to Britain, the United States, and Europe.

Political Setting

Australia is an independent nation within the British Commonwealth. The Head of State is the ruling monarch of the United Kingdom, Queen Elizabeth II, who is represented in Australia by the Governor General Sir David Hurley. In practice, power is held by the Prime Minister and Cabinet, who are elected members of Parliament. Parliamentary elections must be held at least once every three years. The government can choose to call early elections. The Liberal-National Party Coalition and the Labor Party are the two main political forces in Australia. On May 21, Labor Party Leader Anthony Albanese defeated Scott Morrison of the Liberal Party to become Prime Minister of Australia. Labor won 77 of 151 seats in parliament as compared with the Coalition's 58 seats. Observers viewed voter desire for action on climate change as a decisive issue in the election, which also saw gains for the Green Party and "Teal" independent candidates.

Figure 1. Australia in Brief

<p>Government: Federal parliamentary democracy</p> <p>Head of State: Queen Elizabeth II is represented by Australian Governor General David Hurley</p> <p>Head of Government: Prime Minister Anthony Albanese</p> <p>Population: 26 million; 1.3% growth; 86% urban (2020 est.)</p> <p>Life expectancy: 82.9 years (2019 est.)</p> <p>Area: Slightly smaller than the contiguous 48 U.S. States</p> <p>GDP: Per capita \$61,093 with 3.3% growth (2022 est.)</p> <p>Natural Resources: Alumina, coal, iron ore, copper, tin, gold, silver, uranium, rare earth elements</p> <p>Exports / Destinations: Iron ore, coal, natural gas, gold, aluminum oxide, meat, wool, wheat / China 39.9%, Japan 12.1%, South Korea 6.3%, United States 5.2%</p> <p>Exchange Rate: A\$1.37 : US\$1 (1/13/22)</p>	
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Economics and Trade

Australia's economy is projected to rebound after setbacks due to the Coronavirus Disease 2019 (COVID-19) pandemic. Australian exports include raw materials, energy, agriculture, tourism, and education, with Australia among the world's top three exporters of resources and energy. China is Australia's largest two-way trade partner and accounts for approximately one-third of Australia's trade with the world. Although the Australia-China Free Trade Agreement came into force in 2015, China has restricted some imports from Australia. Despite this, Australian exports to China increased significantly in 2021. The Australia-United States Free Trade Agreement (AUSFTA) came into force in 2005. In 2020, the U.S. goods trade surplus with Australia totaled \$9 billion and the U.S. services trade surplus with Australia totaled \$9.3 billion. In 2019-2020, the United States was Australia's second largest two-way trade partner in goods and services, and the United States was the largest investor in Australia. The United States is Australia's largest foreign investment destination.

Strategic Outlook

For years, Australia's geopolitical context has been defined by its trade relationship with China and its strategic relationship with the United States. As tensions mounted in its relationship with China in recent years, Australia doubled down on its alliance with the United States and deepened strategic ties with Japan and other nations. Revelations regarding China's attempts to influence Australia's society and the broader region have had a negative impact on Australian perceptions of China. A 2021 poll found 63% of Australians believe China is "more of a security threat" while 34% felt China was "more of an economic partner." This is a significant reversal from 2018

when 82% felt China was “more of an economic partner” and 12% felt that China was “more of a security threat.”

Australia has undertaken a number of measures to counter China’s growing influence. In 2018, the Australian parliament passed new laws on espionage, foreign interference, and foreign influence, and the government of former Prime Minister Malcolm Turnbull blocked Huawei from participating in the country’s development of its 5G mobile network. Former Prime Minister Morrison signaled a key change in Australia’s defense posture with the 2020 Defence Strategic Update. Australian defense spending increased 6.1% in 2021 to reach AD\$44.6 billion, which put defense spending at 2.1% of GDP. Recent Australian governments have also responded to China’s outreach to the Pacific with renewed diplomatic engagement of their own.

Strategic Ties with the U.S. and Other Partners

Australia has been a U.S. treaty ally since the signing of the Australia-New Zealand-United States (ANZUS) Treaty in 1951. Australia sent troops to support the allied cause in the First and Second World Wars, and in the conflicts in Korea, Vietnam, Iraq, and Afghanistan. Former Prime Minister Howard invoked the ANZUS treaty to come to the assistance of the United States after the terrorist attacks of September 11, 2001. Australia is also a close U.S. intelligence partner through the “Five Eyes” group of nations, which also includes Canada, New Zealand, and the United Kingdom. U.S. Marines have been conducting regular rotational deployments in northern Australia since 2012. The ongoing strength of the defense relationship is also demonstrated through various bilateral and multilateral military exercises such as the Talisman Sabre, RIMPAC, and Malabar exercises. When asked in 2021 “How important is our alliance relationship with the United States for Australia’s security?” 78% of Australians polled responded that it was very important or fairly important.

AUKUS. In September 2021, the White House announced a new AUKUS trilateral security partnership. Some observers described the AUKUS security pact as the most significant security arrangement among the three nations in a generation. The pact focuses mostly on developing military capability, and opens the way for Australia to build nuclear-powered submarines. Australia reportedly plans to build approximately eight nuclear-powered submarines. Six nations currently operate nuclear-powered submarines. The United Kingdom, and now Australia, are the only nations with which the United States shares nuclear propulsion technology. The agreement will also reportedly facilitate further trilateral cooperation to enhance joint capabilities and interoperability. The pact is viewed as a significant collaboration on capability development.

AUSMIN 2021. The Australia-U.S. Ministerial (AUSMIN) consultations remain central to the bilateral relationship. U.S. Secretary of State Antony Blinken and Secretary of Defense Lloyd Austin hosted their Australian counterparts, former Foreign Affairs Minister Marise Payne and former Defense Minister Peter Dutton, in September 2021, for AUSMIN consultations at the Department of State. Their Joint Statement emphasized “shared values” and the need to “strengthen the rule-based international order,” language

that many observers interpreted as a reference to shared concerns about China’s growing influence and aggression in the Indo-Pacific. The Joint Statement welcomed enhanced trilateral security partnership through AUKUS and discussed AUKUS and Australia’s acquisition of nuclear powered submarines, enhanced force posture cooperation, and alliance integration among other issues.

Japan and the Reciprocal Access Agreement (RAA).

Australia has done much in recent years to develop its strategic relationship with Japan. Australia and Japan signed a Joint Declaration on Security Cooperation (JDSC) in 2007 and a Japan-Australia Economic Partnership Agreement in 2015. The JDSC established a regular 2+2 meeting of foreign and defense ministers. Australia and Japan also signed a Reciprocal Access Agreement in January 2022 that is intended to “facilitate implementation of cooperative activities between the defence forces of the two countries and further promote bilateral security and defense cooperation [and] pave the way for an enhanced contribution by Japan and Australia to the peace and stability of the Indo-Pacific region.”

The Quad. Australia has also been developing its strategic relations with like-minded democracies through the Quadrilateral Security Dialogue. The first-ever in-person Leader’s Summit of the Quad was held in Washington, DC, in September 2021. President Biden, former Prime Minister Morrison, Prime Minister Narendra Modi of India, and former Prime Minister Yoshihide Suga of Japan focused on COVID-19 and global health, infrastructure initiatives in the region, the climate crisis, people-to-people exchanges and education, critical and emerging technologies, cybersecurity, and space. The leaders recommitted to “promoting the free, open, rules-based order, rooted in international law and undaunted by coercion, to bolster security and prosperity in the Indo-Pacific and beyond.”

Climate Change

The election of Prime Minister Albanese will likely move Australia closer to the Biden Administration on climate policy. His Labor party campaigned on a pledge to reduce carbon emissions by 43% below 2005 levels by 2030 with a goal of net zero by 2050. Australia previously had committed to reducing greenhouse gas emissions by 26%-28% below 2005 levels by 2030, and the Morrison government had resisted pressure to set more ambitious targets. (The United States has set a target of 50%-52% reductions over 2005 levels in 2030.) The Green Party’s strong electoral showing may give it a significant role in the Senate, where seats are proportionally allocated, and important influence over climate-change legislation. Projections indicate Australia will continue to experience rising temperatures, more frequent floods, coral bleaching, ocean acidification, droughts, and bushfires as a consequence of climate change. Australia has one of the world’s highest levels of greenhouse gas emissions on a per capita basis and is also the world’s third-largest exporter of fossil fuels.

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IF10491

s 33(a)(i), s 33(a)(iii), s 33(b) - this page, together with the following pages (191 to 194) are exempt and have been removed.

s 22(1)(a)(ii)

s 22(1)(a)(ii)

Title: United States: Defence: FY24 National Defence Authorization Act
s 33(a)(iii)

MRN: s 22(1)(a)(ii)

To: Canberra

Cc: RR : Indo-Pacific Posts, USA Posts

From: Washington

From File:

EDRMS

Files:

References: s 22(1)(a)(ii)

Response: Routine, Information Only

s 22(1)(a)(ii)

Summary

Congress is now crafting the first versions of the FY24 NDAA, the massive annual bill that authorises US defence spending. s 33(a)(iii)

Following the publication of the President's Budget Request s 22(1)(a)(ii), Congress is now drafting the initial version of the Fiscal Year 2024 National Defense Authorization Act (NDAA). s 33(a)(i), s 33(a)(iii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 33(a)(i), s 33(a)(iii)

s 33(a)(i), s 33(a)(iii), s 33(b)

s 33(a)(i), s 33(a)(iii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 33(a)(i), s 33(a)(iii)

s 22(1)(a)(ii)

Document 45

s 33(a)(i), s 33(a)(ii), s 33(b) - this page, together with the following pages (201 to 204) are exempt and have been removed.

Title: United States: Defence: TORPEDO Act introduced
MRN: s 22(1)(a)(ii)
To: Canberra
Cc: RR : Europe Posts, Indo-Pacific Posts, USA Posts
From: Washington
From File:
EDRMS
Files:
References: s 22(1)(a)(ii)

The cable has the following attachment/s -
21508586.pdf

Response: Routine, Information Only

s 22(1)(a)(ii)

Summary

The Senate Foreign Relations Committee (SFRC) Republican minority has introduced the TORPEDO Act, an AUKUS bill that includes giving Australia and the UK an exemption to licensing requirements under the Arms Export Control Act. s 33(a)(iii)

As foreshadowed s 22(1)(a)(ii)), Congressional Republicans are introducing separate bills to ease US technology transfer laws for AUKUS countries to enable advanced capabilities cooperation and advance work underway for Pillar One. The Senate Foreign Relations Committee (SFRC) Republican minority have released their bill first, with the House Foreign Affairs Committee (HFAC) Republican majority not far behind.

The TORPEDO Act

2. On 4 May SFRC Ranking Member Jim Risch (R-Idaho) and Senator Bill Hagerty (R-Tennessee) introduced the Truncating Onerous Regulations For Partners And Enhancing Deterrence Operations Act, aka TORPEDO Act (attached). The bill argues that due to the threats from China, Russia, DPRK and Iran, the US must address its defence industrial base capacity limitations. Senator Risch directly tied this bill to US strategic competition with China, stating “the Biden administration’s implementation of AUKUS is not only failing to move at the speed of relevance given the China threat, but it is also evident both pillars of the agreement face major, structural challenges.” s 33(a)(iii)

s 33(a)(iii)

s 33(a)(iii), s 33(b)

s 33(a)(iii)

Arms Export Control Act reform

4. A key provision of the bill is an exemption for Australia and the UK from the licensing requirements of the Arms Export Control Act (AECA), using Section 38(j). It recognises US export control statute and regulations as overly cumbersome, and that Australian and UK protective security frameworks are “sufficiently comparable” to the US. It also seeks to improve Foreign Military Sales and information sharing processes. s 33(a)(i), s 33(a)(iii)

AUKUS Submarine Program elements

s 33(a)(i), s 33(a)(iii)

10. The bill includes the Administration’s language clarifying the US’ ability to provide training to Australian industry in support of AUKUS. s 33(a)(i), s 33(a)(iii)

s 33(a)(i), s 33(a)(iii), s 33(b)

s 33(a)(i), s 33(a)(iii)

s 22(1)(a)(ii)

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118TH CONGRESS
1ST SESSION**S.** _____

To bolster the AUKUS partnership, and for other purposes.

IN THE SENATE OF THE UNITED STATES_____
Mr. RISCH (for himself and Mr. HAGERTY) introduced the following bill; which
was read twice and referred to the Committee on _____
_____**A BILL**

To bolster the AUKUS partnership, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Truncating Onerous Regulations for Partners and En-
6 hancing Deterrence Operations (TORPEDO) Act of
7 2023”.

8 (b) **TABLE OF CONTENTS.**—The table of contents for
9 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Definitions.
- Sec. 3. Findings.
- Sec. 4. Statement of policy.
- Sec. 5. Department of State personnel and resources.

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- Sec. 6. Reporting requirements.
- Sec. 7. Exemption for license requirements for export of defense items to the United Kingdom and Australia.
- Sec. 8. United States Munitions List.
- Sec. 9. Open general license for the export, reexport, transfer, and retransfer of certain defense articles to Australia, Canada, and the United Kingdom under ITAR.
- Sec. 10. License exception for export, reexport, and in-country transfer of items on Commerce Control List to or between Australia, Canada, and the United Kingdom under Export Administration Regulations.
- Sec. 11. Treatment of national technology and industrial base as domestic source under Defense Production Act of 1950.
- Sec. 12. Expedited release of advanced technologies to Australia, Canada, and the United Kingdom through the Foreign Military Sales program.
- Sec. 13. Anticipatory disclosure policy for Australia, Canada, and the United Kingdom.
- Sec. 14. Report on AUKUS strategy.
- Sec. 15. Australia, United Kingdom, and United States submarine security training.

1 **SEC. 2. DEFINITIONS.**

2 In this Act:

3 (1) APPROPRIATE CONGRESSIONAL COMMIT-
4 TEES.—The term “appropriate congressional com-
5 mittees” means—

6 (A) the Committee on Foreign Relations,
7 the Committee on Appropriations, and the
8 Committee on Armed Services of the Senate;
9 and

10 (B) the Committee on Foreign Affairs, the
11 Committee on Appropriations, and the Com-
12 mittee on Armed Services of the House of Rep-
13 resentatives.

14 (2) AUKUS; AUKUS PARTNERSHIP.—The terms
15 “AUKUS” and “AUKUS partnership” means the

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1 trilateral security partnership between the United
2 States, the United Kingdom, and Australia, which
3 includes the following two pillars:

4 (A) Pillar One of AUKUS is focused on
5 developing a pathway for Australia to acquire
6 conventionally armed, nuclear powered sub-
7 marines.

8 (B) Pillar Two of AUKUS is focused on
9 enhancing trilateral collaboration on advanced
10 defense capabilities to include hypersonic and
11 counter hypersonic capabilities, quantum tech-
12 nologies, undersea technologies, and artificial
13 intelligence.

14 (3) AUKUS PARTNER.—The terms “AUKUS
15 partner” refers to a member of AUKUS.

16 (4) DEFENSE ARTICLE; DEFENSE SERVICE.—
17 The terms “defense article” and “defense service”
18 have the meanings given those terms in section 47
19 of the Arms Export Control Act (22 U.S.C. 2794).

20 **SEC. 3. FINDINGS.**

21 Congress makes the following findings:

22 (1) The United States has entered into a period
23 of intense strategic rivalry with China that includes
24 military competition on a scale unseen in genera-
25 tions.

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1 (2) The perpetuation of a military balance of
2 power in the Indo-Pacific favorable to the United
3 States and its allies and partners can no longer be
4 assumed as China continues to invest massive re-
5 sources in its military.

6 (3) China has undertaken a nuclear breakout,
7 fields the world's largest navy, and is fielding a fully
8 modernized air force.

9 (4) North Korea remains an urgent and gath-
10 ering threat as it fields an increasingly diverse and
11 advanced nuclear and missile force backed by a mas-
12 sive conventional army.

13 (5) Iran continues to pursue a nuclear weapons
14 capability while fomenting unrest in the Middle East
15 and beyond.

16 (6) While China remains the pacing threat for
17 the United States, Russia's unprovoked and brutal
18 invasion of Ukraine makes clear that multiple dissat-
19 isfied powers are coalescing into an informal bloc de-
20 signed to challenge the existing United States-led
21 global order.

22 (7) United States efforts to help Ukraine de-
23 fend itself against Russian aggression and strength-
24 en Taiwan's ability to resist the coercion of the Chi-
25 nese Communist Party have exposed the production

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1 constraints inherent in the United States defense in-
2 dustrial base.

3 (8) The capacity limitations of the United
4 States defense industrial base require urgent remedy
5 to include a renewed examination of burden sharing
6 roles with United States allies.

7 (9) To meet this comprehensive challenge to
8 American interests, we must act at the speed of rel-
9 evance to expand the resilience and capacity of our
10 defense industrial base. United States allies should
11 be full partners in this effort and the AUKUS part-
12 nership is a necessary first step to share the respon-
13 sibility of perpetuating the existing rules-based
14 order.

15 (10) The security partnership between Aus-
16 tralia, the United Kingdom, and the United States
17 (referred to as the “AUKUS partnership”) is meant
18 to bolster capability of the United States and allies
19 in the Indo-Pacific and beyond through technology
20 sharing, cooperation, and defense exports.

21 (11) The AUKUS partnership’s focus on con-
22 ventionally armed nuclear-powered submarines and
23 advanced capabilities, known respectively as Pillars
24 One and Two, rightly centers on cooperation at the
25 highest end of security and geostrategic competition.

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1 (12) Pillar One, while bold, is complex, highly
2 contingent and unlikely to produce additive sub-
3 marine capability in the Indo-Pacific until the
4 2030s.

5 (13) The Pillar One initiative will rely on the
6 expertise developed by the United State and United
7 Kingdom in operating their submarine fleets to
8 bring an Australian capability into service at the
9 earliest achievable date.

10 (14) Pillar Two proposes that AUKUS partners
11 will also deepen cooperation and integration on ad-
12 vanced defense technologies to include hypersonic
13 missiles, space technology, artificial intelligence,
14 quantum technologies and additional undersea capa-
15 bilities.

16 (15) Pillar Two, if executed with the vision de-
17 scribed by the three allies in the AUKUS announce-
18 ment of September 2021, offers the potential to
19 produce meaningful capability and increase indus-
20 trial capacity during the current decade.

21 (16) Pillar Two can also expand and build resil-
22 ience across the supply chain of the AUKUS part-
23 ners.

24 (17) However, certain statutory components of
25 the United States export control and regulatory sys-

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1 tem are overly cumbersome for industries in the
2 United States, Australia, and the United Kingdom,
3 delaying and complicating the United States from
4 achieving national security objectives at the speed of
5 relevance.

6 (18) Australia and the United Kingdom have
7 legal, regulatory, and technology control regimes
8 that are sufficiently comparable to those of the
9 United States.

10 (19) United States technology controls and ex-
11 port licensing decisions must balance the relatively
12 low risk of compromise that exists across all three
13 AUKUS partners regulatory regimes against the re-
14 quirements to respond at the speed of relevance to
15 the rapid military advances made by the Chinese
16 People's Liberation Army.

17 (20) In order to implement the AUKUS agree-
18 ment and realize the value of increased cooperation
19 between the United States, the United Kingdom,
20 and Australia, the United States must ensure co-
21 operation is fostered, not inhibited, by the United
22 States regulatory system.

23 (21) The United States export control system,
24 encompassing both the International Traffic and
25 Arms Regulations and the Export Administration

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1 Regulations, is largely based on a bilateral govern-
2 ment-to-government relationship, is not optimized
3 for a trilateral arrangement, and must reflect the
4 new era of allied partnership continuing evolution of
5 United States export control regulation.

6 (22) The Department of State, in concert with
7 the Department of Defense, the Department of
8 Commerce, and other relevant United States agen-
9 cies, should clearly communicate to our AUKUS
10 partners any United States requirements to address
11 matters related to the technology security and export
12 control measures of Australia and the United King-
13 dom.

14 (23) Further, the Department of State, in con-
15 cert with the Department of Defense, the Depart-
16 ment of Commerce, and other relevant United States
17 agencies, should work to reduce barriers to defense
18 innovation, cooperation, trade, production, and
19 sustainment with the governments and industry
20 partners of the United Kingdom and Australia.

21 (24) These barriers include the overuse of “no
22 foreign nationals” (NOFORN) and Controlled Un-
23 classified Information (CUI) determinations that in-
24 hibit collaboration among AUKUS partners in deter-
25 mining requirements, design, development, acquisi-

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1 tion, testing, operation, and sustainment of capabili-
2 ties designed to be interoperable.

3 (25) The successful implementation of the
4 AUKUS partnership requires regulatory and licens-
5 ing changes on the part of all AUKUS partner coun-
6 tries and the continued enhancement of the export
7 control and technology security regimes of all three
8 nations.

9 (26) If AUKUS realizes its potential, it will set
10 a precedent and incentivize similar agreements with
11 other close United States allies, which will be nec-
12 essary if we are to prevail in the long-term competi-
13 tion with China, Russia and its partners.

14 **SEC. 4. STATEMENT OF POLICY.**

15 It is the policy of the United States—

16 (1) to support a transformation and expansion
17 of our already close cooperation on a range of de-
18 fense and security issues with the United Kingdom
19 and Australia, including enhancing cooperation in
20 the development and fielding of advanced commer-
21 cial and defense capabilities and in pursuing deeper
22 integration of our defense industrial bases and sup-
23 porting supply chains;

24 (2) to use AUKUS to enhance trilateral co-
25 operation across the submarine fleets of the partner

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1 countries and to support Australian efforts to ac-
2 quire nuclear-powered submarines for the Royal
3 Australian Navy;

4 (3) to reassess, and as needed revise, existing
5 regulatory and legal regimes, to include licensing,
6 technology release and contracting procedures to
7 meet the objectives outlined in the September 15,
8 2021, announcement of the AUKUS partnership;

9 (4) to reinvigorate burden sharing with United
10 States allies as a key component of adopting a sus-
11 tainable long-term strategy to compete with China,
12 Russia, and other revanchist dissatisfied powers; and
13 (5) to modernize the United States export con-
14 trol system to reflect the new era of cooperation with
15 partners and allies, incorporating commercial and
16 defense technology that preserve, and enhance our
17 way of life.

18 **SEC. 5. DEPARTMENT OF STATE PERSONNEL AND RE-**
19 **SOURCES.**

20 (a) SENIOR ADVISOR AT THE STATE DEPARTMENT
21 FOR AUKUS.—

22 (1) DESIGNATION.—The Secretary of State
23 shall appoint a senior advisor at the Department of
24 State to oversee and coordinate the implementation
25 of the AUKUS agreement by the Department of

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1 State (referred to in this Act as the “Senior Advisor”).
2

3 (2) REPORTING.—The senior advisor shall report directly to the Secretary of State.
4

5 (3) RESPONSIBILITIES.—It shall be the responsibility of the senior advisor—
6

7 (A) to coordinate AUKUS implementation between relevant Department of State bureaus, directorates, and offices;
8
9

10 (B) to represent the Department of State on matters relating to AUKUS in the inter-agency process;
11
12

13 (C) to engage with relevant government and industry entities in the United Kingdom and Australia; and
14
15

16 (D) to issue guidance, including promulgating regulations, in order to reduce barriers to defense collaboration, innovation, trade, and production with the Governments and industry partners of the United States, United Kingdom, and Australia.
17
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22 (4) SALARY.—The annual salary of the senior advisor described in this section shall not exceed salaries authorized in the Office of Personnel Management’s Executive pay scale.
23
24
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1 (b) DIRECTORATE OF DEFENSE TRADE CONTROLS

2 STAFFING.—Section 45 of the State Department Basic

3 Authorities Act of 1956 (22 U.S.C. 2717) is amended—

4 (1) in the first sentence, by striking “100 per-
5 cent of the registration fees collected by the Office
6 of Defense Trade Controls of the Department of
7 State” and inserting “100 percent of the defense
8 trade control registration fees collected by the De-
9 partment of State”;

10 (2) in the second sentence, by inserting “man-
11 agement, licensing, compliance, and policy activities
12 in the defense trade controls function, including”
13 after “incurred for”;

14 (3) in paragraph (1), by striking “contract per-
15 sonnel to assist in”;

16 (4) in paragraph (2), by striking “; and” and
17 inserting a semicolon;

18 (5) in paragraph (3), by striking the period at
19 the end and inserting “; and”; and

20 (6) by adding at the end the following new
21 paragraphs:

22 “(4) the facilitation of defense trade policy de-
23 velopment, implementation, and cooperation with a
24 specific focus on Canada, Australia, and the United
25 Kingdom, review of commodity jurisdiction deter-

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1 minations, outreach to United States industry and
2 foreign parties, and analysis of scientific and techno-
3 logical developments as they relate to the exercise of
4 defense trade control authorities; and

5 “(5) contract personnel to assist in such activi-
6 ties.”.

7 **SEC. 6. REPORTING REQUIREMENTS.**

8 (a) REPORT ON DEPARTMENT OF STATE IMPLEMEN-
9 TATION OF PARTNERSHIP.—

10 (1) IN GENERAL.—Not later than 90 days after
11 the date of the enactment of this Act, the Secretary
12 of State, in coordination with the Secretary of De-
13 fense and, as appropriate, the Secretary of Com-
14 merce and the Secretary of Energy, shall submit to
15 the appropriate congressional committees a report
16 on efforts of the Department of State to implement
17 the AUKUS partnership.

18 (2) ELEMENTS.—The report required under
19 paragraph (1) shall include the following elements:

20 (A) Regarding the achievement of Phase
21 One goals for of the Optimal Pathway for
22 AUKUS Pillar One for each of calendar years
23 2023, 2024, 2025, 2026, and 2027, the fol-
24 lowing:

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1 (i) A description of progress by the
2 Government of Australia in negotiating an
3 Article 14 Arrangement with the Inter-
4 national Atomic Energy Agency.

5 (ii) A description of the status of ef-
6 forts by the Government of Australia to
7 build the supporting infrastructure to base
8 conventionally armed nuclear powered at-
9 tack submarines.

10 (iii) Updates on the efforts by the
11 Government of Australia to train a work-
12 force that can build, sustain, and operate
13 conventionally armed nuclear powered at-
14 tack submarines.

15 (iv) A description of progress by the
16 Government of Australia in building a new
17 submarine facility to support the basing
18 and disposition of a nuclear attack sub-
19 marine on the east coast of Australia.

20 (v) The number of Australian per-
21 sonnel embedded on United States Navy
22 ships during Phase One of the Optimal
23 Pathway.

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1 (vi) A description of progress in estab-
2 lishing basing to support submarine rota-
3 tional forces in western Australia by 2027.

4 (vii) A description of how the United
5 States plans to provide up to five Virginia
6 Class submarines to Australia by the early
7 to mid-2030's.

8 (viii) A strategy for AUKUS partners
9 to integrate newly built SSN-AUKUS sub-
10 marines and five United States Virginia
11 Class submarines into a single, cohesive
12 fleet.

13 (ix) A detailed assessment of how
14 Australia's sovereign conventionally armed
15 nuclear attack submarines contribute to
16 United States defense and deterrence ob-
17 jectives in the Indo-Pacific region.

18 (B) For each of the calendar years 2021
19 and 2022—

20 (i) the average and median times for
21 the United States Government to review
22 applications for licenses, disaggregated by
23 license type and other agreements, to ex-
24 port defense articles or defense services to
25 persons, corporations, and the governments

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1 (including agencies and subdivisions of
2 such governments, including official mis-
3 sions of such governments) of Australia
4 and the United Kingdom;

5 (ii) the number of applications from
6 Australia and the United Kingdom for li-
7 censes to export defense articles and de-
8 fense services that were denied, returned
9 without action, or approved with provisos,
10 listed by year;

11 (iii) the average and median times for
12 the United States Government to review
13 applications from Australia and the United
14 Kingdom for foreign military sales begin-
15 ning from the date Australia or the United
16 Kingdom submitted a letter of request that
17 resulted in a letter of acceptance; and

18 (iv) the number of requests from Aus-
19 tralia and the United Kingdom for foreign
20 military sales that were denied.

21 (C) A list of relevant United States laws,
22 regulations, and treaties and other international
23 agreements to which the United States is a
24 party that govern authorizations to export de-

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1 fense articles or defense services that are re-
2 quired to implement the AUKUS partnership.

3 (D) An assessment of key recommenda-
4 tions the United States Government has pro-
5 vided to the Governments of Australia and the
6 United Kingdom to revise laws, regulations, and
7 policies of such countries that are required to
8 implement the AUKUS partnership.

9 (E) An assessment of—

10 (i) recommended improvements to ex-
11 port control laws and regulations of Aus-
12 tralia, the United Kingdom, and the
13 United States that such countries should
14 make to implement the AUKUS partner-
15 ship and to otherwise meet the require-
16 ments of section 38(j)(2) of the Arms Ex-
17 port Control Act (22 U.S.C. 2778(j)(2));
18 and

19 (ii) the challenges the Governments of
20 Australia and the United Kingdom have
21 conveyed in meeting these requirements,
22 including with respect to sensitive defense
23 technology security controls.

24 (b) REPORT ON INTERAGENCY ACTIONS.—

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1 (1) IN GENERAL.—Not later than 90 days after
2 the date of the enactment of this Act, the Secretary
3 of State, in coordination with the Secretary of De-
4 fense, the Secretary of Energy, and the Secretary of
5 Commerce, shall submit to the appropriate congress-
6 sional committees a report on actions taken at the
7 interagency level to implement the advanced capa-
8 bilities pillar of the AUKUS agreement.

9 (2) ELEMENTS.—The report required under
10 paragraph (1) shall include the following elements:

11 (A) A description of changes to the Inter-
12 national Traffic in Regulations (ITAR) and the
13 United States export control regime that are
14 necessary to implement the AUKUS agreement
15 and to permit AUKUS member states and Can-
16 ada to exchange defense items at classified and
17 unclassified levels.

18 (B) A plan for reducing barriers and im-
19 plementing the changes as described in ITAR,
20 including a description of any changes that will
21 require new authorities from Congress.

22 (C) A description of the progress the De-
23 partment of Defense, the Department of En-
24 ergy, and the Department of Commerce have

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1 made in implementing any changes as described
2 in subparagraphs (A) and (B).

3 (D) A list of actions the Departments have
4 requested the Governments of the United King-
5 dom and Australia to take in order to amend
6 their export control systems in a way that is
7 comparable to that of the United States.

8 (E) An assessment of the efforts of
9 AUKUS partners to enhance collaboration
10 across the following eight trilateral Lines of Ef-
11 fort:

12 (i) Undersea capabilities.

13 (ii) Quantum technologies.

14 (iii) Artificial Intelligence and auton-
15 omy.

16 (iv) Advanced cyber capabilities.

17 (v) Hypersonic and counter-hypersonic
18 capabilities.

19 (vi) Electronic warfare.

20 (vii) Innovation.

21 (viii) Information sharing.

22 (F) An annex describing the content and
23 timing of consultations amongst AUKUS part-
24 ners on Pillar One and for the eight Lines of
25 Effort in Pillar Two.

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1 (c) BRIEFING.—Not later than 90 days after the date
2 of enactment of this Act, and annually thereafter for 7
3 years, the President shall provide a briefing to the appro-
4 priate congressional committees regarding the status of
5 AUKUS implementation across both pillars and on all
6 lines of effort.

7 **SEC. 7. EXEMPTION FOR LICENSE REQUIREMENTS FOR EX-**
8 **PORT OF DEFENSE ITEMS TO THE UNITED**
9 **KINGDOM AND AUSTRALIA.**

10 Section 38(j)(1) of the Arms Export Control Act (22
11 U.S.C. 2778(j)(1)) is amended—

12 (1) in subparagraph (B)—

13 (A) in the subsection heading, by inserting
14 “, THE UNITED KINGDOM, AND AUSTRALIA”
15 after “CANADA”; and

16 (B) by inserting “, the United Kingdom, or
17 Australia” after “Canada”; and

18 (2) in subparagraph (C)—

19 (A) by striking “TREATIES.—” and all that
20 follows through “(i) IN GENERAL.—The re-
21 quirement” and inserting “TREATIES.—The re-
22 quirement”;

23 (B) by striking clause (ii); and

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1 (C) by redesignating subclauses (I) and
2 (II) as clauses (i) and (ii) and moving such
3 clauses, as so redesignated, two ems to the left.

4 **SEC. 8. UNITED STATES MUNITIONS LIST.**

5 (a) EXEMPTION FOR THE GOVERNMENTS OF THE
6 UNITED KINGDOM AND AUSTRALIA FROM CERTIFI-
7 CATION AND CONGRESSIONAL NOTIFICATION REQUIRE-
8 MENTS APPLICABLE TO CERTAIN TRANSFERS.—Section
9 38(f)(3) of the Arms Export Control Act (22 U.S.C.
10 2778(f)(3)) is amended by inserting “, the United King-
11 dom, or Australia” after “Canada”.

12 (b) UNITED STATES MUNITIONS LIST PERIODIC RE-
13 VIEWS.—

14 (1) IN GENERAL.—The Secretary of State, act-
15 ing through authority delegated by the President to
16 carry out period reviews of items on the United
17 States Munitions List under subsection (f) of section
18 38 of the Arms Export Control Act (22 U.S.C.
19 2778) and in coordination with the Secretary of De-
20 fense, the Secretary of Energy, the Secretary of
21 Commerce, and the Director of the Office of Man-
22 agement and Budget, shall carry out such reviews
23 not less than every 2 years.

24 (2) SCOPE.—The periodic reviews described
25 under paragraph (1) shall focus on interagency re-

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1 sources to address current threats faced by the
2 United States, the evolving technological and eco-
3 nomic landscape, and the widespread availability of
4 certain technologies and items on the United States
5 Munitions List.

6 (3) CONSULTATION.—The periodic reviews de-
7 scribed under paragraph (1) shall be conducted in
8 coordination with the Defense Trade Advisory Group
9 (DTAG), who shall provide relevant industry exper-
10 tise and recommendations for improvements to fa-
11 cilitate cooperation.

12 **SEC. 9. OPEN GENERAL LICENSE FOR THE EXPORT, REEX-**
13 **PORT, TRANSFER, AND RETRANSFER OF CER-**
14 **TAIN DEFENSE ARTICLES TO AUSTRALIA,**
15 **CANADA, AND THE UNITED KINGDOM UNDER**
16 **ITAR.**

17 (a) IN GENERAL.—Not later than 90 days after the
18 date of the enactment of this Act, the Secretary of State
19 shall publish in the Federal Register a notice of proposed
20 rulemaking relating to amending the International Traffic
21 in Arms Regulations (ITAR) to establish a Final Rule es-
22 tablishing an Open General Export License for export, re-
23 export, transfer, and retransfer of certain defense articles
24 and services to or between the United States, Australia,
25 Canada, and the United Kingdom. The Open General Li-

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1 cense shall be available for exports, reexports, transfers,
2 and retransfers of defense articles and services between
3 or among—

4 (1) the Government of Australia;

5 (2) the Government of Canada;

6 (3) the Government of the United Kingdom;

7 (4) members of the Australian Community as
8 defined in part 126.16(d) of the ITAR, at all loca-
9 tions in Australia;

10 (5) members of the United Kingdom Commu-
11 nity as defined in part 126.17(d) of the ITAR, at all
12 locations in the United Kingdom; and

13 (6) Canadian-registered persons as defined in
14 part 126.5(b) of the ITAR.

15 (b) APPLICABLE REQUIREMENTS AND LIMITA-
16 TIONS.—The export, reexport, transfer, or retransfer of
17 any unclassified defense article pursuant to subsection (a)
18 to any of the parties listed in such subsection shall be sub-
19 ject to the following requirements and limitations:

20 (1) Compliance with the requirements of part
21 123.9(b) of the ITAR.

22 (2) Maintenance of the following records with
23 respect to each export, reexport, transfer, and re-
24 transfer:

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1 (A) A description of the defense article or
2 service, including technical data.

3 (B) The name and address of the recipient
4 and the end-user, and other available contract
5 information.

6 (C) The name of the person responsible for
7 the transaction.

8 (D) The stated end use of the defense arti-
9 cle.

10 (E) The date of the transaction.

11 (F) The method of transfer.

12 (3) Ensuring that such records are made avail-
13 able upon request to the Directorate of Defense
14 Trade Controls (DDTC) of the Department of State.

15 (4) Defense articles may not be exported, reex-
16 ported, transferred, or retransferred under the li-
17 censes under subsection (a) if they will be used to
18 support the design, development, engineering, manu-
19 facture, production, assembly, testing, repair, main-
20 tenance, modification, operation, destruction or proc-
21 essing of missile or space launch vehicles listed as
22 missile technology on the United States Munitions
23 List (USML) maintained under part 121 of the
24 ITAR.

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1 (5) The export, reexport, transfer, or retransfer
2 must take place wholly within or between the phys-
3 ical territory of Australia, Canada, or the United
4 Kingdom and the United States except for the pur-
5 poses of maintenance, repair, replacement, or over-
6 haul.

7 (6) Any export, reexport, transfer, or retransfer
8 of a defense article other than technical data shall
9 be for end use by, or operation on behalf of, the
10 Government of Australia, the Government of Can-
11 ada, the Government of the United Kingdom, or the
12 Government of the United States.

13 (7) A license issued pursuant to subsection (a)
14 may not be utilized by persons to whom a presump-
15 tion of denial is applied by DDTC pursuant to parts
16 120.1(c) or 127.11(a) of the ITAR, including,
17 among other reasons, for past convictions of certain
18 United States criminal statutes or because the per-
19 sons are otherwise ineligible to contract with or re-
20 ceive an export or import license from an agency of
21 the United States Government.

22 (8) No exporter may use a license issued pursu-
23 ant to subsection (a) to export, reexport, transfer,
24 retransfer, or otherwise provide defense articles, de-
25 fense services, or technical data to any foreign per-

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1 son subject to any United States sanctions as ad-
2 ministered by the Office of Foreign Assets Control
3 (OFAC), subject to any embargo maintained by the
4 United States, or otherwise ineligible to receive de-
5 fense articles, defense services, or technical data
6 under ITAR license or authorizations.

7 (c) CONGRESSIONAL NOTIFICATION.—The export, re-
8 export, transfer, or retransfer pursuant to subsection (a)
9 of any major defense equipment (as defined in part 120.8
10 of the ITAR) valued (in terms of its original acquisition
11 cost) at \$25,000,000 or more or any defense article or
12 related training or other defense service valued (in terms
13 of its original acquisition cost) at \$100,000,000 or more
14 shall be notified to Congress for a 15 day formal review
15 period as outlined in the Arms Export Control Act (22
16 U.S.C. 2751 et seq.).

17 **SEC. 10. LICENSE EXCEPTION FOR EXPORT, REEXPORT,**
18 **AND IN-COUNTRY TRANSFER OF ITEMS ON**
19 **COMMERCE CONTROL LIST TO OR BETWEEN**
20 **AUSTRALIA, CANADA, AND THE UNITED KING-**
21 **DOM UNDER EXPORT ADMINISTRATION REG-**
22 **ULATIONS.**

23 (a) IN GENERAL.—Not later than 90 days after the
24 date of the enactment of this Act, the Secretary of Com-
25 merce shall publish in the Federal Register a notice of

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1 proposed rulemaking relating to amending the Export Ad-
2 ministration Regulations to establish a license exception
3 for the export, reexport, and in-country transfer of items
4 on the Commerce Control List to or between covered per-
5 sons in Australia, Canada, and the United Kingdom.

6 (b) REQUIREMENTS.—A person that exports, reex-
7 ports, or in-country transfers an item on the Commerce
8 Control List under the license exception established under
9 subsection (a), and a recipient of such an item, shall—

10 (1) comply with all applicable requirements of
11 the Export Administration Regulations;

12 (2) maintain, for each such export, reexport, or
13 in-country transfer, a record of—

14 (A) the exporter;

15 (B) a description of the item, including
16 technology

17 (C) the name and address, and other avail-
18 able contact information, of the recipient and
19 the end-user of the item;

20 (D) the name of the person responsible for
21 the transaction;

22 (E) the stated end use of the item;

23 (F) the date of the transaction; and

24 (G) the method of transfer; and

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1 (3) ensure that such records are made avail-
2 able, upon request, to the Under Secretary of Com-
3 merce for Industry and Security.

4 (c) LIMITATIONS.—

5 (1) LIMITATION ON REEXPORTS THROUGH
6 THIRD COUNTRIES.—The export, reexport, or in-
7 country transfer of an item under the license excep-
8 tion established under subsection (a) is required to
9 take place wholly within or between the physical ter-
10 ritory of Australia, Canada, the United Kingdom, or
11 the United States, except for the export, reexport, or
12 in-country transfer of such an item for the purposes
13 of maintenance, repair, replacement, or overhaul.

14 (2) PROHIBITION ON EXPORTS TO RESTRICTED
15 PERSONS.—An item may not be exported, reex-
16 ported, or in-country transferred under the license
17 exception established under subsection (a) to any
18 foreign person—

19 (A) with respect to which sanctions have
20 been imposed by the Office of Foreign Assets
21 Control of the Department of the Treasury;

22 (B) on any restricted parties list;

23 (C) subject to any embargo maintained by
24 the United States; or

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1 (D) that is otherwise ineligible to receive
2 controlled dual-use or commercial articles or
3 technology on the Commerce Control List.

4 (d) DEFINITIONS.—In this section:

5 (1) COMMERCE CONTROL LIST.—The term
6 “Commerce Control List” means the list maintained
7 by the Bureau of Industry and Security of the De-
8 partment of Commerce and set forth in Supplement
9 No. 1 to part 774 of the Export Administration
10 Regulations.

11 (2) COVERED PERSON.—

12 (A) IN GENERAL.—Except as provided by
13 subparagraph (B), the term “covered person”
14 means—

15 (i) the government of Australia, Can-
16 ada, or the United Kingdom;

17 (ii) a citizen or national of Australia,
18 Canada, or the United Kingdom; or

19 (iii) an entity organized under the
20 laws of, or otherwise subject to the juris-
21 diction of, Australia, Canada, or the
22 United Kingdom.

23 (B) EXCLUSIONS.—The term “covered per-
24 son” does not include any person on any a re-
25 stricted parties list.

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1 (3) RESTRICTED PARTIES LIST.—The term “re-
2 stricted parties list” means any of the following lists
3 maintained by the Bureau of Industry and Security:

4 (A) The Entity List set forth in Supple-
5 ment No. 4 to part 744 of the Export Adminis-
6 tration Regulations.

7 (B) The Military End-User List set forth
8 in Supplement No. 7 to part 744 of the Export
9 Administration Regulations.

10 (C) The Denied Persons List maintained
11 pursuant to section 764.3(a)(2) of the Export
12 Administration Regulations.

13 (D) The Unverified List set forth in Sup-
14 plement No. 6 to part 744 of the Export Ad-
15 ministration Regulations.

16 (4) OTHER TERMS.—The terms “export”, “Ex-
17 port Administration Regulations”, “in-country trans-
18 fer”, “item”, and “reexport” have the meanings
19 given those terms in section 1742 of the Export
20 Control Reform Act of 2018 (50 U.S.C. 4801).

21 **SEC. 11. TREATMENT OF NATIONAL TECHNOLOGY AND IN-**
22 **DUSTRIAL BASE AS DOMESTIC SOURCE**
23 **UNDER DEFENSE PRODUCTION ACT OF 1950.**

24 Section 702(7)(A) of the Defense Production Act of
25 1950 (50 U.S.C. 4552(7)(A)) is amended by striking

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1 “Canada” and inserting “a country of the national tech-
2 nology and industrial base (as defined in section 4801 of
3 title 10, United States Code)”.

4 **SEC. 12. EXPEDITED RELEASE OF ADVANCED TECH-**
5 **NOLOGIES TO AUSTRALIA, CANADA, AND THE**
6 **UNITED KINGDOM THROUGH THE FOREIGN**
7 **MILITARY SALES PROGRAM.**

8 (a) PRECLEARANCE OF CERTAIN MILITARY SALES
9 ITEMS.—

10 (1) IN GENERAL.—Not later than 90 days after
11 the date of the enactment of this Act, and annually
12 thereafter, the Secretary of State, in coordination
13 with the Secretary of Defense, and in conjunction
14 with coordinating entities such as the National Dis-
15 closure Policy Committee, the Arms Transfer and
16 Technology Release Senior Steering Group, and
17 other appropriate entities, shall compile a list of
18 available and emerging military platforms, tech-
19 nologies, and equipment that are pre-cleared and
20 prioritized for sale and release to Australia, Canada,
21 and the United Kingdom through the Foreign Mili-
22 tary Sales program.

23 (2) RULES OF CONSTRUCTION REGARDING SE-
24 LECTION OF ITEMS.—

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1 (A) NO LIMITATION ON FOREIGN MILITARY
2 SALES PROGRAM ACTIVITIES.—The list com-
3 piled pursuant to paragraph (1) shall not be
4 construed as limiting the type, timing, or quan-
5 tity of items that may be requested by, or sold
6 to, Australia, the United Kingdom, and Canada
7 under the Foreign Military Sales program.

8 (B) CONGRESSIONAL NOTIFICATION RE-
9 QUIREMENTS.—Nothing in this Act shall be
10 construed to supersede congressional notifica-
11 tion requirements under the Arms Export Con-
12 trol Act (22 U.S.C. 2751 et. seq.).

13 (b) EXPEDITED PROCESSING OF FOREIGN MILITARY
14 SALES REQUESTS.—The Secretary of State and the Sec-
15 retary of Defense shall expedite the processing of requests
16 of Australia, the United Kingdom, and Canada under the
17 Foreign Military Sales program.

18 (c) RELEASE POLICY FOR AUSTRALIA, CANADA, AND
19 THE UNITED KINGDOM.—The Secretary of State, in con-
20 sultation with the Secretary of Defense, shall create an
21 anticipatory release policy for key Foreign Military Sales
22 capabilities for Australia, the United Kingdom, and Can-
23 ada. Review of these capabilities for releasability shall be
24 subject to a “fast track” decision making-process with a

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1 presumption of approval. The capabilities subject to this
2 policy should include—

3 (1) Pillar One technologies associated with sub-
4 marine and associated combat systems; and

5 (2) Pillar Two technologies, including
6 hypersonic missiles, cyber capabilities, artificial intel-
7 ligence, quantum technologies, and undersea capa-
8 bilities, and other advanced technologies.

9 (d) INTERAGENCY POLICY.—The Secretary of State
10 and the Secretary of Defense shall jointly review and up-
11 date interagency policies and implementation guidance re-
12 lated to Foreign Military Sales requests, including incor-
13 porating the anticipatory release provisions of this section.

14 **SEC. 13. ANTICIPATORY DISCLOSURE POLICY FOR AUS-**
15 **TRALIA, CANADA, AND THE UNITED KING-**
16 **DOM.**

17 The Secretary of Defense, in consultation with the
18 Secretary of State, shall direct the National Disclosure
19 Policy Committee (NDPC) to adopt a classification cat-
20 egory for the purposes of anticipatory disclosure policy to
21 facilitate information sharing on Pillar One, Pillar Two,
22 and other critical technologies for Australia, Canada, and
23 the United Kingdom.

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1 SEC. 14. REPORT ON AUKUS STRATEGY.

2 (a) IN GENERAL.—Not later than 180 days after the
3 date of the enactment of this Act, the Secretary of Defense
4 and the Secretary of State shall submit a report to the
5 appropriate congressional committees an AUKUS strategy
6 identifying .

7 (b) ELEMENTS.—The strategy required under sub-
8 section (a) shall include the following elements:

9 (1) An identification of the defensive military
10 capability gaps and capacity shortfalls that AUKUS
11 seeks to offset.

12 (2) An explanation of the total cost associated
13 with Pillar One of AUKUS and the operational ra-
14 tionale for Australia's acquisition of nuclear sub-
15 marines.

16 (3) An assessment of possible opportunity costs
17 for other defense capabilities associated with invest-
18 ing in the SSN-AUKUS program.

19 (4) A detailed explanation of how the Aus-
20 tralian industrial base will contribute to strength-
21 ening the United States strategic position in Asia.

22 (5) A detailed explanation of the military and
23 strategic benefit provided by the improved access
24 provided by Australian naval bases.

25 (6) An assessment of how sovereign United
26 Kingdom and Australian submarines contribute to

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1 the achievement of United States military objectives
2 as defined in United States strategy and planning
3 documents.

4 (7) A net assessment contrasting the invest-
5 ments the Government of the People's Republic of
6 China is making in its submarine, hypersonic mis-
7 sile, and unmanned antisubmarine technologies rel-
8 ative to that of the AUKUS partners.

9 **SEC. 15. AUSTRALIA, UNITED KINGDOM, AND UNITED**
10 **STATES SUBMARINE SECURITY TRAINING.**

11 (a) IN GENERAL.—The President may transfer or
12 authorize export of defense services to the Government of
13 Australia under the Arms Export Control Act (22 U.S.C.
14 2751 et seq.) that may also be directly exported to Aus-
15 tralian private sector personnel to support the develop-
16 ment of the Australian submarine industrial base nec-
17 essary for submarine security activities between Australia,
18 the United Kingdom, and the United States, including
19 where such private-sector personnel are not officers, em-
20 ployees, or agents of the Government of Australia.

21 (b) APPLICATION OF REQUIREMENTS FOR FURTHER
22 TRANSFER.—Any transfer of defense services to the Gov-
23 ernment of Australia pursuant to subsection (a) to persons
24 other than those directly provided such defense services
25 pursuant to such subsection shall only be made in accord-

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1 ance with the requirements of the Arms Export Control

2 Act (22 U.S.C. 2751 et seq.).

s 33(a)(i), s 33(a)(iii), s 33(b) - this page, together with the following pages (247 to 250) are exempt and have been removed.

Title: United States: Congress - Ambassador's introductory calls s 33(a)(iii), s 33(b)

MRN: s 22(1)(a)(ii)

To: Canberra

Cc: RR : Americas Posts, Europe Posts, Indo-Pacific Posts, Middle East Posts

From: Washington

From File:

EDRMS

Files:

References: s 22(1)(a)(ii)

Response: Routine, Information Only

s 22(1)(a)(ii)

Summary

Ambassador Rudd's introductory calls on s 33(a)(iii), s 33(b)

s 33(a)(iii), s 33(b)

s 33(a)(i), s 33(a)(iii), s 33(b)

s 22(1)(a)(ii)

s 33(a)(i), s
33(a)(iii), s
33(b)

s 33(a)(iii), s 33(b)

s 33(a)(iii), s 33(b)

s 22(1)(a)(ii)

s 33(a)(iii), s 33(b)

s 33(a)(iii), s 33(b)

17. Drafted in consultation with Defence at Post.

s 22(1)(a)(ii)

Title: United States: House Foreign Affairs Committee 24 May AUKUS and Arms Exports hearing

MRN: s 22(1)(a)(ii)

To: Canberra

Cc: RR : Europe Posts, Indo-Pacific Posts, USA Posts

From: Washington

From File:

EDRMS

Files:

References: s 22(1)(a)(ii)

The cable has the following attachment/s -
House Foreign Affairs Committee hearing Modernizing U.S. Arms Exports and a Stronger AUKUS.docx

Response: Routine, Information Only

s 22(1)(a)(ii)

At a 24 May House Foreign Affairs Committee hearing, senior State and Defense officials provided a ringing endorsement of AUKUS and emphasised the need to move quickly to enable implementation, including passing AUKUS submarine related legislation. They highlighted the strength of the US-Australia alliance, and pushed back on suggestions that Australia's protective security regime was deficient. They outlined plans for legislative changes to better enable technology transfer. s 22(1)(a)(ii)

On 24 May the House Foreign Affairs Committee (HFAC) held a hearing titled 'Modernizing U.S. Arms Exports and a Stronger AUKUS'. The witnesses were State Assistant Secretary Political-Military Affairs, Jessica Lewis, and Assistant Secretary of Defense for Strategies, Plans, and Capabilities, Mara Karlin. The hearing was rescheduled from 10 May, as Lewis had been ill and unable to attend s 22(1)(a)(ii) The transcript is attached.

s 33(a)(i), s 33(a)(iii), s 33(b)

3. Lewis and Karlin both highlighted the generational opportunity that AUKUS presented. Lewis said we needed to innovate boldly and to protect technology from threats, and Karlin said AUKUS was a historic opportunity that required historic change. Lewis quoted Deputy Prime Minister Marles' comments that delivery of AUKUS was a big task, with the barriers in our system vast and complex,

and there was no silver bullet. They both repeatedly emphasised the closeness and importance of the US-Australia alliance, and the priority the US Administration placed on delivering AUKUS.

AUKUS nuclear-powered submarines

4. Rep Courtney (D-Connecticut-02), who attended as a guest given he is not an HFAC member, called on Congress to pass the AUKUS submarine legislation promptly **s 22(1)(a)(ii)**. Karlin outlined the rationale: acting now would signal US commitment to AUKUS and bolster deterrence, and send a signal to the defence industrial base so it can invest as soon as possible. She noted the legislation was needed now so that the US could accept Australia's financial contribution for the submarine industrial base. Passing Ship Transfer Legislation would show how seriously the US was taking AUKUS, and match the commitment Australia had made. The training legislation was needed so Australia could grow its ability to steward nuclear-powered submarines quickly. Karlin made clear these all were in the US interest. Courtney and Karlin also mentioned the benefit of Australia and the UK being added as a domestic source under the Defense Production Act Title III. Courtney linked it to Pillar 2 and Karlin pointed to it enabling investment in critical minerals and technologies.

5. Rep Wild (D-Pennsylvania-07) and Delegate Radewagen (R-American Samoa) raised assuring and engaging with regional partners and countering misinformation on AUKUS nuclear powered submarines. Radewagen referenced the Treaty of Rarotonga, and that it was important to communicate to the Pacific that there was nothing to be concerned about in relation to the Treaty. Karlin and Lewis said we were working closely with partners in the region, and responses post-optimal pathway announcement demonstrate partners understood the importance of AUKUS. Karlin and Lewis repeatedly said the submarines would be conventionally armed.

6. Rep Wild also questioned how Australian investment in the US submarine industrial base would affect US workers, **s 33(a)(iii)**

Karlin clarified Australian investment would help US companies and jobs and support increased maintenance and production in the US. **s 33(a)(iii)**

t.

s 33(a)(i), s 33(a)(iii)

s 33(a)(i), s 33(a)(iii)

Broader AUKUS themes

s 33(a)(i), s 33(a)(iii)

s 22(1)(a)(ii)

s 33(a)(iii), s 33(b)

s 33(a)(iii)
s 33(a)(iii), s 33(b)

s 33(a)(iii)

s 33(a)(iii)

s 33(a)(iii), s 33(b)

s 33(a)(i), s 33(a)(iii)

18. Cable prepared in consultation with NPSTF Policy, DFAT Congressional and Political.

s 22(1)(a)(ii)

House Foreign Affairs Committee hearing Modernizing U.S. Arms Exports and a Stronger AUKUS, sked FINAL

May 25, 2023 12:23PM ET

TRANSCRIPT

May 24, 2023

COMMITTEE HEARING

REP. MICHAEL MCCAUL, R-TEXAS

HOUSE FOREIGN AFFAIRS COMMITTEE HEARING MODERNIZING U.S. ARMS
EXPORTS AND A STRONGER AUKUS

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HOUSE FOREIGN AFFAIRS COMMITTEE HEARING MODERNIZING U.S. ARMS
EXPORTS AND A STRONGER AUKUS

MAY 24, 2023

SPEAKERS:

REP. MICHAEL MCCAUL, R-TEXAS, CHAIRMAN

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REP. KEITH SELF, R-TEXAS
REP. GREGORY W. MEEKS, D-N.Y., RANKING MEMBER
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REP. GREG STANTON, D-ARIZ.

REP. MADELEINE DEAN, D-PA.

REP. JONATHAN JACKSON, D-ILL.

REP. SYDNEY KAMLAGER-DOVE, D-CALIF.

REP. JASON MOSKOWITZ, D-FLA.

WITNESSES:

JESSICA LEWIS, ASSISTANT SECRETARY OF STATE FOR
POLITICAL-MILITARY AFFAIRS

DR. MARA KARLIN, ASSISTANT SECRETARY OF DEFENSE FOR STRATEGIES,
PLANS, AND CAPABILITIES

MCCAUL: Committee on Foreign Affairs will come to order. The purpose of this hearing is to discuss the challenges our allies in US industry face with our arms exports processes and how those challenges can be bridged to ensure America remains the partner of choice. And the trilateral security partnership between Australia, the United Kingdom, and the United States is successful.

I now recognize myself for an opening statement. From its increasingly aggressive posture in the waters surrounding Taiwan to Chairman Xi's stated goal to unify with Taiwan, the malign actions of the Chinese Communist Party pose a clear and present danger.

I've seen China's tactics firsthand. I recently led a congressional delegation to Asia where I met with our Indo-Pacific command, the 7th Fleet, and leaders in Japan, South Korea, and Taiwan including President Tsai.

After I met with President Tsai, the CCP sanctioned me a badge of honor as far as I'm concerned. In response to my delegation's visit and Speaker McCarthy's meeting with President Tsai, the CCP launched more than 70 aircraft into Taiwanese airspace and deployed 11 warships including an aircraft carrier to encircle the island nation.

The CCP is testing their capabilities and Taiwan's vulnerabilities in preparation for a potential invasion. This will not intimidate us. In fact, it only strengthens our resolve to foster a more innovative defense industrial base that can develop and supply weapons for deterrence and if necessary, for defense.

After seeing Taiwan's defense capabilities firsthand, I can say that they're not where they need to be. Weapon sales I signed off on four years ago and the ranking member have yet to make it to Taiwan. President Tsai asked me where are my weapons.

I paid for them. The war in Ukraine has shown us that weapons are needed before, not after conflict erupts. Now more than ever, we need to work with our allies to counter this growing threat. The AUKUS partnership between Australia, the United Kingdom, and the United States is just that and it will establish critical deterrence measures.

However, for this trilateral partnership to succeed, we must reform prohibitive policies and complicated arms export rules as soon as possible through bipartisan legislation. It is this committee's responsibility to examine the policy and effectiveness of the United States government for military sales and the international traffic and arms regulations known as ITAR, the regulatory measure which controls the export of defense and military technologies from US defense companies.

Last month I held a classified roundtable with our AUKUS partners first and then from our US industry representatives to discuss the challenges we face in the region due to growing CCP aggression and how best to address them. We heard from them that much more needs to be done.

Specifically, ITAR and our antiquated arms sales processes need legislative fixes for AUKUS to be successful. One of our AUKUS partners dedicates 1 percent of their annual defense budget to simply navigate US export controls. In another case it took a year and a half of paperwork to support the upgrade of a weapons system that we previously sold to them.

Our approach to defense and military technology exports is in dire need of reform. This administration has failed to deliver, so Congress took bipartisan action in the last NDAA. My Taiwan Enhanced Resilience Act ensures that there can be creative solutions such as foreign military financing grants, training for Taiwan forces and war reserves stockpiles to bolster Taiwan's defense.

Chairwoman Young Kim's Arms Export Delivery Solutions Act mandates the administration to report on why our weapons to Taiwan are delayed and to provide interim capabilities in the face of these delays. I also included a provision to better bring American innovation into Pentagon procurements to address delayed weapons development and address high-tech challenges like quantum computing, hyper sonics and artificial intelligence.

Rebuilding our arsenal of democracy will require new thinking and innovative dynamic companies. To that end the House recently passed legislation that I introduced with the ranking member to strengthen the AUKUS partnership through cooperation on advanced capabilities. This legislation focuses on ensuring the State Department is authorizing technology transfers quickly to fully support implementation of this partnership.

I will continue to lead efforts to help ensure the successful implementation of AUKUS throughout this Congress through additional bipartisan legislation. The longer outdated and costly regulations stand in the way of successful implementation, the more it plays into the CCP's hands and erodes our closest ally security.

We are in a great power global competition and for far too long at both the Department of Defense and State Department it's been business as usual. The year-long delays are unacceptable. We need results not interagency finger pointing. We can no longer accept the status quo of an ineffective and outdated system.

The United States does not seek conflict but only through strength can we provide the deterrence necessary to secure the peace in the region and around the globe. History has shown that projecting weakness invites aggression and emboldens dictators and despots.

I still believe in Ronald Reagan's policy of peace through strength and that was a doctrine that defeated the Soviet Union and one we must continue to employ to project American strength across the globe. Chair now recognizes the Ranking Member, Mister Meeks.

MEEKS: Thank you, Mister Chairman and first let me start by thanking our witnesses for appearing before this committee today. We so appreciate being able to hear from both of you on the critical work that the Biden administration is doing with our allies and partners in pursuit of our shared security.

For over a year now we have seen how the United States in lockstep with our allies and partners has come to the aid of the Ukrainian people who are defending themselves against Russia's brutal unprovoked war of aggression. With over 35 billion dollars in military assistance provided since Russia's full-scale invasion the administration's commitment to Ukraine's defense and that of Europe is ironclad and proven.

Like Russia in Europe, we are seeing similar aggressive behavior from China and the Indo-Pacific under the direction of President Xi. The People's Republic of China has engaged in a rapid military buildup and become more aggressive in its coercive tactics against Taiwan in each of the military economic and diplomatic realms.

China has also made significant advances in key military capabilities such as long-range bomber aircraft, cruise missiles, and hyper sonics. Last August just after I joined Speaker Pelosi on her historic trip to Taipei and other countries in the Indo-Pacific a record number of PRC aircraft violated Taiwan's air defense identification zone and engaged in increasingly provocative maritime actions.

In its continued support for Taiwan the Biden State Department has approved a record number of armed cases for Taiwan in the last two years to ensure it has the capabilities to defend itself and to deter potential Chinese military action. As Secretary Blinken has stated when it comes to Beijing the United States will compete with confidence, cooperate where we can, and contest when and where we must.

An integral part of this strategy is the recently announced AUKUS trilateral security framework between the United States, Australia, and the United Kingdom which aims to strengthen defense cooperation and interoperability in the Indo-Pacific.

This new security framework represents an important step forward for the United States in the Indo-Pacific and for our shared security in countering China's pacing threat. Within the border of the AUKUS agreement, Pillar 1 will strengthen Australia's undersea warfare capabilities at a critical time to counter the PRC's aggression and burden share in the region.

Pillar 2 advances military capabilities with the intent of developing and enhancing joint capabilities among Australia, the UK, and the United States. Doing so will engender greater cooperation and ultimately improve security and interoperability in the region. Part of Pillar 2's focus includes efforts to improve processes related to arms exports and sharing of sensitive defense technologies between the participants.

Now, this must include encouraging and guiding our partners on how to strengthen their regulatory frameworks to enable us to share advanced defense technologies safely. Now, I know both agencies represented here by our witnesses have been intensely focused on this in recent months. And I'm hoping to hear more about what progress has been made thus far and the path forward.

In short, to provide for the success of AUKUS and for the promise of Pillar 2 to be fully realized and implemented, we must get it right, especially given the persistent and significant threat the PRC poses. In the Indo-Pacific and across the globe, we are facing rapidly evolving threats which underscore the importance of reinforcing our alliances to safeguard our shared security.

And I'm supportive of the Biden Administration's efforts to do so in Europe with our NATO allies and in East Asia in providing our allies as well as Taiwan the capabilities not only to defend themselves but to deter potential aggression. The United States can and must continue to stand as a leader among nations. Leveraging not only our military strength but also our diplomatic tools that are grounded in our values so we may defend our security, protect our interests, and stand up for the rights and independence of free peoples throughout the world. And with that, I yield.

MCCAUL: The gentleman yields back. Other members of the committee are reminded that opening statements may be submitted to the record. I ask unanimous consent that the gentleman from Connecticut, Mister Courtney, be allowed to sit on the dais and participate in today's hearing. Welcome sir. And without objection, so ordered.

We're pleased to have a distinguished panel of witnesses before us today. First, Miss Jessica Lewis is the Assistant Secretary for the Bureau of Political and Military Affairs at the Department of State. And Doctor Mara Karlin is the Assistant Secretary of Defense for Strategies, Plans, and Capabilities at the Department of Defense.

This committee recognizes the importance of the issues before us and are grateful to have both state and DOD here today to speak with us on these important issues. Your full statements will be made a part of the record. And I now recognize Assistant Secretary Lewis for her opening statement. Thank you.

LEWIS: Chairman McCaul, Ranking Member Meeks, honorable members of the committee, thank you for the opportunity to speak with you today. Almost exactly 20 years ago today, I started my career with the House Foreign Affairs Committee and it is an honor to be here again today.

I want to recognize the historic work that this committee is achieving under your leadership on critical foreign policy issues, whether it is AUKUS or otherwise. And I am excited to talk to you about the role of the State Department in realizing AUKUS, one of the Biden-Harris administration's key national security initiatives.

Today, I am going to first provide an overview of AUKUS, second outline our roadmap for realizing AUKUS, including our AUKUS trade authorization mechanism, and third discuss the importance of export controls.

I will also speak briefly on foreign military sales. AUKUS, involves two pillars. Pillar one, providing Australia with a conventionally armed nuclear powered submarine capability at the earliest possible date. And pillar two, trilaterally developing and providing joint advanced military capabilities.

Ranging from artificial intelligence to hyper sonics to cyber, pillar two presents a generational opportunity to advance the key technologies of the future with two of our closest allies. But make no mistake, the success of AUKUS is not predetermined. It must be built.

For AUKUS to succeed, we need to both innovate boldly and to protect our technology from those who wish to take advantage of any vulnerability in our systems. As Australian Deputy Prime Minister said last week, this is a big task. The barriers in both systems are vast and complex. There is no silver bullet.

As such, to implement AUKUS, we are innovating within our existing regulatory system while simultaneously pursuing broad changes through legislation and international agreements. The roadmap consists of three steps. First, the AUKUS trade authorization mechanism, known as ADAM, legislative changes, and international consultations.

First, the Department of State will implement a novel use of our existing authorities. The AUKUS trade authorization mechanism will provide an interim solution expediting and optimizing technology sharing and defense trade among only the AUKUS partners. Second, and simultaneously, the administration plans to consult closely with Congress and propose legislative changes to meet the ambitions of AUKUS.

To that end, we will seek legislation to clear a path to new exemptions for much of our defense trade with the UK and Australia. Under this legislative proposal, AUKUS partners will have many transfers pre-approved and not subject to case-by-case review.

Third, the administration will also be seeking commitments from our AUKUS partners on shared standards for protection of defense information and material. Let me walk you through the first piece of this roadmap, the state AUKUS trade authorization mechanism.

Under this authorization, the governments of the United States, the United Kingdom, and Australia will work together to create seamless, secure, and speedy defense trade between and among AUKUS partners while also safeguarding our national security. We will define the AUKUS authorizations by three overlapping criteria, which are, first, a list of the project areas that fall within the scope of AUKUS.

Second, a list of the technologies that cannot receive this preferential treatment. And third, a list of the approved communities or entities within each country that are going to receive or access this technology. All transfers under this authorization could proceed without any further need for an authorization or license while maintaining the records necessary to conduct compliance.

While state is clearing a path to new exemptions, we are simultaneously moving forward with broader legislation and international action to develop a collective approach that streamlines defense trade with Australia and the UK while also protecting our technology.

And as we follow through on the vision President Biden set out, it will also be crucial to maintain strong protections to ensure that the technological momentum our three countries achieve remains secure. Export controls have only grown more important during this era of strategic competition.

For years, we have seen widespread evidence that our strategic competitors, including the People's Republic of China, Russia, and then in addition, North Korea and Iran, are seeking to obtain and exploit our advanced military and civilian technologies. In this moment, we need to do all we can to move faster on AUKUS and also make sure that we have a calibrated approach to export controls.

Finally, I would like to speak briefly about what we are doing to improve the speed of our foreign military sales writ large. We call this the FMS process, and we're working to deliver efficiencies both in the context of AUKUS and for our security partnerships across the globe. US government stakeholders, including the Departments of State, Defense, and the NSC, are all identifying efficiencies in the foreign military sales process to optimize defense trade.

The State Department has identified 10 areas for improvement to the FMS process, and we would be happy to brief you further on these recommendations. In closing, I'd like to reiterate that for AUKUS to succeed, we need to facilitate the flow of defense technologies and know-how between our three nations while safeguarding against hostile actors who would damage this collaboration and our competitiveness. We are confident that we will succeed, and we look forward to working with Congress to achieve this. Thank you, and I look forward to your questions.

MCCAUL: Thank you, US Secretary Lewis. I now recognize Assistant Secretary Karlin for her opening statement.

KARLIN: Chairman McCaul, Ranking Member Meeks, distinguished members of the Committee, thank you for the opportunity to speak with you today on the AUKUS partnership. AUKUS partners took a monumental step forward in March when we announced the optimal pathway for Australia to acquire and develop a conventionally armed nuclear-powered submarine capability that strengthens the global nonproliferation regime.

But that is only one part of AUKUS. We are actively pursuing cooperation under AUKUS on a range of advanced capabilities, sending a strong message to the world in favor of a free and open Indo-Pacific. Today, I hope to reinforce three main topics as they relate to AUKUS. First, how AUKUS fits into the 2022 National Defense Strategy.

Second, how we are seizing the generational opportunity that AUKUS presents. And third, why we need to expand defense cooperation with our closest allies and partners. In framing the security environment, the 2022 National Defense Strategy describes the People's Republic of China as our most consequential strategic competitor for the coming decades, and it underscores how new and fast-evolving technologies are complicating escalation dynamics.

The National Defense Strategy describes integrated deterrence as a holistic response to the strategies that our competitors are pursuing, and directs the use of campaigning to gain military

advantage. It calls on the Department of Defense to build enduring advantages across the defense ecosystem to shore up our foundations for integrated deterrence and campaigning.

And it describes allies and partners as a center of gravity for the strategy. What is needed now, more than ever before, is an approach that enhances our AUKUS partners' conventional military capabilities, opens support to a more integrated defense industrial base, increases information sharing, and implements cooperative policies that reflect the concepts laid out in the National Security Strategy.

What cannot be overstated is this. We cannot do this alone, and our AUKUS partners stand shoulder to shoulder with the United States, as they have for many decades. As President Biden and Secretary Austin have said, AUKUS is a generational opportunity, and I want to thank this committee for its broad bipartisan support. Your work and support is vital to making AUKUS a success.

Together with our AUKUS partners, we have identified several advanced capability opportunities in areas that range from artificial intelligence and quantum to hyper sonics. Over time, the work we do will advance our own capabilities as well as our partners, and will enable us to address the challenges that we will collectively face.

We have reached a point in the global security environment and technology landscape where there is not only a benefit, but an imperative to expand our defense technology sharing practices. AUKUS is the beginning of a path that will lead to a more integrated and open defense ecosystem that balances the threats of strategic competition by harnessing the strengths of our collective capabilities.

The US network of alliances and partnerships is a strategic advantage that competitors cannot match, and maintaining this requires an active whole-of-government approach. We have supported our Ukrainian partners against Russia's illegal and unprovoked invasion of Ukraine without putting a single US service member on the front lines of that conflict.

As our response to Russia's invasion has proven, we must maintain the ability to cut off bad actors from dangerous capabilities. But we must also maintain the tools and vision to share and collaborate with our allies and partners. Preparation for future conflicts, or deterring them from occurring in the first place, will rely on our ability to expand and enhance military partnerships before any shots are fired.

American business is one of the strongest and most resilient assets in the national toolkit. We need to widen the aperture, foster collaborative defense innovation, advance military interoperability with our allies and partners, and leverage our collective strengths as a force multiplier.

AUKUS has provided a lens into not only what military capabilities our closest allies need, but also what barriers exist that hamper pursuit of our integrated national security strategy, and how we need to adapt our approach to meet our national security objectives.

To that end, the administration plans to consult closely with Congress to propose legislative changes that would allow increased exemptions to licensing requirements for AUKUS partners, and expanded to permit transfers of both unclassified and classified defense articles and services.

This bold approach is critical to ensuring the AUKUS partnership continues to innovate and to progress to meet the challenges of the global security environment. Mister Chairman, Ranking Member Meeks, and distinguished members of the committee, thank you for the opportunity to meet with you today, and I look forward to answering any questions you may have.

MCCAUL: Thank you, Secretary Karlin. I now recognize myself for questions. First, we look forward to more of these conversations with you. Obviously, this is very important. We need more speed in the process. I think ITAR well intended, but we need exemptions not just with Pillar 1 dealing with nuclear submarines, but also with Pillar 2 if we're going to take the threat from China seriously.

And I've been, many both private sector and our partners, including Australia, have told me how important these exemptions are to speed up the process. My first question is, Pillar 1 has the

exemptions. As Pillar 2 does not. How would you plan to implement these exemptions to Pillar 2? Secretary Lewis?

LEWIS: Thank you for that question, Mister Chairman. And I agree with you that I think that it's very important that we focus on Pillar 2 to create a speedy, safe, and secure way to move forward with this defense trade between the three countries. So let me talk both about the interim period and then on the legislative front.

We're really looking for new exemptions. And the idea is that if we know what is included under the AUKUS program, if we know technologies that cannot be included, something, for example, that might be prohibited by a treaty, and we know who's receiving it, then we'll be able to, in essence, pre-approve and have these transfers move forward without needing a license on the front end.

And I think when we talk about exemptions, that's fundamentally what we're all trying to get at. So, we'd be looking at a pre-approval, not case-by-case process. We also are going to be looking at moving forward with third-party transfers, a blanket exemption under AUKUS.

And what that means is for items that are US defense articles that are controlled by one country, that they can be moved to another country within AUKUS without needing authorization. So, all of these are the pieces that we want to move forward with. We have this interim proposal so that we can get moving right now.

On the legislative side, we -- and I agree with you completely that we need more of these, and we want to come and sit down and work with you and your excellent staff on getting that legislative language exactly right.

MCCAUL: I think codifying will give certainty to our partners and also our contractors as well. I look forward to seeing your proposal legislation. We'd like to move, I think time is of the essence here, and so I look forward to working with both of you. Miss Karlin, do you have anything to add to that?

KARLIN: Sir, I would just add this is a historic opportunity, so it does require historic change. And so, as we are pursuing this legislative proposal, we'd like to consult very closely with all of you on how best to make that happen. But this really is a notable moment for ensuring that we can have stability and security in such a critical region of the Indo-Pacific.

MCCAUL: Thank you. And we'll obviously consult with our Armed Services Committee colleagues as well. Let me ask you, perhaps both of you, as I mentioned when I was in Taiwan, President Tsai asked me where are my weapons. I didn't have a good answer.

And she said, I paid for them. And you see the threat as they circled the island in a very aggressive way. The ranking member and I signed off on 22 weapons systems. And as I look at the list, the earliest that any can be delivered is by 2025 and some as late as 2029. And I'd like to enter these into the record, if I may, without objection. But why is this taking so long?

LEWIS: Let me start. And we agree that there is urgency to make sure that Taiwan is prepared as part of deterrence to keep China from moving forward. Let me take a moment and talk about the way that the arms sales process works. As once you clear a sale, which we have sent up here, it then goes on contract.

And only once it is on contract and Taiwan, in this case, has paid for it, does production start. And so, I don't have the exact list, but I'm fairly sure I'm correct that we are now in the point where we are looking at the production timeline for those weapons to be built. Let me say a couple of things about that.

We agree that the defense industrial base needs to work together with us and the Department of Defense to speed up industrial production. This is a worldwide problem, not just Taiwan specific. And the Department of Defense has taken urgent steps led by the deputy secretary on this issue.

When it comes to Taiwan specifically, I think, since 2017, we have sent up billions of dollars in arms sales to be authorized through this committee. And in addition, over the past year, we've signed

off on more arms sales to Taiwan than in the previous decade. Now, we need to work on them getting produced and getting to Taiwan quickly.

MCCAUL: And I would just say time is of the essence. I think they're going to try to influence the election, presidential election in Taiwan. If they fail, then they're going to be looking at some blockade event. And so, my question is, and I asked the secretary this question, can we redirect some of our weapon's sales from one country and send it into Taiwan? And then secondly, why can't we do third party sales of some of these weapon's systems that other countries have? And we would simply give them permission to put these weapons in country.

LEWIS: Well, I think we need to look at all available options. Obviously, for third party transfers, one country would have to agree to transfer those weapons. But I think you're right to ask us to take a look at all of those, including some of the new authorities that were included in the bill that I know that you authored as well.

MCCAUL: Thank you. I'd like to speed it up. And Miss Karlin, do you have any additional thoughts?

KARLIN: Thank you. Well, I'd first of all just like to thank Congress for the Taiwan Enhanced Resilience Act. I think that's been really important and shows the bipartisan support for this important effort. Having appropriated resources can make that a little bit easier, of course, in terms of being manifested.

I would also like to note, as Assistant Secretary Lewis briefly highlighted, our deputy secretary has directed the department to find ways to accelerate and bolster Taiwan's self-defense capabilities to strengthen cross-strait deterrence, looking at both material and non-material capabilities. And it's focused, it's a senior level effort, and it's across the entire department to ensure that this critical issue is getting the resources and the attentions that it needs.

MCCAUL: I know you did an FMF, and thank you for that. I will be talking to the Senate Foreign Relations Committee about, and also the Appropriations Committee about appropriating our authorization. With that, I recognize the ranking member, Mister Meeks.

MEEKS: Thank you, Mister Chairman, and thank you for your testimony. And I think that we have on this committee tried to work in a bipartisan way, understanding the need and the expediency of trying to make sure that our allies are working, we're working collectively together as we saw take place at the G7.

And one of the things that I've been trying to figure, I've been asking a lot, because why does it, and I've listened to your explanation, why does it take so long to have the production line done? And I hear what you're saying. And when I talk to a number of those in the industry themselves, it takes time. It takes time for them to get the employees back on line and what it takes to produce. And it just, there's no way they tell me that they can expedite, quicker than they've been doing.

I don't know whether there's something that we can do to engage to help them in that manner or not. But that's what they're telling me. They're telling me it is just difficult. Once it is authorized, once we go through the steps that you've enunciated here, it just takes that amount of time to do business to align it together. Do you find that to be the case also?

LEWIS: Well, let me start by saying I do think we are having a couple of factors happening at the same time. One, we're seeing a significant increase in demand for defense articles around the world, both obviously not just because of the Ukraine war, in addition because of the challenges in the Indo-Pacific.

And so, there is an increased demand. That also coincided with COVID. It coincided with supply chain issues. I do think, however, that there are steps that we can take working with industry. Sometimes it's a matter, and Doctor Karlin may have more of this, on finding a part from a sub-sub supplier that had been shut down that we need to get moving again.

Sometimes it's investing a little money up front so that a production line can get started. I think there are a whole host of steps that we can take with industry as they look at the challenges that they have, in terms of hiring new staff, adding actual capabilities.

MEEKS: Which is basically what I was asking. Is there ways that you all can work together, to make sure that production is happening in a more timely fashion. Let me ask Doctor Karlin, one of the concerns that I do have is, in the 2023 worldwide threat assessment. The US director of national intelligence emphasized the threat that's posed by China's persistent efforts to acquire foreign science and technology information and expertise, especially in the defense space, and emphasized the extensive use of economic espionage and cyber theft.

Now, I have some concerns because I don't want some of our sensitive equipment and technology and brain to go to China. And so, it also, particularly in Australia, they said that there was an area of opportunity for China, given its location and the comparatively nascent regulatory architecture that Australia's intelligence services emphasized this threat in its own 2023 threat assessment.

And its director stating that the targeting of Australian defense industry personnel having increased and I quote, since the AUKUS announcement last year. Which gives me concerns and we know what China has been doing in a nefarious way. So, I want to make sure that the Australian and the UK regulatory structures that are controlling sensitive defense technologies that are comparable to what we have in the United States, are they the same? Do they differ? Is it safe? Just make sure it does not get in the hands of the Chinese.

KARLIN: Sir, as Australia and the UK are among our closest allies in the world and they have mature defense trade control processes. We have a long history of working with them and have shared some of our most sensitive military technology to date. F35 being a great example or F18s as well. Not to mention submarine technology.

As it relates to AUKUS specifically, we will work very closely with them on ensuring we have trilateral standards for secure defense trade. Making sure that all of us have the technological, security, legal and regulatory frameworks that are providing export controls consistent with those that we implement in the United States as well.

MEEKS: So, thank you for that. Are there any improvements you think that needs to be done? When we do talk to our allies in Australia and the UK, sometimes we have had conversations. Are there any improvements that you think in the regulatory structure necessary to ensure appropriate protections against malign actors? And what if any risk to our national security is related to sensitive defense capabilities if our regulatory frameworks are misaligned?

LEWIS: I very much appreciate the question and I think it is important that we take these serious issues under consideration as we move forward with AUKUS. Again, we do have full confidence that we can work with our allies to protect these technologies. What I would also say is that any time that we are putting together a structure like we are putting together with this new AUKUS authorization, we always have to come together to make sure that we are aligned, that we have crossed every T and dotted every I. But I am very confident that we will be able to do this given that these are two of our closest allies.

MEEKS: Yeah. Thank you. I yield back.

MCCAUL: The chair recognizes Mister Smith.

SMITH: Thank you very much, Mister Chairman. Thank you both for your leadership and for being here today to testify. Let me just ask, Secretary Lewis, you pointed out that the administration will also be seeking commitments from our AUKUS partners on shared standards for the protection of defense information and materials consistent with the steps the United States takes to protect such information and materials.

Perhaps you could elaborate on some of those steps, whether or not those commitments are actually yielding fruit. And I would just point out, for decades the United States, as we all know,

especially with dual use items, aided and abetted the Chinese Communist Party post-Tiananmen Square.

They used about anything they wanted and they built up a capacity and a capability courtesy of us and, of course, the Europeans. So hopefully there's been lessons learned there. When it comes to our two allies, our two great allies we're talking about, I was wondering if you could speak to the issue of, yes, defense, corporations are one thing, and I'm sure you're looking at that very closely.

I hope you're also looking at colleges and universities. I chaired a series of hearings on Confucius Institutes and was shocked to some extent. I even asked the GAO to look into it and they came back and said the agreements are confidential. They wouldn't even share what they've agreed to with the Chinese Communist Party.

And we know it's a malign influence that they're having on college campuses and university campuses. But we also know that that gives them a launching pad to be eyes and ears on the spot there to try to, particularly in colleges where there's a great deal of defense work going on.

And I'm wondering if we're doing that well in the United States to ensure that those vulnerabilities are not exploited, but also with our two partners, UK and with -- because they have Confucius centers too and they have many of them. The whole world has them, but they have many of them as well.

LEWIS: Again, thank you for the question and I do think you are raising an incredibly important issue, which is as we move forward with speed within the AUKUS framework, we also need to make sure that we do it in a secure way.

And I think you are flagging a particular challenge when it comes to the PRC, because as you point out, we know the PRC has a long history of trying to exploit our technology to take our intellectual property. They've looked at trying to get into a whole range of our technology and I am aware of the issues that you raised related to universities.

Again, I think when it comes to the question of Australia and the UK, because these are truly our closest allies, because of the sophistication of their systems and the way we are able to work very closely together, I am absolutely confident that we will be able to have the highest standards that you would expect to make sure that those exports and intellectual property don't end up in the wrong hands.

I very much appreciate you raising concerns related not just into the defense field, but as we look across educational institutions and universities and we will be certain to take that into account.

SMITH: I do appreciate that very much. Let me just ask, do you see any enhanced role for cooperation with the quad countries, Australia, Japan, of course us, and perhaps even with the Republic of Korea?

LEWIS: Thank you for the question. I think at this moment in time we are very focused on getting AUKUS right and that is the focus of what we are doing right now. As we progress, we are always happy to look at ways that we can further cooperate with other allies and partners.

SMITH: Thank you so much. I yield back the balance.

MCCAUL: The Chairman yields. The Chair recognizes Mister Sherman.

SHERMAN: Capitalist economy tends to move toward just-in-time delivery. Get it to your customer just when they are ready to pay for it. So, with baby formula, sometimes we have a shortage. With certain drugs we have a shortage. And we are seeing a shortage in munitions as well. What concerns me is that we don't have enough, together with all our allies, to provide enough artillery shells, et cetera, to Ukraine.

And their ability to fire artillery shells is one-tenth of what our ability is. That is to say, that is a much smaller military. Have we -- do we have a system in defense procurement where we can pay companies not for what they deliver but for just having standby manufacturing capacity? Miss Karlin.

KARLIN: Thank you very much. I think Russia's unprovoked and aggressive war in Ukraine has helped a whole lot of folks internalize something that we had seen in the environment but probably hadn't appreciated the extent possible, which is that criticality of investing in defense industrial bases, both of our own and our allies.

SHERMAN: But more specifically, do we have a system where we pay military defense contractors to have standby manufacturing capacity?

KARLIN: I might specifically highlight that Congress has given I know the Department of Defense has this multi-year procurement authority for munitions. And at that

SHERMAN: I didn't say multi-year procurement. I said standby manufacturing. You pay somebody just to be ready to produce in the future. Not for what they have produced but for the capacity to produce. It is a yes or no question. Do you have an answer?

KARLIN: 5I just want to ensure I understand the question, sir.

SHERMAN: Is there any. Do you have the capacity to contract with a private munitions manufacturer to say in addition to what we may pay you for what you deliver, we're going to pay you to have a plant out somewhere that you're not even using that's ready to go in an emergency? Do we have that capacity or not? Do we use it or not?

KARLIN: I would like to get back to you on that.

SHERMAN: OK. Get back to me on that.

KARLIN: If I might say that we are focused in particular because there's such a...

SHERMAN: I've got limited time here.

KARLIN: OK. Thank you.

SHERMAN: We have a process for approving foreign military sales. Often that process is slow. We've had discussions in this committee for over 20 years on that. And Congress has passed some legislation. I've been involved in drafting it to speed that process forward.

Miss Lewis. Are we in a position where if somebody applies to make a foreign military sale, that that file gets dealt with immediately or is there literally a backlog where you've got to put that file aside because you're working on something else? Can we immediately fully staff every application?

LEWIS: You mean at the State Department before it comes here?

SHERMAN: At the State Department.

LEWIS: Yes. We immediately staff once a case comes in. Now that's whether it's on the commercial side or as you were referencing, the foreign military sale side.

SHERMAN: So, and I think this is critical because not only do we have the foreign policy implications and a relationship with the country that's applying, but every time we get a foreign military sale, that builds the defense infrastructure here in the United States. And every time somebody is turned down by the United States and goes somewhere else, that builds the military infrastructure somewhere else. And that somewhere else is not fully aligned with us since we declined. Do you take into consideration in saying yes or no what effect the saying no will have on both our infrastructure and the infrastructure of where else they may go for the military equipment?

LEWIS: We certainly take into consideration all of the issues that we're required to, which includes a whole range of things, including the impact on that country, whether they're competitors, human rights issues, and all of those factors are taken into account.

SHERMAN: I just want to point out finally, burden sharing comes up. We like to say that we're only doing 3.5 percent. We mislead the American people. We say that it's well over 4 percent. And the difference comes from not counting veterans benefits as a cost of having a military. In the private sector, any CPA who didn't treat provision for retiree benefits as a cost of doing business would be in jail. So, we're spending well into the fours. We're asking others to do twos. I'm glad Ukraine and Australia are at least meeting that standard. I yield back.

MCCAUL: The gentleman yields. The chair recognizes Mister Wilson.

WILSON: Thank you very much, Mister Chairman. And thank both of our witnesses for being here today. And I share the concern of Congressman Brad Sherman in regard to artillery shells. We actually have been brought to my attention by the Chairman of the Armed Services Committee, Mike Rogers, that we have nearly two million in inventory to pick them artillery shells.

And these have already been -- these types of weapons have already been used by Putin. And additionally, the Ukrainians also have used these weapons or artillery shells. Our very valued ally, Turkey, has provided these shells. And so, I hope every effort will be looked into providing these. We have them in inventory.

In fact, they may become obsolete if we don't use them sufficiently. And a great way to get away with obsolescence is to provide them immediately to Ukraine. With that in mind, I'm really grateful that South Carolina is playing an important role with the Australia-United Kingdom-US Trilateral Security Pact towards acquiring nuclear-powered submarines.

Currently, there are four Australian naval officers training at the Navy Nuclear Power Training Command and Nuclear Power Training Unit located at Joint Base Charleston. This training is directly advancing and improving the Australian Navy capability under the Trilateral Security Pact by ensuring that we can train Australian Navy leaders on the nuclear capabilities that are tied to their projected submarine acquisitions.

These officers will graduate next month, and we look forward that more officers and enlisted personnel will be coming in the future. And Secretary Karlin, Chairman Mike McCaul has made it so clear, but it just has to be stated over and over again, the delays in foreign military sales truly are putting the American, I believe putting the American people at risk.

We should be working for peace through strength, not exhibiting the vulnerabilities of our allies and the United States in particular by having weakness of not providing the equipment. And it's my understanding it takes 18 months for a standard contract to be fulfilled.

To me, that's just -- it puts our allies and all of us at such risk. With the tensions that we have with the Chinese Communist Party, with war criminal Putin invading Ukraine, we need to expedite. And so, what will be done to expedite in certainly less time is just absolutely crucial. That's just inexcusable 18 months.

KARLIN: Congressman, I completely agree with you that we have got to be able to provide the capabilities to our allies and partners as quickly as possible in support of their requirements and also in support of our national defense strategy. Last summer, Secretary Austin established a foreign military sales tiger team that focused on identifying efficiencies, clearing systemic issues, and accelerating the responsiveness of the system to meet the capability requirements of our allies and partners.

And this tiger team has focused on friction points within our process and has identified dozens of recommendations that are focused on exactly what you are saying, sir. So, we are firmly committed to making sure that we can move as quickly as possible. Some of the solutions look like actually making sure we have got a data-driven approach.

So, we have a complete picture of where in the process these different sales are. Some of this looks like ensuring there is accountability in implementing the recommendations and making sure, frankly, that the most senior leaders of the department are tracking the particularly important ones.

And so, we have done a number of things on that and our colleagues at the State Department have as well as Assistant Secretary Lewis.

WILSON: To me, Chairman McCaul has been very creative for you, and that is that much of this equipment could be provided from the inventories of our allies and then we backfill to the allies. This just needs to be expedited. We see that with Australia. Really the people of Taiwan are at such risk.

It has been very frustrating to me as we work with the world's largest democracy, India. They found that you can have expedited military sales from Putin. And so, we need to be there to get ahead of that.

The world's largest democracy should not be relying on war criminal Putin. We should be providing the ability for the equipment to be provided as quickly as possible so that we can provide peace through strength to protect the United States, protect the Indo-Pacific, to protect the people of India. I yield back.

MCCAUL: The gentleman yields. The Chair recognizes Mister Connolly.

CONNOLLY: Thank you, Mister Chairman, and welcome. I want to ask about capability. The Ukraine war has highlighted weaknesses and strengths in our allied capability in responding to the Russian aggression and depredation in Ukraine.

We formed this alliance, AUKUS, and I guess I want to ask you about the capability of one of those allies, Australia. The Australian government issued a report, the Defense Strategic Review, earlier this year, and they concluded, quote, the current Australian military is no longer fit for purpose, unquote. That's a stunning conclusion. Assistant Secretary Karlin, are you familiar with this report?

KARLIN: I am indeed.

CONNOLLY: And does it concern you?

KARLIN: I think it is heartening that Australia's government recognizes the urgent need for.

CONNOLLY: Yeah, I get it. That's the State Department line, not the Defense Department. Are you concerned about a report that says they're not fit for purpose? Isn't that a pretty sweeping statement?

KARLIN: I think they are recognizing that they need to make important changes. That is hard and that is important. And I applaud them for doing that. I would rather that they recognize the need for this --

CONNOLLY: All right. We'll note your applause. I guess I'm noting my concern and asking whether, as people trying to form an alliance, the depth of that concern and you're heartened. Assistant Secretary Lewis, are you concerned at that conclusion and what it means in terms of what the United States has to do, working with this ally, who's certainly motivated to make sure that they are fit for purpose?

LEWIS: Well, sir, I really appreciate you raising these issues. I also believe that we are going to be able to work hand in glove with Australia. Our experience with Australia when we look at the capabilities that they have acquired over the years, I think you, Doctor Karlin mentioned the F-35, for example, they have shown us time and time again, that they're able to take a problem, work on it and handle the most sophisticated technology and capabilities that anyone in the world has.

So, I remain competent. And may add one more thing? I also think that the AUKUS both Pillar I and Pillar II are going to provide all of us are opportunities to strengthen our capabilities.

CONNOLLY: What do you think -- what do you think the phrasing means, they're not fit for purpose? If you're so confident.

LEWIS: I'm not able to assess exactly what that phrasing means. I think it -- I assume it means that they are -- that the person who wrote the report is saying that they need to make improvements to be fit for purpose.

CONNOLLY: Yes, they in fact identified six major areas where in -- where serious improvements have to be made. Are you familiar with the report?

LEWIS: I have not read that particular report.

CONNOLLY: Going back to you Assistant Secretary Karlin. You are familiar with the report.

KARLIN: Indeed. I would say as the US military has had to make important shifts as it has moved away from the post 9/11 wars. So, to do allies and partners, particularly those who are worried about security instability in the Indo-Pacific.

CONNOLLY: Do you think that -- let's say it means something. We're not fit for purpose. Is that do -- do you think in part to disinvestment or lack of investment in the defense sector in Australia over the years?

KARLIN: I think it's probably due, I would defer to them, of course, but I think it is probably do more toward them seeing a threat picture that looks different. And then putting AUKUS for example at the heart of this DSR, as you're citing, is actually quite positive. It shows for example, the need to invest in really sophisticated undersea capability, which is particularly relevant given what that changing security environment looks like in the Indo-Pacific.

CONNOLLY: Yeah. I agree with you. I mean -- listen, I'm -- I believe in Australia, I want Australia to be a partner. But I also want us to recognize where there are weaknesses that have to be addressed. As I started out, I've been very involved in NATO and the European response to the situation in Ukraine. And we -- we've got to be candid about acknowledging weaknesses to address them. And that -- this report really caught my eye earlier this year.

And I just want to make sure that as we proceed, especially as we proceed to talk about nuclear submarines, that capability across the board, and the Australian military has got to be upgraded, if we're going to meet the threat. And I take your point that there's sort of a renewed appreciation of the threat assessment in the region. But we can't -- we can't ignore years of neglect when they in fact occur. And by the way, finally, that brings us back to the chairman's point about Taiwan.

We don't have to 1929 -- I mean, 2029 to address defense capability in Taiwan, I don't think we're going to have that luxury. And that's why we got to accelerate that timeline. I would echo the Chairman's response. I appreciate both of you being here. And I yield back. Thank you, Mister Chairman.

MCCAUL: Gentleman yields. Chair recognizes Mister Perry.

PERRY: Thank you, Mister Chairman. Secretary Karlin, look, I know we're here to talk about AUKUS and the United States needs to be a serious force. And if we're going to lead even in that part of the world and have partners, they're going to want to know that we're serious as well. It's my understanding your office is responsible for drafting the national defense strategy. Is that -- am I out of line there or that correct?

KARLIN: That's fine.

PERRY: OK. I thought so. And another life people like me waited for that to come out to see what was in it to guide us. Power projection, planning strategy, posture, force array, et cetera. And I'm just thinking about when I go to the section entitled strength, resiliency and adaptability. The report states that climate change is one of the biggest threats to the defense ecosystem. That goes on to say that joint forces must -- the joint force must integrate climate change into its threat assessments.

OK. Fine, so to speak. We live in a world of limited resources. I sure you know that. That's acutely -- I think people in town are acutely aware of that right now. Can you quantify to me? Is there some --

is there some weapon that China or Russia or Iran or any of our adversaries have that's going to imperil our traditional fuel sources? If we just say -- if -- and I don't know exactly what you mean because I read this climate change -- integrate climate change into a threat assessment.

Is there -- is there something they have some climate weapon that we're trying to avoid or counteract? How do renewable fuels do any better at counteracting whatever weaponry they have, whatever strategy they have than traditional fuels, for instance?

KARLIN: So, what that part of the national defense strategy is trying to get at sir, is the operational impact of changes in the weather. So, for example, rising sea levels affects our bases that are on the water and we need to account for that.

PERRY: OK. So, that's it. That's the only thing that we're doing as far as you're concerned in that space.

KARLIN: So that is -- that is one example.

PERRY: One example. But there are -- you would acknowledge, there are many other examples.

KARLIN: It's trying to get at how the security environment is changing, and the impact that that is having on our forces ability to operate whether it's --

PERRY: That's what I'm looking for. The direct impact because as far as I know, the military, the Navy, in particular had been dealing with rising and lowering sea levels, if not for tides, if anything else, ever since it's been the Navy and the Marines. And the army, if you've been in the Army, you sleep out in the rain. I don't know. Look, I've read through your credentials, you've got a long you've published a lot, you've been around a lot. I don't know if you've ever done a carrier landing under goggles.

I don't know if you've flown a low-level mission in the trees under a FLIR. I don't know if you've humped the pack through the trails of Afghanistan. But the folks that are depending on what you write have to do those things. And here's what they're not focused on. They're not focused on a recycling program where the enemy is raining fire down on their heads. They're trying to stay alive and win the war with the least amount of casualties as quickly as possible.

And I wonder, and I'm concerned, because this is what we project what -- this is what we project to the folks in AUKUS and all around the world as the leader. And if we can't focus on the lethality and readiness, lethality and readiness and maybe in your case, because it's a national military strategy, force projection, then we're in the wrong business, ma'am. We've got our eye off the ball. And I don't know if you've noticed recruiting levels lately. But maybe instead of this paragraph, there ought to be a paragraph on why recruiting levels are unsustainable and why Americans no longer wants to be in the military and why they no longer can qualify to be in the military because they're overweight or because they've been incarcerated or because they have addictions.

Maybe that should be the focus instead of climate change and rising sea levels. If the base has rising sea levels, maybe you want to look at China and just build a base out of a reef that doesn't -- where no base exists. Maybe that should be the military strategy. And I wonder if you've considered any of that.

KARLIN: This national defense strategy is arguably among the punchiest and piteous the Department of Defense has put out. It has one very clear priority, which is the urgent need to sustain and strengthen deterrence focused on the People's Republic of China. It looks at that from a strategic perspective and from an operational perspective as well. And sir, part of the reason that we don't need to build islands the way that the Chinese do is because dozens of countries have welcomed our troops around the world to have bases there.

PERRY: On bases that aren't underwater because of rising sea levels. Mister Chairman, I yield back.

MCCAUL: Gentleman yields back. Chair recognizes Mister Keating.

KEATING: Thank you, Mister Chairman. I'd like to thank the witnesses. I'm curious, and I guess we could do it in the context of AUKUS Pillar II but we could do it more broadly. I'm just concerned on an ongoing basis as we're developing technology, advanced technology and defenses together. The issue of artificial intelligence and A.I. is a concern, a growing concern about making sure we have controls over that kind of advanced technology. So, it can't be get out of control or be misused somehow.

When we're doing this research, is that an area that we're doing independently or in conjunction with our allies? Like in AUKUS Pillar II?

KARLIN: AUKUS Pillar II is really trying to look at advanced capabilities exactly, as you say, sir. Artificial intelligence being one example. Hypersonics being another example. And trying to figure out how we can better collaborate with our -- with our allies to realize these capabilities, develop them, exercise them.

KEATING: But what about controlling them? Are we doing research so that somehow these can't somehow get out of control spinning into a catastrophe?

LEWIS: Sir, if I may, I think that you hit on a critically important point, which is why when we move forward with AUKUS, it doesn't mean that everything that anybody wants to send or share will just be sent. We are still going to have to know the technologies that, for example, can't be moved. We're still going to have to know who's going to receive them. And the reason that will be -- but then we want -- once we know that we want them to be able to move quickly and smoothly.

KEATING: Right.

LEWIS: But what you're saying is, we need to make sure that we have protections in place to make sure that they don't get exploited.

KEATING: Even for our own use.

LEWIS: Yes, And I think that is something that particularly I know, there are concerns in the AI space but that we really are going to have to look at across the board.

KEATING: I do think it's something that we have to pay particular attention to going forward, given the advancements in AI. Secondly, we've talked about delays quite a bit. And they're not just simply explained through a one-dimensional view of what causes delays. If you could, I'm on services as well. We're well aware of this. Some of our members here aren't. Could you describe that period of -- the valley of death when you're taking it from prototype to real product and what you're doing about that? And explain that delay. What valley of death means in terms of delays in production?

KARLIN: Absolutely. There are technologies that will be developed. And then the question is really, do you decide to mass produce them? Do you decide that they need to pop out in the right quantities so that they are relevant for the force? And that is sort of that valley of death of how do you make that transition? I can assure you, sir, this is an area Deputy Secretary Hicks and Undersecretary Shyu have been extremely focused on it. And how do we make that easier? Particularly, how do we make that easier for those smaller businesses who maybe don't have the same level of experience of working with the department.

KEATING: So, some of these delays aren't just pure regulation or delay in it -- there are real-life reasons for these delays. And certainly, we can do more. And Assistant Secretary Shyu, I think is doing extraordinary work in this particular area herself. And I just want the members here to understand this isn't just an issue of red tape or slowing down. There's very real technological and production issues that are here, financial issues.

And by the way, for the members of Congress that are here. Budgeting from CR to CR to CR and not dealing with a real budget. We have to take responsibility as well, when we don't act the way we're supposed to act with real order. So, I yield back.

MCCAUL: Gentleman yields back. Mister Mast is recognized.

MAST: Thank you, Mister Chairman. I appreciate both of you being here. Obviously, a lot of conversations blurb between both agencies, both bureaus. So, I want to start with longer-range missiles and start with you, Miss Lewis. Just -- can you discuss with us right now, what is the UK doing to provide longer-range capabilities as their role to support the UK or the Ukraine?

LEWIS: Sir, first of all, we are all working very hard to get Ukraine the capabilities they need.

MAST: Longer-range though specifically. I understand.

LEWIS: Yeah. I am not going to go into details on the exactly what the UK is providing or not. I do think that all of our partners have different capabilities that they're able to provide at different times. And I think the goal is to make sure that as the fight changes in Ukraine that Ukraine has what it needs for the fight. So, whether it was in the beginning when we were looking at Stingers and Javelins to tanks later in the war to air defense right now. We are working together, both with the UK but with a whole host of about 50 other countries to make sure they get what they need.

MAST: It doesn't seem like the most effective way to wage war in that micromanaging way that you're looking at each and every distance. Is this the appropriate time given what bipartisanly has been discussed here about the timelines to get munitions from one place to another, even with allies. Not at war, those timelines are just not reasonable to be the most tactical and the most capable entities on the battlefield. And so, I think it does hurt the system as a whole. But let's move to our own personal opinions if you're not willing to speak about UK on this. Are you concerned about Ukraine having longer-range capabilities?

LEWIS: I believe that Ukraine has been responsible and with what we have --

MAST: Quantify responsible please.

LEWIS: When we started working with Ukraine, we have provided them over the past 15 months over \$36 billion in security assistance. They have used those weapons to fight the war to defend their homeland. I was just in Ukraine, actually last week.

MAST: What would you consider irresponsible?

LEWIS: Well, to step back from Ukraine, we have rules about how our weapons can be used across the board.

MAST: Let's just stick with Ukraine. What would you consider your response?

LEWIS: I think when we've provided weapons to Ukraine, we have provided them for them to use them in Ukraine. We've provided them to use them to fight the war to defend their sovereignty and territorial integrity.

MAST: So you consider it irresponsible for them to attack Russia in sovereign Russian territory.

LEWIS: We have not provided weapons for that purpose.

MAST: Miss Carlin, you work on strategy?

KARLIN: Indeed. Thank you.

MAST: I take that would be sound strategy.

KARLIN: It is our assessment from the Department of Defense perspective that with the existing Gimmmlers capability that the Ukrainians have on the HIMARS, they can reach the vast majority of targets that they need to inside Ukrainian territory. Moreover, we are working --

MAST: I'm asking about outside of Ukrainian territory.

KARLIN: Right now, we are really focused on making sure they have what they need to deliver effects on the battlefield to regain their sovereign territory.

MAST: I think it's also an important consideration when looking at the battlefield or to understand how Russia might look at the battlefield, that whether -- I'm not trying to get you to say something that that you shouldn't. I understand the concerns about what you're saying is responsible or not responsible. But to have an ally have a capability adds another dimension to what Russia has to think about, has to calculate for. Whether our ally uses it for that purpose or not, I think it is important that you bear in mind what we make Russia have to worry about. In that, Mister Chairman, I thank you for the time.

MCCAUL: But I -- the gentleman yield.

MAST: Who was that? Mister?

ISSA: This is the chairman right now.

MAST: Yes, absolutely. Mister Issa.

ISSA: Thank you. Following up on the gentleman's questions that I think were implied, is it correct that some weapons Ukrainians have could fire and hit some parts of Russia? And based on guidance and agreements they have not?

LEWIS: My understanding, I think as you know, the weapons that Doctor Karlin just described, do you have a different ranges and different capabilities.

ISSA: Let me rephrase that. Have they fired on Russia during this engagement at all?

LEWIS: Not that I'm aware of, but I'm not -- I may not -- there may be things I'm not aware of, but I'm not aware of them having done that.

ISSA: OK. I think that was part of the gentleman's question. I appreciate. The gentleman yield and we now go to the gentleman from California, Mister Barra.

BERA: -- to do some framing because Xi Jinping and the PRC are going to frame AUKUS as being offensive and being anti-China, et cetera. And the truth is very supportive of AUKUS, very supportive of our working with our allies. But it is in response to the PRC's aggression in the maritime space. Its aggression in the South China Sea. Its aggression in the Indian Ocean region. And it is a response to keep a rules-based order to keep freedom and navigation to continue what really has been a peaceful, prosperous, stable number of decades in in East Asia in the Indian Ocean region, in the Indo Pacific. One that China and -- or the PRC and Xi Jinping are moving to disrupt. So, I reject Xi Jinping's narrative that these are -- this is the United States being offensive with partners and allies.

In fact, it's Xi Jinping's economic coercion, reaction to legitimate questions by the Australians uncovered origins and their ham-handed economic coercion, retaliation that really has pushed Australians to be one of our more hawkish allies here and understand the competition that we face and where Xi Jinping wants to take the PRC. So, I applaud the work of the administration. I think this is a very important deal. And very important for us to again, maintain an architecture a rules-based order freedom of navigation, maritime security for not just the AUKUS partners, but also for the other countries in the region.

When I look at gray zone tactics around Vietnam's exclusive economic zone, when I look at gray zone tactics around the Philippines, when I look at Xi Jinping's aggression in the streets of Taiwan, again, is not the United States that is changing this -- the dynamic in the region. It is intentional led under Xi Jinping's his leadership. And I am all in favor of dialogue with the PRC and trying to reset this, but it is not the United States that's looking for conflict. It is Xi Jinping creating that context.

So bringing it back AUKUS, I also sit on the intelligence community and very much appreciate the partnership that we have with Australians. But also, as we start to share critical technologies, the

Chinese are very good at stealing those technologies. And I do worry about cyber risks. I do worry about how we maintain security around the -- these technologies. And maybe either one of you, or both of you if you'd want to talk to things that we should be thinking about from the congressional side as we develop and share the most sensitive technologies that we can make sure that our partners have the highest level of cybersecurity as well.

LEWIS: Well, thank you. And I agree, I think this is a critically important issue for us to look at. I want to start by saying that because it is Australia and UK, and because we've had such close cooperation with them on some of our most sensitive technologies, intelligence capabilities, we really do believe that we can work together as we put standards in place, not just on the cyber front but really across the board to make sure that we maintain that mission critical control over these key capabilities and sometimes information.

I think that when we look at other examples where we have worked very closely with countries, particularly as it relates to their export controls, we have been able and I am confident that we will be able to do that in this environment and this AUKUS alliance as well. Excuse me. AUKUS authorization that we will be able to make sure that all that we align both from the technical level but all the way up to the strategic level.

KARLIN: I might just add to Assistant Secretary Lewis' point, the emphasis on the trilateral standards, really all three of us taking this as seriously as possible. And I think we have really found in the conversations with our Australian and British colleagues that we all have the same strategic perspective and why we want to ensure, why AUKUS exists and why it needs to be a success.

ISSA: Great. Thank you.

KARLIN: Thank you.

ISSA: I yield back. I think the gentleman who now recognize myself for around two questions. Following up on my colleague's question. You use the word would be. So, it's fair to say that you have some items which you believe that particularly Australia will engage, provide and comply with that would allow you to have that full confidence currently rather than wood? Is that correct?

LEWIS: I think it's both. We currently have competence and we will continue to have confidence. I think as you --

ISSA: But you are going to ask them to do certain things in order to comply fully with our goals of not having sensitive equipment in any way fall into other hands.

LEWIS: We are going to ask all three countries to do that. Yes.

ISSA: OK. I just want to make it clear that it's a confidence that those laws and other efforts will be -- will take place that causes you to ask for authorization, but recognize that it doesn't actually begin the transfer until those terms are met.

LEWIS: I think just to be clear and I appreciate the question. We also believe we are going to do multiple things simultaneously. So given the urgency that we have heard from you and that we feel ourselves, we believe under our current authorities that we have now that we are going to be able to set up this structure using the articles that we know that some with our AUKUS --

ISSA: Sure. I appreciate you do everything you can do without our permission and then come to our permission when you only are absolutely positive, you need it. Nothing surprising there after 24 years. But you -- the urgency is an interesting tee up for my next question. It is primarily a DOD question. But earlier today, there was a figure of 36 billion that has been expended in Ukraine in actual weapons system. A fair number is what I heard one of you say. Currently, there's about 19 billion a backlog with Taiwan. Now in 15 months, \$36 billion, some of it pretty advanced weapons, some of it bread and butter weapons have been successfully transferred. And for the most part expended on the battlefield. Is that a fair statement?

LEWIS: Sir, I believe so unexpended, but I don't want to say that --

ISSA: Sure. I mean, shooting the shit as fast as they can. Let's be honest. We were there. We were there. We didn't -- we didn't see them holding back just in case they someday wanted to use it.

LEWIS: Indeed, we have no evidence of that.

ISSA: OK. So based on the assumption that 30-plus billion has been literally expended, delivered and expended in a 15-month period, what is our basis not to provide in a similar speed, as though they were at war, the \$19 billion, rather than as an expenditure, but as a deterrent? And I'm asking this, because everybody has a reason you can't do something until the shit hits the fan. OK? Then it's come as you are, bring what you have, go find it and get it.

I want to know why we have not in light of Xi Jinping's aggression and threats of almost immediate invasion. Why we have not expedited, as though they were similar to Ukraine, at least some of that \$19 billion that they've agreed to pay for.

LEWIS: Well, you and here in Congress, actually, in the most recent defense authorization bill, provided us the ability to do so with \$1 billion. So the vast majority of the assistance that has gone to Ukraine has gone through something called the --

ISSA: I'm not talking about Ukraine. I'm talking about to Taiwan.

LEWIS: Sir, I understand. I'm just -- I'm saying that we have used something called the presidential drawdown authority, which is -- allows us to take from DOD stocks and provide directly to Ukraine.

ISSA: So you're saying that it is the drawdown authority that accounts for virtually all of the \$36 billion of transfers to Ukraine?

LEWIS: It accounts for the vast majority over \$20 billion of it. And it is the speediest way to move forward. And Congress gave us that ability with Taiwan and the Secretary of Defense recently said that we are planning to move forward on that \$1 billion as provided for by Congress.

ISSA: Now, with the remaining time, a billion ain't what it used to be. Would you say fairly, that the type of deterrent equipment necessary by Taiwan to truly cause China to think again about invasion would be dramatically greater than one billion? Meaning we need to look at the one billion and exponentially increase it to the extent that the authority could be used? That's a fair statement, isn't it?

LEWIS: I think that what Taiwan needs is significant. Obviously, I would defer to Congress on what it chooses to authorize.

ISSA: OK. I like that. With that we recognize the gentlelady from Pennsylvania, Miss Wild.

WILD: Thank you, Mister Chairman. My first question is for Assistant Secretary Lewis. There are two distinct components of our strategy to defend core US interest vis-a-vis, the PRC. First is building a broad coalition that will stand up against PRC attempts to undermine global rules. And the second is deepening security and strategic cooperation with our closest allies and partners to deter the PRC from considering military options but sometimes these two things come into conflict.

Some of our partners in Southeast Asia have expressed concerns about AUKUS and fear that our initiative could in fact, ratchet up tensions in the region. How do we reassure those partners that AUKUS is a defense and deterrence focused initiative, and that we are going to be a responsible partner in the competition with China so that they are less hesitant to support us?

LEWIS: Thank you for the question. And I do think it is really important that we talk about AUKUS for what it is. And really, it is about deepening and strengthening the very close alliances that we already have with Australia and the UK. And it's an opportunity for us to take some of these very critical capabilities on AI, on cyber and hypersonics and work together. I think when we talk to some of our allies in the region, as they raise these concerns, I think the message is, this is one piece of an Indo-Pacific strategy that is going to involve working together with different countries in different ways.

And I think as Secretary Blinken said, our goal with China is to compete, where necessary to cooperate where we can on mission critical issues that affect the whole globe. And then confront if we need to. And so, I think it's very important that we need to get that message across and we are working part of my job. And I know part of Doctor Karlin job is to work with all of our other allies and partners throughout the region as they look at both their security needs, their defense capabilities and the ways that they wish to deepen and strengthen their relationships with the United States and are others allies and partners.

WILD: Do you believe we can do that in a way that will be reassuring to them?

LEWIS: I do believe we can do that. Yes.

WILD: All right. I have more questions for you that I'm going to submit in writing. But I want to move on to a question I have of Assistant Secretary Karlin having to do with the production, the output of our defense hardware. It's my understanding that we are currently producing roughly 1.2 Virginia class submarines a year. And we'd like it to see it closer to three. My understanding further is that part of AUKUS Pillar I is that Australia has signaled plans to make an investment into our shipbuilding industry, which obviously would help with production. But on the other hand, I have concerns about what the impact might be on American workers and families if this kind of investment is made.

I say that as a representative of a district that is on the leading edge of advanced specialized manufacturing, including in the defense field. Can you address that, please?

KARLIN: Absolutely. And as you know, ma'am, the most recent requests for a defense budget included 4.6 billion in investments in our submarine industrial base for both maintenance and production, because we want to increase the number you highlighted and we want to have more submarines available and ready. Exactly as you know, the Australians have committed to make a significant contribution to our submarine industrial base.

That is particularly important. Obviously, it is meaningful in terms of jobs for Americans in terms of helping our industry. But I would highlight it's also especially important because investment early we have seen in the industrial base is going to bear fruits. And we have watched this with things to Congress's leadership in recent years. That that trajectory looks increasingly better.

WILD: OK. So -- but how is it going -- what's the interplay going to be in terms of how we make sure that we produce as much as we can here while still accepting this generous investment?

KARLIN: Thank you. The -- I don't know that these will clash. The investment that the Austrians will be making. The significant investment in our submarine industrial base will be for our industrial base specifically for what we are producing, obviously, much of that is for our own submarines and then of course, those that one would ultimately sell to Australia. So, I don't think there's a mutual exclusivity here.

WILD: OK. I think we may be talking about two different things. My time is up.

ISSA: Gentlewoman's time has expired. The Chairman now recognizes Chairman Green for five minutes.

GREEN: Thank you, Mister Chairman, for holding this important hearing -- important hearing today and for your work to strengthen America's alliances during a critical point in our nation's history. The AUKUS partnership represents one of the most critical strategic frameworks for countering the Chinese Communist Party in the Indo-Pacific and around the globe. Working alongside our closest allies, the UK and Australia is a golden opportunity to roll back the gains the CCP has made not only in the Indo-Pacific but in other critical domains of competition such as cyber and financial markets.

As we celebrated Victory in Europe Day, this week, it was a timely reminder of what can be achieved when we work together with freedom-loving partners. However, without consistent effort and efficiency, and effective diplomacy, there is no way AUKUS can live up to this potential. The Biden administration wants to take a victory lap for signing this agreement, but doesn't seem willing to make

the effort to ensure we're leveraging it in the fight against the CCP. American leadership is the most essential component of this alliance. But how can our partners trust us when they see how we treat our Taiwanese allies where we have \$19 billion in backlog and weapons systems deliveries while they experience an existential threat to their way of life.

I recognize the inherent challenges present in achieving the goals of AUKUS many of which stem from bureaucratic inefficiencies and outdated statutes that don't move at the pace of the threat or technology. I do thank our witnesses for their commitments to tackling these issues head on. I also thank my colleagues on this committee for making arms export reform a priority. And that's what I'd also like to speak about. I would like to address the issue of ITAR's and ITAR's exemptions.

This last week, I traveled to the United Kingdom and I met with among others, the defense minister. He raised a very serious concern that Canada is granted an ITAR's full exemption. But the UK, our greatest ally is not. He cited a specific example of a UK company that has technology that would advance our hypersonic missile capability. But the company -- if the company sells to the US under ITAR, that technology becomes exclusively controlled by the United States.

That company has chosen not to sell the technology to the United States to help us with our capability. He also said compliance costs have him spending a half a billion pounds every year. He specifically said that half a billion pounds could buy American equipment for him if he didn't have to do that with compliance. The U.K. wants an exemption to ITAR's equivalent to Canada. Yeah. As Winston Churchill noted regarding our World War II alliances, there's only one thing worse than fighting with allies and that's fighting without them.

We've got to fix this issue with England. To miss the opportunity to have this capability is unacceptable. And I have intentions to bring a bill that would do just that. And I'd like to ask my first question. Would you guys support that? And if not, why not?

LEWIS: Sir, first of all, let me start by saying I think you raise sort of the core issue that we are trying to address here today, which is how to make sure that our defense trade but specifically in this case, our defense trade under AUKUS with two of our closest allies can move with speed, and with safety and in a secure way. As we look at the issue of how to make that happen we have put together a plan that encompasses actually not only the ITAR which only governs actually our commercial sales, but actually our foreign military sales which are our government to government sales.

And just for reference 90 percent of the sales that the trade that we do, for example, with Australia is actually under the foreign military sales process.

GREEN: Right. I mean, he's asking very specifically for an ITAR's exemption that would -- we're not talking AUKUS in this case. Hypersonics are not a part of AUKUS as I understand AUKUS. I understand there's a second phase of this, that's AI and other things, right? But hypersonics aren't in there. I'm not going to go into detail in this setting on what he shared with us about the capabilities, advancement, that that would be for our development of that resource. But it ain't happening because that company has made a business decision.

They made a business decision not to give their technology that then would restrict their sale anywhere else. And we -- I mean, it's the United Kingdom. They've been with us. I mean, the blood that has been shared spilled on the soil together on beaches in Normandy all over Europe. I mean, there is no reason why we can do the same with Canada but we can't do it with the UK. And so, my argument is we're going to bring legislation and I would love for you guys to support this ITAR's exemption and with that, I yield.

MAST: Gentleman's time has expired. Chair now recognizes Miss Jacobs for five minutes.

JACOBS: Thank you, Mister Chair, and thank you both for being here. As we're talking about how to improve our arms exports, I think one of the things that is going to be really important is ensuring that our Arms Transfer Policy aligns with our values and our broader strategic foreign policy goals. It's not only important for human rights and all of the good things and moral reasons, but I think it's actually really important for our long-term security and our ability to have these alliances in the future.

So I was really encouraged by the Biden administration's new conventional arms transfer policy, and in particular, one of the specific changes that changes the standard from actual knowledge that arms would be used to commit atrocities, to commitment not to transfer arms that would more likely than not contribute to atrocities. So Assistant Secretary Lewis, I wanted to see if you could talk about how this policy is materially going to change things. How you plan to do monitoring and evaluation to assess its impact on arms transfers, and how you're going to implement this new standard.

LEWIS: Well, first of all, thank you for the question. I think, the conventional arms transfer policy which is the policy that governs all of our arms transfers around the world. And actually, you have -- you could have read for my talking points on that specific change that we made as it relates to the Human Rights standard. I would recognize that the QAT Policy also includes a whole host of other things. For example, trying to make our weapons looking at different ways to finance them, and a whole host of other things as we move forward.

But to get to your specific question, we already work very closely with our colleagues in the -- in DRL, the bureau that oversees our human rights issues, as we look at Arms Transfers. And so, we are using these criteria as we evaluate all of the transfers. We are going to continue our current and use monitoring programs. Some of which are done by the Defense Department, some of which are done by the State Department, depending on the authorities, again, to make sure that we comply with the law.

And then in addition, I think you're probably aware that we also have to do Leahy vetting when it is -- when arms transfers are funded through using US government money. So there's a whole host of ways that we have to address this criteria in the QAT Policy.

JCAOBS: I'm glad you brought up US monitoring because while this revised policy says the US will monitor ensure transferred arms are used responsibly and in accordance with the conditions and obligations of the policy, including human rights and international humanitarian law. As you both know, at the moment, current US and US monitoring programs are really only focused on diversion risks. But they actually don't monitor or track how US items are being used, including in UN human rights or international humanitarian law violations.

So how will implementation of the QAT address this gap and how we do and use monitoring?

LEWIS: Well, I do think we are going to continue to do and use monitoring as it complies with both the law and this program. I think we are -- and again, part of that includes the work that we do with DRL. And the other pieces of the Bureau -- I'm sorry, of the State Department that work on these issues. I know that this has been something that from the President on down making sure that we consider human rights as we look at these arms transfers will continue to be at the core of our policy.

JACOBS: OK. Well, that sounds great, although it sounds like most of what you're saying is what you have been doing and not necessarily what's changed based on this policy. So I'll look forward to working with you to make sure that we're actually -- this is not just a continuation, but actually doing something new. I wanted to go to the FMS 2023 that you all just put out. It references the QAT Policy in it which I think is great. However, the FMS 2023 policy itself doesn't mention human rights concerns at all.

So how will the QAT Policy and FMS 2023 fit together? And how will you ensure that retooling FMS doesn't sideline the very human rights concerns that you're addressing -- trying to address through the new QAT Policy?

LEWIS: Thank you for that question. I think it's actually a really important question to answer. These two things to me work -- they align actually quite well together. If you look at what we put in the FMS 23 plan, we are looking at things about prioritizing, having priorities as we look at the arm sales that we transfer. We're looking at making sure we take a regional perspective. We're looking at issues related to the training of the people who do the work in our embassies to get arm sales to move. We're looking at improving our processes with Congress. So, I don't think any of that work is incongruent with the same the principles laid out in the -- in the QAT Policy.

MCCAUL: Gentelady's time has expired. Chair now recognizes Mister Barr for five minutes.

BARR: Thank you, Mister Chairman. Thank you to our witnesses for being here and discussing the important trilateral relationship. That is, I think, critical to deterring the Chinese Communist Party in the Indo-Pacific. So let me start with Taiwan. Assistant Secretary Lewis, we know that Taiwan is waiting on a number of FMS deliveries from conventional weapons like the Abrams tank to F-16 upgrades, asymmetric harpoons and HIMARS. Is state working with the defense industrial base to prioritize delivery of these asymmetric weapons that would be most effective at countering cross-strait invasion and be happy for our defense department want us to offer her thoughts as well.

LEWIS: Sir, I think that we are all very focused on getting Taiwan what it needs to defend itself. As you know, that \$19 billion that you're discussing is our sales that have already moved through our process and are now in the production phase. And I think I will just say one or two things and then let Doctor Karlin speak more to that because the Defense Department has really been leading the charge on key capabilities to reduce the timelines or increase production so that we can get those mission critical capabilities to partners like Taiwan.

KARLIN: Thank you. We are running an effort that is chaired by Deputy Secretary Hicks to make sure that Taiwan is getting the material and non-material capabilities it needs as quickly as possible. And then there's the most senior level attention as possible. We are constantly engaging Taiwan as well to work with them in terms of an understanding of what those capabilities would look like obviously in line with our long-standing policy and our commitments. I would also just take a moment now to think Congress because as it relates to our own military, Congress's support a multiyear procurement of munitions has been -- especially important for our military, as we look at ensuring that we have the most combat-credible force to deal with --

BARR: Yeah. And Doctor Karlin, there's a lot of bipartisan work going on not just in this committee, but also in the Select Committee on the strategic competition between United States and China. And you're going to see those recommendations on multi-year procurement. The industrial base needs certainty on this. And this is -- this has got to be a absolutely top priority of accelerating those FMS and getting those capabilities. Now, yesterday, what have you to that democracy. Let me follow up out of -- all of the open FMS cases with Taiwan. How many can we expect to be completed by the end of this calendar year?

LEWIS: I think in this setting, we are not going to discuss when things will be delivered, happy to continue that conversation.

BARR: Yeah. Fair point. Just know that this is an urgent priority for the Congress as you know. Let me ask you about AUKUS governance. Assistant Secretary Lewis, how is the State Department planning on deciding which sectors or projects or AUKUS projects that will qualify for expedited approvals under the AUKUS trade authorization concept?

LEWIS: Sir, we are going to be sitting down both with Australia and the UK to work through exactly those details. So obviously, it needs to fit into the definitions of what we're working on within AUKUS. And then I think the second piece of that is, we're also looking at making sure we understand sort of what's excluded. And we did that very carefully because it's easier to move quickly when you have a clear list of --

BARR: Black list.

KARLIN: And -- right. What cannot move as opposed to sort of trying to keep a track of what can move.

BARR: And again, I don't know if this is the right setting. But is there an example of a technology, a critical technology that is so sensitive that it could not be shared in the AUKUS?

LEWIS: I think I can answer that in a -- in a broad -- in a broad way. We have certain items that we are prohibited from transferring under treaties, for example, that would violate our nuclear Non-Proliferation laws.

BARR: OK. To both of our witnesses, clarity is key for AUKUS' success. Industries wanting to participate in this opportunity, need to know what is possible for this to work. They need a green light, red light system. Have either of your agencies actually sat down with your counterpart ministries in the UK or Australia and outline specifically, what barriers exist in their laws or regulations that could hinder implementation?

LEWIS: We have been in a really a nonstop conversation with our counterparts in Australia and the UK, to try to make sure that all of our systems are aligned. And that will -- that will need continue as we continue to work through all of these steps to move forward.

BARR: That's great. Well, I appreciate that effort to give industry that clarity. With that, I yield back.

MCCAUL: Gentleman yields back. Chair recognizes was manning

MANNING: Thank you, Mister Chairman. Doctor Karlin, as you know, our ally, Japan faces serious challenges from China. I was recently on a congressional trip to Japan. We spent a great deal of time focusing on the dramatic increase of Japan's military budget, and the increasing importance of our relationship. And as you know, the next AUKUS step, the expansion into hypersonic weapons falls squarely into Japan's priorities. So can you talk about whether there are ways Japan can contribute to different aspects of AUKUS and whether they could be brought into deeper cooperation with this group in the future?

KARLIN: Thank you. First, I would just like to applaud the extraordinary investments that we see by Japan exactly. As you know, ma'am, they really are meaningful. We are also from the Department of Defense perspective doing all we can to strengthen that relationship. Most recently announcing that we're going to send our most capable Marine Regiment out to Japan. Regarding an any sort of expansion, right now, we're really focused on ensuring that AUKUS can succeed as designed. And then as we've generated momentum on it, et cetera, we are absolutely interested in looking at exploring opportunities to integrate partners into kind of certain activities or so as we go forward.

MANNING: Are there security or other concerns that Japan would -- technology concerns that Japan would have to overcome to create a closer relationship with AUKUS?

KARLIN: I think we would want to ensure just as we were saying about the trilateral need to make sure we've got elevated standards. I think with any country we'll work with in such an intimate way on sensitive technology cooperation. We all -- we have the same strategic goal, let's make sure that operationally we can make that a reality.

MANNING: OK. And under Pillar II, the agreement seeks to expand technology sharing cyber and quantum capabilities as you're just describing an artificial intelligence. How important is it that we have the upper hand in these critical areas? And can you talk about what safeguards need to be put in place to prevent China from seeking to steal our technology and undermine our capabilities?

KARLIN: Thank you, it is incredibly important. As we see the security environment shifting, and I would highlight as we see the military technological environment shifting as well, for us to be able to collaborate closely with our allies. And to be clear, all boats are rising here. We -- it's a two-way street. We are also getting things from them. And given these changes a failure to collaborate and integrate and innovate will actually only hurt us, I think, in this competition.

We have got to do that, though, with these meaningful safeguards. And I do believe as it relates to Australia and the UK, specifically, that we're in a similar headspace on the need to ensure that security.

MANNING: Thank you. Assistant, Secretary Lewis, can you talk about some of the challenges the defense production industry is facing overall? The impact it's having in terms of our assistance to Taiwan and other countries? And what can and needs to be done to help strengthen our supply chain?

LEWIS: Thank you for that question. And I'll certainly talk about what we're seeing. I think we are really at a moment of what I call tectonic change when it comes to security assistance and cooperation around the world. Because we are seeing not only because of the war in Ukraine, but because countries are concerned about the PRC threat. And we're seeing the eastern flank of Europe really change its security posture. Dramatic increases in both security needs and defense spending.

And that is happening at the same time that our defense and industrial base is emerging from COVID, just as many other industries in the United States have done. And we are working very closely with the defense industrial base to increase their production, to see where we can make investments. And then, as Doctor Karlin has outlined, the defense -- the Deputy Secretary of Defense has honed in on a specific set of capabilities, where we need to really move more quickly.

KARLIN: If I could just add.

MANNING: Sure.

KARLIN: Just really thanking Congress for the CHIPS Act which has some profound relevance for all of this because it'll help us bolster Central American industry to maintain our military and technical logical edge without which, frankly, much of this just won't be feasible.

MANNING: And if they were cause to what has been achieved through our CHIPS Act because of the deficit negotiations, would that have a negative impact?

KARLIN: I think there would absolutely be national security implications if we are unable to make the meaningful change that we need as a country to shore up our defense industrial base, which really is a core strategic asset.

MANNING: I want to thank you both for your service to our country. And with that, I yield back.

MCCAUL: Gentelady yields back. Chair recognizes Mister Burchett.

BURCHETT: Thank you, Mister Chairman. As the -- someone whose questions get asked kind of late in the -- in the day and as the 435th most powerful member of Congress, I expect when I asked my questions, you all are at a shock. And maybe you can proclaim how profound my questions were and how intellectually they were -- they were presented to you because that's why when it -- when we record this and show it to my folks back home, that's what I want them to think anyway. So thank you all so much.

Secretary Karlin. Ma'am, do you believe that stability in the Middle East is any way possible shape, form or fashion honestly?

KARLIN: Sir, stability in the Middle East resource writ large. I do believe we can have some stability and security in the Middle East. Over the years it has gone up and down right now if we just look at Yemen as an example. We've had the longest period of quiet since the Civil War broke out. And that is indeed a positive.

BURCHETT: OK. But you said this morning, any efforts to increase security and stability in the region should be welcomed by all. And of course, China has worked with Iran to build relationships with the Saudis. You believe that that should be welcomed?

KARLIN: I think efforts to bring the countries together in a more peaceful way are a positive. That said, I think it is quite clear that many of our Gulf countries have a threat perception of Iran irresponsible and aggressive behavior that is quite in line with ours as well.

BURCHETT: OK. China seems to be attempting to become a diplomatic actor in the region. Do you think that's a good thing?

KARLIN: I think to the extent, the People's Republic of China is trying to play a more positive role in the region, that is a good thing. I do want to emphasize that there is absolutely no comparison to the level scope scale of U.S. involvement in the Middle East, decades and decades long than what

we see the People's Republic of China. I would also just note for our partners in the Middle East, of course, that as they increasingly cooperate with the People's Republic of China, we will of course, look at the technological implications of that cooperation. The communications of that cooperation as well, to ensure that our robust relationship cannot -- can result in this security that we need to.

BURCHETT: Yes, ma'am. Not feel like any effort of the Chinese towards anything is looking out for China. And with them, their involvement in the Middle East I think that is -- to me, that's a dangerous situation. I think it shows -- especially any alignment with Iran who's -- who have stated that they don't believe Israel should exist to me is a -- is an affront. To me and a lot of people that I represent. Do you think the Chinese involvement, the Middle East is a threat to the Abraham Accords?

KARLIN: Do you want to get that? Sorry. I don't know that I would see it as a threat that Abraham Accords per se. I think on the face of it, it is clear that the People's Republic of China has a relationship with Iran. And it is also clear that like us, the Gulf countries are worried, understandably about Iran's irresponsible and aggressive behavior. So, I think that the -- those who participate in the Abraham Accords would want to be aware of how various countries understand the threats in the region. Who is fomenting threats in the region and how best to tackle them.

BURCHETT: OK. The Israeli defense chief of staff says Iran has -- right now is more enriched uranium than ever before and is increasingly aggressive. Do you think your plan of deterrence is working?

KARLIN: We take effort to deter Iran very seriously across the US government. I would note most recently in late March when there was an attack by Iranian-sponsored militias. The US military responded, I think, within 12 hours or so and we believe the Iranians understood what that response was as well.

BURCHETT: Again, I would -- I'd hoped the State Department and the White House would pay special attention to the situation with Iran. I just -- with their statements of hostility towards Iran historically and currently, I think as -- it ought to be a notable awareness for us and the Chinese are hooking up with them, I would be really concerned. So, anyway, thank you, ma'am and I yield the remainder of my three seconds. Mister Chairman.

MCCAUL: We thank the gentleman for his eloquence and for yielding back. The Chair now recognizes Mister Moskowitz.

MOSKOWITZ: Thank you, Mister Chairman. You know, actually, kind of continuing the same line of thought from the previous speaker, I just got back from Israel, Jordan, Egypt, and Italy with the speaker and we met with the King of Jordan, we met with the president of Egypt, the foreign minister of Egypt, the CIA Director of Egypt, the Prime Minister of Israel, the President of Israel, the Speaker of the House, the prime minister of Italy, the president of Italy, the Speaker of the House of Italy, and there was a consistent theme among these four countries and that was China and, also, the consistent theme was is that they were very honest.

They want to do business with the United States. They want to buy our equipment. They think our stuff is superior but if we can't sell it to them they're going to get it somewhere else and that's new, I think, for the United States. That similar equipment can be purchased from Russia and China. Since the fall of Soviet Union maybe we've not had that in the space. Also, we heard from them that if we -- if we start to pull out of the region, whether it's in Africa or in the Middle East because we're focused elsewhere. China is coming in and China is not coming in with grants, they're coming in with loans. Loans that at some point in time China is hoping maybe won't get paid, so that they can take further control of those countries' economics.

Also, when China comes in, they don't lift these countries up and give -- the projects their funding don't come to the workers of those countries because they bring in Chinese labor to build all of these things and so I have serious concerns over -- that I think we're a general fighting the last war and that we have not changed with the times. Secretary Karlin, did I hear you say or did someone bring up that it takes 18 months to do a contract?

KARLIN: Someone did raise that figure. I can't corroborate that figure. I don't know if Secretary Lewis can either.

LEWIS: I can't either on that. I'd be happy -- can I address the issues that you raised previously?

MOSKOWITZ: Please, yeah, sure, absolutely.

LEWIS: Because we've actually spent a lot of time thinking about this. The United States currently is about 41 percent of the world market on arm sales. That's you take a 10 year average and that's -- and that's -- we've actually increased from 38 percent to 41 percent. Russia has fallen from the second largest producer in the world to the third largest producer and China is down there in the single -- in the single digits so -- and our sales combined are -- is larger than the next sort of five countries aligned below us.

MOSKOWITZ: Listen, I understand where the data is. I'm telling you where it's going, okay, if we don't fix some of these problems. There, you know, when these folks are looking us in the eye and telling us we purchased these things, we haven't received them, we'd like them from you, we still think you're the best partner but at some point in time we're going to buy them elsewhere or in some instances in Egypt they already have, that's putting us on notice that something isn't working.

Another -- one of my colleagues asked you about excess capacity. Let me tell you what he's asking, okay?

LEWIS: Hm-hmm.

MOSKOWITZ: Because this is no different than with COVID supply chain, right? We didn't -- we had to buy stuff from all over -- all over the world. We were competing with everybody but Antarctica for materials during COVID, okay, and most of the stuff was procured from China and other countries. It wasn't made here and we incentive -- we had all this money and we incentivize all these companies to bring these new lines, right, to make masks in country. It took months and months and months and months to do that or for them to change their lines to ventilators.

It took months and months to do that and so what he's asking is that, are there excess lines that are already built, right? Are we incentivizing producers to break -- to have excess lines? In the event we get into, I don't know, a war or a proxy war so that when we use the production act we're not waiting. We saw when we use the production act, it wasn't like this. It's still months to bring these lines online. So that's what the question was. Do we have excess capacity? Are we incentivizing excess capacity that we can bring online because it's already built.

KARLIN: I think we are not at that stage yet, frankly, because we are trying to increase that capacity. I hope that we will be at that stage going forward but right now what we're trying to do especially in key areas is to signal to industry and Congress has actually, obviously, been really, really important in this to be able to signal where we want to priorities -- where we want to prioritize and how we can increase the security and the resilience of the -- of the defense industrial --

MOSKOWITZ: My last question because I'm out of time. Do we know and if you can't share it that's fine, do we know how many days we -- if we've gotten to a hot war, do we know how many days of supply we have before we would be in an existential situation?

KARLIN: That would depend specifically on what platform you're talking about but we would be delighted to have that conversation in another forum.

MOSKOWITZ: Thank you, Mister Chairman. I yield back. Gentleman yields. Chair recognizes Miss Young Kim.

KIM: Thank you, Chairman McCaul, and I want to thank all of our witnesses for joining us today. As a chairwoman of the Indo Pacific subcommittee, one of my priorities is ensuring that our foreign military sales programs are supporting the most vulnerable allies and partners in the region. Last Congress, Chairman McCaul and I introduced The Arms Exports Delivery Solutions Act, which requires an annual report from DOD and DLs that details the efforts being taken to address the

multibillion dollar backlog of arms sales to Taiwan and our other allies in the Indo Pacific and two weeks ago, we received the 5508 report due to us from that legislation regarding foreign military sales and in that report the State Department highlights challenges such as the supply chain issues and long lead deliveries as causes for delays to that process.

Question to you, Miss Lewis, one of the report requirements is for a description of interagency efforts to support Taiwan's attainment of operational capabilities including training, where's that part of the report?

LEWIS: I think if -- we're certainly happy to discuss that with you further and if there's additional information you need in the report I guess what was --

KIM: It's not in the report that's why I'm asking but the report also require a description of the action that department is planning to take or has taken to prioritize Taiwan's FMS cases so when can we expect that portion?

LEWIS: If there is anything that's not included we'll be happy -- I'll be happy to take that back and make sure that you get that. I'm also happy to answer any questions now or in another setting if that's --

KIM: Well, would you agree, then, the couple questions I asked it's not there so would you agree this report is incomplete and when should we expect to get the rest of the report that includes the information that we were asking through that legislation?

LEWIS: I'm happy to take that back and get back to you as soon as we can.

KIM: OK. Well, one of the requirements in Section 5508-B is for the State Department and DOD to recommend to Congress authorities we can use an actions we can take to support expedited arms shipments to Indo Pacific allies and the report does not have these recommendations so what are they?

LEWIS: Well, I think we've covered some of those here today because the issues that the region and that Taiwan are facing in terms of the production timeline, challenges that we are having, are not specific to the region. These are across the board challenges for our defense industrial base and so I think, again, the work that Kat Hicks, Secretary -- Deputy Secretary Hicks has done at DOD to prioritize specific capabilities we have done things, for example, we had lines that were cold, meaning, they had -- they had stopped producing items, gone back figured out why is that line cold, sometimes that comes down to a specific widget that a sub producer may have gone out of business. Gone back to getting those --

KIM: Thank you, I look forward to getting that specific recommendations in the report when you complete that. Section 5508 also require the State Department and DOD to submit the report by March 31 of this year so why were your agencies unable to meet that deadline and why is the report incomplete?

LEWIS: My understanding is we submitted the report on April 17. I think as you know we have a large number of reports that are --

KIM: April 17 is still not March 31. So I hope that we can expect the next report which is due March 31 of next year 2024 to be on time?

LEWIS: Of course.

KIM: Next question, AUKUS is intended to strengthen the ability of the US, Australia and the UK to support each respective governments security and defense interests and much of the conversation around this security pact has been about nuclear powered submarines. So what are the areas of cooperation other than the transfer of nuclear powered submarines to Australia that AUKUS can serve as a platform for?

KARLIN: Thank you. There are indeed two pillars, if you will, of AUKUS. One is, as you note, the United States providing Australia with a conventionally armed nuclear powered submarine capability at the earliest possible date while setting the highest Non-Proliferation standard, that's kind of known as pillar one. Pillar two is that AUKUS will develop and provide joint advanced military capabilities to promote security and stability. As of now, a handful of those areas include hypersonics, artificial intelligence, for example, what we really want to do is be able to lift up all of our defense industrial bases and to cooperate together so we can enhance our competitive military edge.

KIM: Thank you. Very quickly, last question, I know there is a lot of numbers being thrown around about the exact dollar amount for Taiwan arms that's on backlog right now. So is it 19 billion, 20 billion, 21 billion, do you know?

LEWIS: Ma'am, I think that it depends what you're counting. I think our view is those have come out of the US government system and our items that are being -- that are in production and so again, we have -- we would have to go industry by industry to analyze that further.

KIM: Thank you. My time's up, I yield back.

MCCAUL: Gentledady, yields back. Chair recognizes Miss Kamlager-Dove.

KAMLAGER-DOVE: Thank you, Mister Chair. First, completely unrelated, I just want to say that Tina Turner died today and she was the master of soft diplomacy and also a former constituent of mine so I'm a little sad but I am glad that this committee is holding a hearing on the important topic of US arms exports policy and reclaiming the underutilized oversight role that Congress plays in our security cooperation for trusted partners, with closely aligned goals such as Ukraine and Taiwan.

US security assistance can be essential in helping our allies deter aggression and defend against existential threats but as the revised CAT policy acknowledges when our defense material is transferred to actors who do not employ it responsibly, US weaponry can and has been used to violate human rights and international humanitarian law, harm civilians and undermine long term US interests in stability and good governance abroad. There was an earlier question about end-use monitoring and I have a follow up question to that. What tools and resources would the US government need to conduct robust monitoring of how arms delivered to security cooperation partners are actually used?

LEWIS: Well, we do and use monitoring, and I'll talk about the State Department side and the Defense Department does something similar. So when weapons are transferred, we have -- on our side, it's on the commercial side, we have the responsibility to account for those weapons. There are site visits, there are simple mechanisms such as making sure literally you have a log of those weapons, you know where they are and a whole host of other ways to ensure that we know that they have been delivered and accounted for properly.

I know the Defense Department has similar mechanisms in place for their end-use monitoring but I think one of the things that I actually think is really important is as we look at the human rights question, I think it's not just an issue of end-use monitoring, I think the Leahy vetting piece is actually equally as important and so I think is, you know, what the -- we have all of our partners have to sign agreements on the use of US origin defense equipment and comply with the arm -- the laws of armed conflict and international humanitarian law and respect for human rights and then when it comes to Leahy vetting we have to get down even to the unit level to ensure that we are -- when that's -- just to clarify when it is provided using US government funding that we are not providing those two units that have committed gross violations of human rights.

So I think for me, and we tend to talk about end use monitoring but I actually think for me it's the combination of that with the Leahy vetting that is mission critical in terms of meeting the goals that you're laying out.

KAMLAGER-DOVE: Right, because there's a difference between how they're being accounted for and then what they're actually being used for?

LEWIS: And who they're going to.

KAMLAGER-DOVE: Correct.

LEWIS: Yes.

KAMLAGER-DOVE: Would you like to add to this Miss Karlin?

KARLIN: Thank you. The only point I would add to what a certain Lewis was saying is that when we are training partner militaries we spend a ton of time on things like rule of law, and human rights and we do that because it is our values. We also do that because there's a lot of evidence that it will make them more effective and so we want to ensure that they take that approach. In line --

KAMLAGER-DOVE: That sounds like the honor system.

KARLIN: I'm not sure if I understand, as in --

KAMLAGER-DOVE: You said we go was through these trainings and we're talking about the use of international law, human rights violations, et cetera, and so letting folks know what they should not be using them for.

KARLIN: Absolutely and also helping them understand that that's ultimately not effective so they shouldn't do it because it is wrong and they shouldn't do it because it won't ultimately achieve their strategic games.

KAMLAGER-DOVE: Right, also recognizing that people still do bad things with our weapons, and so there has to be consequential maneuvers as well.

KARLIN: Absolutely, may want it --

LEWIS: Yeah, all I would say is I think you have to look at these as combined. I think it is very important that we do provide training and that we include in any training that we provide the human rights law, international humanitarian law, et cetera, because people need to know the rules of the game and then you're right, then in addition, we have to do the other pieces.

KAMLAGER-DOVE: So my last question for Miss Karlin is under the Biden's administration's new guidance, do you anticipate any changes to the weaponry amounts or recipients of arms transfers that we've seen in the past?

KARLIN: I think you're referencing the updated CAT policy.

KAMLAGER-DOVE: Hm-hmm, correct.

KARLIN: And we have absolutely use that to inform our own FMS, Tiger team, look, as I know, my State Department colleagues have as well and we will ensure that that threshold that is highlighted, the notable change in the threshold, you know, applying it more likely than not threshold, we'll inform how we look at these transfers.

KAMLAGER-DOVE: Great. Thank you, Mister Chair, I yield back.

KIM: Thank you. I now recognize Mister Huizenga for five minutes.

HUIZENGA: Well, thank you, Madam Chair. Appreciate this. I don't want to dwell too long on this. So let's move quickly before I get to ITAR, and foreign military sales, but going off of what my colleague Mister Mast had asked early -- earlier, is there evidence that Ukraine has struck Russia directly?

LEWIS: I thought he asked a slightly different question, I think --

HUIZENGA: OK, well, then I'll clarify that question.

LEWIS: Yeah.

HUIZENGA: Is there evidence that Ukraine has struck Russia?

LEWIS: I have seen news reports indicating that, beyond that I don't have any specific evidence myself.

HUIZENGA: OK. Do we know whether any US arms or US supplied arms were used in that?

LEWIS: We have seen those same news reports and I believe that we are looking into that, as I think you would also know and as I said before we provide our weapons for the Ukrainians to use in their fight in Ukraine and I just want to say again that what we all know that, obviously, that the war would end today if Russia stopped its aggression.

HUIZENGA: Do you have any concern about F-16s that's just been announced of a potential transfer to Ukraine that that could be used or misused?

LEWIS: I do not have any concerns about that. I think that as --

HUIZENGA: Because you believe the Ukrainians would use them as for the purpose intended?

LEWIS: I believe so but obviously that hasn't happened yet but that would be my understanding.

HUIZENGA: OK. Would it not be better to have say Poland send the MiG-29s?

LEWIS: I believe Poland has already sent them MiG-29s which they are -- they are already trained on in using and so the announcement that was made would be providing them with this additional training and capability.

HUIZENGA: All right. All right, I'm going to -- I'm going to move on with -- I'll leave with this statement, many of us had encouraged this administration to get whether it was TOW missiles, other arms in earlier prior to the conflict so that it could not be used as a view towards escalation that the US is directly involved. I think that would have been a much better situation.

I'm going to move on to ITAR and the foreign military sales. I've been at this for a fair amount of time. I was a district director for my predecessor. I was a state legislator. I have been in this position, both in an older district and a new district. I've talked to suppliers and both in the district and in Michigan, virtually all of them over the years have relayed difficulties that they face in compliance with some of the various frameworks, ITAR being one of those, and regardless, it seems that the same issues arise.

Current ITAR framework is too burdensome and clients costs are too significant, for smaller, oftentimes mom and pop or small business shops with innovative technologies who instead choose to enter the commercial market rather than using military. In fact, I had a small supplier tell me that they're facing pressure from their tier one supplier to use non ITAR regulated products because they do not want to deal with the headache of ITAR in their final supply chain. So Assistant Secretary Lewis, how is state working to stop this process from getting in the way of innovative companies looking to bring their products to market within the defense industrial base?

LEWIS: Well, I think, as you know, we have looked at these issues across the board and when it comes to ITAR in terms of AUKUS I think we -- I laid out a plan where we are going to be able to create a smooth moving system where we already know the people who are going to receive it on the end.

HUIZENGA: But this is only going to be within AUKUS?

LEWIS: I'm sorry?

HUIZENGA: Only within AUKUS.

LEWIS: We are doing that within AUKUS right now. We've also created in addition to AUKUS open general licenses which allow some technology to also move freely and I'm happy to continue to work with you. I'm a former staffer, so I appreciate the importance of talking to the people back in your district if there are specific issues. I know that in addition, we have gone through a series of changes in our regulations, and sometimes as simple as updating the website so that people can understand what's there to try to help people with these compliance issues.

HUIZENGA: All right. OK, my last few seconds here. Artificial Intelligence, we can't be --continue to be flat footed, what assurance do we have that your department -- from your department the United States is working to come back or deter the use of AI technologies against ourselves or our allies from places like China and is there an attempt for our allies and our partnership members to be sharing that information?

LEWIS: I think we're working across the interagency on all of those issues.

HUIZENGA: Yield back.

KIM: All right, I now recognize Mister Costa for five minutes. Oh, he's not here. Mister Crow, you are now recognized for five minutes.

CROW: Thank you, and thank you to both of you for coming in today and for your testimony, Assistant Secretary Lewis, I'd like to start with you, your bureau has encountered a significant explosion of workload in the last year in particular but we have the largest land war in Europe since World War Two, we have a modernizing NATO with significant new investments. We have AUKUS and other deals going on right now, can you just touch on for a moment, the impact of that workload on your bureau because at the same time, as there's a lot of people who here criticizing the speed at which you do things, a lot of these folks also are cutting your resources and your budget as well and making it harder for you to actually do the things that they're asking you to do. So I'd love to just comment on what your folks are doing day in and day out and the impact of that workload on them?

LEWIS: Well, I very much appreciate the question. I have to say I came to the bureau about two years ago, and it is an extraordinary team of professionals. We have over 25 percent our veterans in my bureau and then a significant number who we also have active duty military serving and the reason they serve in the Bureau of Political-Military affairs is because they believe in the mission and they believe that -- and they -- our workloads in some cases have increased over the past 15 months 15,000 percent and those same team --

CROW: 15,000?

LEWIS: 15,000 percent for some of the pieces of my bureau and when I talk to my team and I say, hey, you're here working late, you might be here over a weekend to get something to Ukraine or to get something to Taiwan or to one of our partners and allies they tell me, that's what we're here to do, there's been nothing else we'd rather do. In spite of that, we still move 95 percent of cases on the foreign military side within 24 to 48 hours, it is extraordinary the work that is being done. I would note that we had a \$3 billion increase in foreign military financing going to the eastern flank. My team has taken that on.

We have concurrence and over \$9 billion and growing from the Defense Department and the team also negotiates all of our security cooperation agreements. In a normal year, my security cooperation team negotiates four of those, this year they're negotiating nine. The reason they're negotiating nine of these agreements is because countries around the world want to deepen and strengthen their security cooperation relationship with us and we are in charge of making sure that the -- that we have the underlying agreements to do that. So it has been extraordinary and I'm both honored and humbled to be at the head of this bureau at this mission critical time.

CROW: Well, that is an extraordinary effort and I appreciate you paint me that picture and I thank you and your team for doing that critical work. So, with additional funding, say hypothetically if Congress were to provide additional funding to your bureau, what would you use that funding for and what would the impact of it be?

LEWIS: I have to be careful to not get ahead of any specific asks, but what I would say is I am working very hard to increase the staff that we have to meet the mission. I've always believed that one of the jobs of a good manager is to make sure your people match your mission as your mission shifts and change and we are literally in the process of doing that and so I think we would continue that work.

CROW: Thank you very much. Doctor Karlin to you next, are you aware of the administration reconsidering policy with regard to cluster munitions and providing cluster munitions to Ukraine?

KARLIN: Thank you. Right now, we're really focused on making sure that Ukraine gets what it needs that can be effective on the battlefield, immediately, and we have thanks to Congress's support, I think seeing the extraordinary impact of that over the last 15 or so months, obviously, cluster munitions would have a serious humanitarian impact, and that has informed our thinking to date.

CROW: OK. Lastly, could you Doctor Karlin comment on the impact of technology and telecommunications investments by the PRC in places around the world and the impact that that has on our ability to develop enhanced intelligence relationships and export control relationships with our allies and partners?

KARLIN: We absolutely look vigilantly at how and in what ways the PRC makes such investments and I have been heartened to see that many of our partners around the world have increasingly recognized that there will be pros and cons, if you will, of engaging in such activity and I think we have seen a number of examples of partners who've recognized that that that's actually not smart.

CROW: Are we doing enough to communicate the risks, long term and short term if they were to accept those types of investments?

KARLIN: I can tell you, we're doing a lot from the Department of Defense to these, you know, where there are certain partners that we are -- that we understand that they may be pursuing such relationships. We articulate to them in a frank conversation the implications of doing so and, frankly, the implications for our relationship.

CROW: Thank you. I yield back.

KIM: I now recognize Mrs. Radewagen for five minutes.

RADEWAGEN: Thank you, Madam Chair, t?lofa lava, good afternoon. I want to thank the both of you for appearing and testifying today. We're nearly at the two year mark since the original announcement for AUKUS and since then, nefarious actors have spread misinformation about what AUKUS is, quite simply, I want to address the Treaty of Rarotonga, which formalized a nuclear weapons free zone in the South Pacific. I was there when they signed it.

Now, we Pacific Islanders have a long memory and the nuclear weapons legacy of the early Cold War still impacts us today. We all know that AUKUS has nothing to do with nuclear weapons. Can you describe how the Department of Defense and the State Department are addressing misinformation regarding AUKUS and are you meeting and working with Pacific island nations to address their potential concerns regarding AUKUS?

KARLIN: We are absolutely looking at this important point that you're raising, ma'am, and I think you see the fruits of those conversations in the reactions to the announcement that the three heads of state made about two months or so ago on the submarines piece, which is that our colleagues around the Indo Pacific largely understood what we were doing and understood what we weren't doing and so while we recognize that there may be some parties who want to foment misinformation about what we're doing, I think having those really kind of active channels of dialogue with these partners has been incredibly important and we are finding that there is, you know, pretty, pretty clear understanding among those partners of why we are engaged and what that looks like.

RADEWAGEN: And Lewis?

LEWIS: And all I -- all I would add is, first of all, I think your voice is very important in this and I think we're being very intentional when we talk about conventionally armed but nuclear powered submarine capability and being very clear about what that means. I also know that we're working hard to strengthen our relationships across the Indo Pacific and one of these defense cooperation agreements that we just signed was signed with the PNG, with PNG and I think that indicates that, in addition to this conversation, we need to continue to work to deepen and strengthen our security cooperation relationships.

RADEWAGEN: Thank you for your answers, now on to the meat of the hearing, do you feel there's a sufficient mechanism to solve both strategic level and policy level concerns between the three partners and can you please explain how that mechanism works?

LEWIS: Yes. I think the short answer is yes. I think these are some of our closest partners -- I'm sorry, closest allies around the world. We already have a mechanism in place that allows us to meet regularly and to sit and talk through both the strategic questions but sometimes also really, these nitty-gritty technical issues which when it comes for -- to defense trade actually are mission critical and we are meeting regularly with them now and that will continue going forward.

KARLIN: I might just add, ma'am, this is a historic opportunity that will require historic change. We are clear eyed about that Congress's bipartisan support of AUKUS and realizing the intention of AUKUS is also really critical to that and I believe our British and Australian colleagues get that too.

RADEWAGEN: Thank you, Madam Chair. I yield back the balance of my time.

KIM: Thank you. I now recognize Mister Schneider for five minutes -- oh, Mister Costa is here, sorry.

COSTA: Thank you, Madam Chairperson. Doctor Karlin, just spent a lot of discussion over the pace of AUKUS and implementation timelines and I think on a bipartisan basis, no one's satisfied with the timelines we're looking at right now. I hope you're not satisfied with them. We had a committee hearing briefing with defense contractors last month and got a number of perspectives. There was a briefing or comment from one of the witnesses from ADRIAN, a smaller defense manufacturer, said that we ought to look at reimagining our procurement practices on capability development.

They used as an example NASA instead of trying to do the ground up and everything, they're now -- NASA is looking at really setting details for specifications on how the goals should be designed and implemented and then let the private sector try to achieve it. Once those goals are established in terms of what the end results the Department of Defense is seeking. I want to know whether or not are you folks are looking at changing your approach and looking at specific purpose or goals, in other words, don't tell the industry what to build but tell them the mission and let the innovation occur? So what's your reaction to this idea and how could it be applied for departments to move quicker? Whether we're talking about AUKUS in our current supply chain efforts with the war in Ukraine?

KARLIN: I think it's a really reasonable and important approach, especially as we recognize how the technological and security environment is changing as it relates to AUKUS specifically, this is why we really want to work closely with Congress on a bold and innovative approach with legislative change that we can advance AUKUS projects and the cornerstone of that would be exempted defense trade for AUKUS projects and bilateral defense trade to include classified information sharing.

So we want to work with you closely on developing that because as I said earlier, this really is a historic opportunity. So we are going to need to make historic change. I think the moment does call for that.

COSTA: No, and I think there's an opportunity here and frankly, and it reminds me that old adage, you know, one of the definitions of insanity is expecting, you know, doing things the way you've always done them and expect different results. It's not going to happen and so we need to reimagine what the challenges we faced with China in our efforts dealing with AUKUS and also, I think that applies in our current situation. I mean, I hear department defense concerns about our own supply

chains and our own needs and certainly NATO partners are feeling similarly. So we ought to look at how we can do this better than we have in the past.

KARLIN: I think that's exactly right. I mean, the goal of AUKUS is we're really trying to increase our capability, our interoperability and to deliver deterrence in every phase and we need that to succeed and that requires the cooperation of our entire US government. In addition, of course, to our British and Australian --

COSTA: Yeah, let me just make one comment and this relates to the big picture that we're all dealing with here as it relates to the -- lifting the deficit and getting our budget done by October 1st and I'll just underline what Representative Keating said, I've been here 19 years and I've heard Secretary of States and Secretary of Defenses that are Republicans and that are Democrats and they all concur whether when we talk about our budget process, that the most difficult situation that we put the Department of Defense in and State is when we engage in these continuing resolutions for a month, for two months, and contracts on your part are not resolved.

They're left in limbo. Defense contractors don't know exactly what the lay of the land is and what to expect and we make ourselves most vulnerable when we don't do our jobs, and we don't provide a budget on time. That's an editorial comment and it hasn't gotten much better here in the last 19 years. We need to work on that. That's Congress's responsibility. Thank you. I yield back the balance of my time.

KIM: Thank you. I now recognize Mister Waltz for his five minutes.

WALTZ: Thank you, Madam Chair. Miss Karlin, you've said a couple of times and I certainly agree that this is historic opportunity that needs historic change, as it pertains to AUKUS. I want to speak for a few minutes as it pertains to Taiwan, would you agree that that's a historic threat? That's certainly the case in multiple national defense strategies, I think you would agree. I think that also needs historic change in terms of our processes.

We've talked about an AUKUS bubble, I think we need to talk about a Taiwan bubble and how we can accelerate, fast track, provide waivers and work with the Congress to really peel back the layers on these weapons systems and get them there faster as a deterrent measure. Miss Lewis, you said we need -- you've said a couple of times that -- you agree, we need to look at all options but I don't think that's good enough. We need to understand what's actually being done and then what barriers we need to remove to move faster.

So in that vein, Miss Karlin on the DOD tiger team, you mentioned 12 recommendations. Can you give some examples of what those recommendations were and can you provide those 12 recommendations to the committee?

KARLIN: I think you -- congressman, you may be referring to the State Department tiger team, they outlined 10 recommendations.

WALTZ: OK.

KARLIN: So I might defer to Secretary Lewis about --

WALTZ: OK but didn't Kat -- Defense Secretary Hicks also have a DOD tiger team?

KARLIN: Yeah, so there has also been an FMS tiger team that the Department of Defense has run as well.

WALTZ: And with their recommendations?

KARLIN: There have been a couple of key recommendations. The entire --

WALTZ: What are they?

KARLIN: So a couple of key initiatives that I would highlight. So one is the need for us to have a data driven approach so that we can accelerate the development of a common operating picture on security cooperation, effectively, we want to be able to figure out FMS cases, where are they from initiation to delivery, how do we have that whole lifecycle?

WALTZ: So this is an FMS tiger team, not a Taiwan?

KARLIN: So there are two separate efforts.

WALTZ: OK.

KARLIN: That's the FMS tiger team, the other effort that you may be referring to is the effort that Deputy Secretary Hicks has been highlight.

WALTZ: Right.

KARLIN: Yes, exactly, so that that one is on Taiwan and that one is looking at how we can ensure that we are finding ways to accelerate and bolster Taiwan self-defense capabilities.

WALTZ: And Miss Karlin, what are we doing, right? That -- I understand we went to the tiger team last year, there's recommendations, we identified needs, like, can you -- can you provide the committee what you're actually putting in place, timelines, troops to task so to speak and what then the effect will be on the systems to accelerate them? Is that possible?

LEWIS: Yup, may I -- may I jump in here?

WALTZ: Sure.

LEWIS: Because some of these are actually State Department authorities. So let me just walk you through a few of them. The first one is that the -- we are looking at using a new authority for Taiwan that Congress provided which is a billion dollars.

WALTZ: I know the PDA got it.

LEWIS: Right.

WALTZ: 500 million announced, Hm-hmm.

LEWIS: Well, that -- just to -- the reason I'm focusing on that is that -- it provides us the ability to immediately deliver, which I think is the question that you were asking so that is -- that is thing one. The second thing and I can't go into all of the details here but what I can tell you is we have looked at a specific set of capabilities and specific systems that Taiwan needs and we have been able to prioritize those systems both in terms of if we have let's say a hundred of them, making sure a certain percentage go to Taiwan and again I can't get into all the details here for obvious reasons. We have been able to also make sure that certain systems are being produced more quickly, so they get to Taiwan more quickly.

WALTZ: But we still have a case where we have MQ-9, MQ-9 ISR, right? That's 2027 or later, the Chairman has his list of 2022, for example, the harpoons took two years to get on contract award, the F-16s were just delayed, I mean we have a series of major end items that are due somewhere between 2027 and 2029 and yet she has told his military to be ready by '27 and arguably some analysts think he will accelerate before Taiwan has these capabilities and from a deterrent standpoint, that's too late and if we look at the model in Ukraine, and providing all of these systems after the country is devastated, at huge expense to global stability and the taxpayer, that is a -- that is a losing model.

So I look forward to working with you and I think we need a tiger team here in the Congress to peel back these layers and understand where we can accelerate authorities, whether it's enhancing the PDA or accelerating those authorities to move faster. Thank you.

KIM: Thank you.

WALTZ: I yield my time. Thank you, Madam Chair.

KIM: Thank you. I now recognize Mister Schneider for five minutes.

SCHNEIDER: Thank you, Madam Chair, and I want to thank the witnesses for your time here today and as was noted and you said very well, this is a historic opportunity that requires historic change in long term strategic thinking and also, as mentioned, I look forward to working together with the administration and this committee to try to clear away obstacles and work to develop a smart, secure path forward for what is a vitally important region for our nation and for the world.

When it comes to collaborating with close partners in tough neighborhoods, there's a lot to be learned, I think, from the history or history of collaborating with another key ally, in this case, specifically Israel, our assistance has helped the Israel Defense Forces become one of the most effective militaries in the world. Less well known, however, is that the US assistance has helped develop Israel's formidable defense industrial base. So when it comes to the Indo Pacific, how would you think about goals of supplying our allies with capabilities versus helping them build up their own indigenous capabilities or capacities and capabilities, specifically, in the case of Taiwan?

LEWIS: Well, this is a very interesting question and we actually have paid close attention to the development of Israel's defense industrial base and they really have developed some very significant capabilities. I think, as we look across the Indo Pacific and Taiwan, when we talk about developing indigenous capabilities, we need to do that in collaboration with our defense industrial base and we have to make sure that we develop things -- I'm going to get a little technical here, cooperative agreements, co-production agreements, all of these kinds of things.

We're very sensitive to the fact that our industry has to lead the way on the decision making in terms of what makes sense for them to do in coordination with another country but I do think when we have countries that have significant capabilities, that have an educated workforce, that have potentially their own defense industrial base, that it makes sense to look at that potential moving forward.

SCHNEIDER: Assistant Secretary Karlin?

KARLIN: I would completely concur with the Secretary Lewis's point.

SCHNEIDER: OK. And I know, just for the sake of time, I have many more questions but we have only a little bit of time, I'm going to yield back so others can speak.

KIM: Thank you very much. I now recognize Mister Kean for five minutes.

KEAN: Thank you, Mrs. Chairman. Thank you, also to our witnesses for being with us today. From the war in Ukraine to the preparation of defenses in Taiwan and request from our allies for equipment made in America, United States, once again, stands as the arsenal for democracy. I like many of my colleagues, the AUKUS is a once in a generational opportunity to seek to counter the CCPs malign influence in the Indo Pacific and also strengthen our relationships with close regional allies.

The success of this partnership requires that our arms exports are able to meet the security needs of our allies at a time when our friends in Asia and Europe continue to look to the United States for leadership. What is the specific choke points it needs to slowing things down that you think we -- that you've identified that we can cut through more quickly for foreign military sales?

LEWIS: Let me start by talking about what we've identified at the State Department and then talk a little bit about the defense industrial base, and then Doctor Karlin may have more to add. So just to start with, as I said before, 95 percent of our cases move through the foreign military sales process in 24 to 48 hours. So we really took a look at what is -- what sort of -- what are the challenges in the other five percent so we have made a list of recommendations, so the first one is to make sure that we are prioritizing correctly based on our national security goals. That sounds like just talk but that actually could make a significant difference in terms of being able to move forward on key priorities.

Second of all, we're looking at regions. So rather than having to say, okay, we can provide this new capability only to one country, when we start that analysis, look at it from a regional perspective. So we're prepared to move quickly and answer those questions for the entire region. We're also looking at other things like working with this committee here on the congressional notification process to make for -- make sure that as streamlined as possible and happy to talk about more details there.

KEAN: Yeah, that would be great.

LEWIS: There are a whole host of other things but just to give you a sense. KEAN: We're going to talk region for a quick sec on Ukraine.

LEWIS: Yes.

KEAN: Now that the Pentagon has realized that over estimated value of the ammunition missiles and other equipment sent to Ukraine by around three billion, and has additional drawdown authority, this Biden administration prepared to increase weapon packages is transferred into Ukraine for the apparent critical counter offensive because I am concerned that the administration has been rationing weapons to Ukraine ahead to counter the offensive and served presidential drawdown authority when in reality it didn't have to and it's known that since March.

KARLIN: Thank you for raising this. I have seen no evidence that the department has rationed its support to Ukraine. Indeed, I can't tell you of another time where I've seen the department has mobilized for raising assistance that has had an direct impact on the battlefield so quickly. As you do highlight, sir, during our regular oversight process of the drawdown authority, these inconsistencies and how equipment for Ukraine was valued were discovered, effectively, what happened in a handful of cases was that replacement costs were used rather than net book value was used.

So the amount of the equipment, the value of it was over overestimated. That has not constrained our support whatsoever and the DOD comptroller has worked to reissue guidance to ensure that that clarity is there.

KEAN: And then finally, and I'll yield back after this, I was pleased to see the recent announcement regarding the administration's decision to allow Ukrainian pilots to train on F-16s, however, this administration still refuses to provide (INAUDIBLE) which could have had an immediate impact on battlefield as Ukraine prepares it's counter offensive with other members of this committee have brought up that our allies are sending the equipment and training in for long before this president has. I just want to end with that statement. I yield back.

KIM: Thank you. I now recognize Mister Lawler for five minutes.

LAWLER: Thank you Madam Chair. As you both know, US arms exports to Turkey have been highly controversial in the past few years. Most recently, Turkey has requested to upgrade and add to its existing fleet of F-16 fighter jets and last month the Administration approved the software's -- software sale to the country to modernize its fleet. Notably, the administration didn't approve the sale of 40 Additional F-16s Turkey requested. Can you please describe the process for reviewing and potentially approving this request?

LEWIS: I'm happy to address that. Let me just clarify. I think the second sale you mentioned was for upgrades that were mission critical for their ability to fly in essence, this the software that went into the planes.

LAWLER: Hm-hmm.

LEWIS: I'm not --

LAWLER: That's what I said, the software, yup.

LEWIS: Yes, and then I'm not -- I'm unclear as to the third one you mentioned. You were saying we did not approve something specifically?

LAWLER: Didn't approve the sale of 40 Additional F-16s.

LEWIS: I'm not aware that that's -- it's the new one. That -- just to be clear, there -- when -- we have reviewed that and I think at this point when we place things into tiered review, which is the process where we put sales before the committee, we can't discuss anything publicly so I think at this point, I think what would be the most effective to say is that we have certainly reviewed that case and that we are moving forward expeditiously.

LAWLER: OK. Given President Erdogan's relationship with Vladimir Putin, will the upcoming runoff election in Turkey impact this decision making at all?

LEWIS: I think as we look at arm sales decision making, we look at a whole host of criteria. I'm not aware as of right now that -- I know the election is happening in real time that we have sales before as where the outcome of that election would influence our decision making on a particular sale.

LAWLER: And this past February Secretary Blinken visited Turkey, how did the secretary address the situation with President Erdogan?

LEWIS: I wasn't -- I'm not privy to his specific conversation but I know he addressed a whole host of issues while he was there, ranging from obviously issues with NATO, Turkey as a NATO ally, and then a whole host of additional concerns that we have involving the region and I'm sure although again, I was not there for that, that they discussed other issues like Ukraine, and NATO accession.

LAWLER: OK. When I visited Taiwan with the chairman of this committee, President Tsai expressed the need for increased defense training and cooperation and delivery of critical weapons systems. It's absolutely crucial that we provide Taiwan with the aid they so desperately need to stand up to Chinese aggression in the Indo Pacific. Unfortunately, there's been a huge arms backlog and I sent a letter today to Secretary Blinken along with some of my colleagues on that trip that urged the State Department to address the shipment delays as it is not consistent with US law to leave Taiwan without unnecessary arms that they purchased. What exactly is the root cause of this delay and what is the State Department and DOD doing to address it so that we can efficiently and effectively get these weapons systems to them? As we saw in Ukraine, the failure to get these weapons systems to the Ukrainian people, government early, military early was part of the problem here.

LEWIS: Well, sir, and I'm glad you raised this issue. I think, as you pointed out, these are sales that have already moved through the department and through Congress, and what the challenges are now moving forward really is on the production side.

LAWLER: Right. So what is -- what is the State Department and DOD doing to address that?

LEWIS: Well, we have to work with industry on that and so as I -- because industry is the one producing them. So what we are --

LAWLER: Right, so what are we doing?

LEWIS: Well, what we are doing is, one, we are working on them, having them increase production for specific capabilities, so that they can produce more of the items needed. We're also looking where possible to prioritize out of what's being produced for Taiwan. I'm not going to get into the specifics of what we're doing in each capability in this setting but we are working through that with industry but ultimately, industry is the one who has to -- they have to produce these items.

LAWLER: Right, but we're paying them so we need to -- we need to -- we need to expedite this process.

LEWIS: Taiwan is actually paying.

LAWLER: Right, they're purchasing the weapons.

LEWIS: Yes, yes.

LAWLER: But it's -- as a result of Defense Department contracts and State Department contracts, we need to expedite the process.

KIM: The gentleman's time is up. In the interest of time because the votes are being taken I would like to call for Mister Courtney, for five minutes.

COURTNEY: Thank you, Ma'am Chairwoman and again, for the record, I just want to thank Mister McCaul and Mister Meeks for the courtesy to join you from the Armed Services Committee to talk about AUKUS which there's great interest. After the announcement on March 13, at Naval Base Point Loma, March 13th, when the three heads of government, three navies, stacked hands to make an extraordinary commitment, the government of Australia really within days, announced a commitment of \$386 billion which was supported by the opposition party to execute AUKUS over the life of the program. I think it's important to note this is a country with 26 million people. That's smaller than the state of Texas and state of California. So obviously they have committed in a big way. In terms of making sure that this is a success.

Doctor Karlin, the Department of Defense sent over three requests for AUKUS implementation which are in this committee. The first is a bill to authorize sale of two Virginia class submarines to Australia, the second to authorize the Australian government to invest \$2 billion into the US submarine industrial base. The third is to authorize training to Australian private industry to begin developing its own submarine industrial base. Can you talk for a moment about the need for Congress to reciprocate Australia's extraordinary commitment by moving forward in terms of getting these bills to the President's desk?

KARLIN: Absolutely. First of all, Congressman Courtney, thank you for your tremendous leadership on all things AUKUS. It has been just tremendous, as I noted. So we need to act on these three legislative proposals for pillar one, the submarine piece of AUKUS for several reasons.

So first is it's a signal of our commitment to AUKUS which is critical for generating deterrence across every phase of the optimal pathway. Acting now sends a message to our defense industrial base as well that there will be a persistent flow a business to come which is a topic of course that we've heard a lot about over these last few hours and really ensuring that that submarine industrial base is able to start taking the steps that it needs with Australia's contribution, frankly, Australia is going to be making a significant investment in our submarine industrial base and absent this legislative proposal, we actually don't have a way to take that money in and so we know that our submarine industrial base you know better than just about anyone has issues that long predate and have nothing to do with AUKUS, which is why the administration has tried to make a historic investment in the submarine industrial base.

Australia wants to do so alongside us and we want to be able to absorb all of that and you noted, of course, that they have made robust commitments and really shown that they have a skin in the game and then other legislative proposal that you highlight is we need to start training Australians as soon as possible, frankly, because we want them to be able to build the capacity to safely and responsibly be stewards of conventionally armed nuclear powered submarines.

So that's really why that's the case and then, of course, the ship transfer legislation, we need to just show just how seriously we are taking this. So we have an ally in Australia who has made major commitments in terms of putting its money where its mouth is to demonstrate its seriousness with AUKUS. This is in all of our interest to be clear and we want -- we want to show that we can take their investment, that we can train them to be responsible and that we will also be able to deliver on the submarines, all of which I would just underscore helps our submarine industrial base.

COURTNEY: Great. Thank you and I'm sure again, Mister McCaul and all our colleagues in this committee are going to do everything we can to demonstrate on a bipartisan basis, just what Australia is doing on its own bipartisan basis. There was a fourth proposal which came over last week on the Defense Production Act, which President Biden and Prime Minister Albanese announced on Saturday at the G7, which is basically to include Australia and the UK within the scope of the Defense Production Act, which will help stimulate all those other technologies that are part of pillar two. Again, can you talk about the need to make sure that we move this measure swiftly?

KARLIN: Absolutely. Look, pillar two is -- it's the scope, the scale, the complexity of it is really unlike anything that we have ever done, right? This is a generational opportunity and the announcement that the President made over the weekend really highlighted how this change would accelerate and strengthen AUKUS implementation, it would build new opportunities for US investment in the production and purchase of Australian critical minerals, critical technologies, and other strategic sectors.

So while we were -- are still looking, of course, at what it would mean for a specific AUKUS projects, it underscores the point I made earlier that this is a two way street that actually given the security environment, given the rapidly evolving technological environment, we need to be able to work with one another as much as possible.

COURTNEY: Right. Thank you, Madam Chairman. I yield back.

KIM: Thank you. I thank the witnesses for their valuable testimony and the members for their questions. The members of the committee may have some additional questions for the witnesses and we will ask you to respond to those in writing and pursuant to Committee rules all members may have five days to submit questions, statements and extraneous materials for the record subject to the length limitations. Without objection, the committee now stands adjourned.

END

May 25, 2023 12:23 ET .EOF

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Title: United States: AUKUS - April and May wrap up
MRN: s 22(1)(a)(ii)
To: Canberra
Cc: RR : Beijing, Indo-Pacific Posts, London, USA Posts, Vienna UN
From: Washington
From File:
EDRMS
Files:
References: s 22(1)(a)(ii)

Response: Routine, Information Only

s 22(1)(a)(ii)

Summary

Cable summarises AUKUS reporting and engagements by Washington post (DFAT and Defence) in April and May.

On 2 May the Administration submitted legislative proposals to Congress to facilitate progress on Pillar I (ship transfer; submarine industrial base uplift mechanism; training for Australian contractors) s 22(1)(a)(ii) s 33(a)(i), s 33(a)(iii)

s 33(a)(i), s 33(a)(iii), s 33(b)

2. On 4 May the Senate Foreign Relations Committee (SFRC) Republican Minority introduced the Truncating Onerous Regulations for Partners and Enhancing Deterrence Operations (TORPEDO) Bill, s 33(a)(i), s 33(a)(iii), s 33(b)

s 33(a)(i), s 33(a)(iii), s 33(b)

s 22(1)(a)(ii)

s 22(1)(a)(ii) - this page, together with the following pages are irrelevant and have been removed.

Title: United States: Adding Australia to the US Defense Production Act Title III
MRN: s 22(1)(a)(ii)
To: Canberra
Cc: RR : EU Posts, Indo-Pacific Posts, USA Posts
From: Washington
From File:
EDRMS
Files:
References: s 22(1)(a)(ii)

Response: Routine, Information Only

s 22(1)(a)(ii)

In a positive signal, President Biden announced that he will ask Congress to add Australia as a 'domestic source' in Title III of the Defense Production Act (DPA). s 33(a)(iii)
s 22(1)(a)(ii)

s 33(a)(iii)

s 33(a)(i), s 33(a)(iii), s 33(b)

What is the Defense Production Act?

2. The DPA is a tool for the President to shift economic activity and shape US domestic industry toward 'national defence' priorities. DPA authorities can, following a presidential determination, quickly unlock funds, provide incentives or direct industry to boost the output of goods necessary to meet US security needs. Congress has expanded the DPA definition of 'national defence' to extend beyond military preparedness and include natural disasters, energy security, infrastructure, and public health. The DPA has been reauthorised by Congress 53 times, most recently in 2018, and is scheduled to be reauthorised again in 2025.

3. US presidents and Congress have delegated use of DPA authorities to six cabinet officials: the secretaries of defence, agriculture, energy, health and human services, transportation, and commerce. DoD is the most frequent user, utilising DPA authorities to prioritise fulfilment of some 300,000 DoD orders a year from industry. By comparison, the Department of Homeland Security placed fewer than 150 orders in 2020 utilising DPA authorities to support natural disaster preparedness.

4. First used during the Korean War, DPA authorities were used sparingly until both Presidents Trump and Biden used DPA for the COVID-19 response. As a result, DPA has gained public prominence and significant additional funding, with both Democrats and Republicans championing its use.

5. President Biden has regularly issued presidential determinations directing use of DPA authorities. DPA has emerged as one of the Biden Administration's primary tools of choice to jump-start national capabilities required for the clean energy transition, reduce supply chain reliance on China, and respond to domestic industrial base vulnerabilities. Recent DPA presidential determinations include [baby formula shortages](#), [large-capacity batteries](#), [heat pump manufacturing](#), [hypersonics industrial base](#), [printed circuit boards](#), and [key energy technologies](#).

How the Defense Production Act works

6. There are two relevant DPA titles – Title I and III – Australia's potential addition would be only to Title III. **Title I** helps ensure the US government has priority access to goods already produced by domestic industry. For example, the President or delegated officials can direct companies to prioritise fulfilment of government orders.

7. **Title III** helps ensure the US has an adequate supply of, or ability to produce, goods essential to national defence. Title III authorities allow the President to provide incentives for domestic industry to produce and supply such goods, including loan guarantees, direct loans, direct purchases or subsidies.

8. Title III incentives can be provided to a '**domestic source**', currently defined as a firm that does substantially all of the research and development, engineering, manufacturing, and production activities within the US or Canada.

9. Foreign ownership does not preclude firms being considered a domestic source, so long as all operations are undertaken predominantly within the US and Canada. For example, the US-based subsidiary of Australian company Lynas Rare Earths received DPA-funded contracts from the DoD in 2021 ([USD30.4 million](#)) and 2022 ([USD120 million](#)) to develop a domestic critical minerals processing capability in Texas. Australia's addition to the definition of a 'domestic source' in DPA Title III would allow the US government to direct DPA incentives to Australian based firms.

How the Defense Production Act is funded

10. The military funding bill known as the *National Defense Authorization Act* (NDAA) is the one bill which has annually authorised DPA funding, managed by the DoD DPA Title III Office. The amount provided to DoD is determined by a separate Defense Appropriations bill, that most often mirrors the amount in the NDAA. In 2017 – 2020, the average DPA funding Congress appropriated to the DoD was USD62.4 million. This has significantly increased – in 2022 USD372.9 million was authorised by Congress, although the Pentagon initially requested USD659.9 million.

11. However, any appropriations bill can appropriate DPA funding. In March 2020, Congress appropriated USD1 billion to a DPA Purchases account via the *CARES Act* for COVID-19. In FY2022, DoD was appropriated DPA funding of USD600 million by the *Additional Ukraine Supplemental Appropriations Act* to mitigate industrial base constraints for faster missile production and expanded domestic capacity for critical minerals. Also in FY2022, the *Inflation Reduction Act* appropriated DPA funding of USD500 million, split between Department of Energy and DoD. Energy will use their USD250 million to accelerate domestic heat pump

manufacturing, while DoD will use their half to expand capabilities for domestic mining, mineral processing, and related industrial sectors for large-capacity batteries. Firms can bid for contracts utilising these funds directly with the relevant agency.

12. DPA Title III funds are available until expended, so annual Congressional appropriations may generally carry over from year to year. Any project that receives Title III funding can get additional funding from other US government agencies or cost share with the private sector.

s 33(a)(iii)

s 33(a)(iii), s 33(b)

s 33(a)(i), s 33(a)(iii)

22. Cable prepared in consultation with CASG, DFAT Political, DFAT Trade, and Congressional Branches.

s 22(1)(a)(ii)

Title: United States: Congress - AUKUS Submarines legislation introduced in the House
MRN: s 22(1)(a)(ii)
To: Canberra
Cc: RR : Americas Posts, Europe Posts, Indo-Pacific Posts, Middle East Posts
From: Washington
From File:
EDRMS
Files:
References: s 22(1)(a)(ii)
The cable has the following attachment/s -
20230609 - AUKUS Undersea Defense Act - Press Release - House Foreign Affairs Committee.pdf
H.R. 3939 AUKUS Undersea Defense Act.pdf
Response: Routine, Information Only

s 22(1)(a)(ii)

Summary

Congressman Greg Meeks (D-New York), Ranking Member of the House Foreign Affairs Committee (HFAC), has introduced legislation (H.R.3939) on AUKUS nuclear-powered submarines. The bill includes the three legislative proposals sent from the Administration to Congress in May. Representatives Joe Courtney (D-Connecticut) and Ami Bera (D-California) cosponsored the legislation, however no Republicans have joined. The legislation will now be reviewed by the House Parliamentarian and referred to committees of jurisdiction for review – likely HFAC, Armed Services, and potentially others. Meeks has so far not engaged the Senate on introducing companion legislation.

On Friday, House Foreign Affairs Committee Ranking Member Greg Meeks (D-New York) formally introduced H.R.3939, legislation that tightly mirrors the legislative proposals drafted by the Administration on AUKUS submarines s 22(1)(a)(ii) to authorise transfer of two in-service Virginia class submarines to Australia; establish a mechanism to receive Australian investment in the US submarine industrial base; and authorise training of Australian contractors. Text of H.R.3939 and HFAC press release are attached.

s 33(a)(iii), s 33(b)

s 33(a)(iii), s 33(b)

5. Post will continue to monitor progress of H.R. 3939 and of any further AUKUS-related legislation.

s 22(1)(a)(ii)

.....
(Original Signature of Member)

118TH CONGRESS
1ST SESSION

H. R. _____

To provide for the transfer of not more than two Virginia class submarines from the inventory of the Navy to the Government of Australia on a sale basis under section 21 of the Arms Export Control Act, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. MEEKS introduced the following bill; which was referred to the Committee
on _____

A BILL

To provide for the transfer of not more than two Virginia class submarines from the inventory of the Navy to the Government of Australia on a sale basis under section 21 of the Arms Export Control Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “AUKUS Undersea De-
5 fense Act”.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) The new trilateral security partnership be-
4 tween Australia, the United Kingdom, and the
5 United States (in this section referred to as the
6 “AUKUS partnership”) is intended to positively
7 contribute to peace and stability in the Indo-Pacific
8 region through enhanced deterrence.

9 (2) This trilateral security partnership builds
10 on and enhances the United States, Australia, and
11 the United Kingdom’s commitment to a free and
12 open Indo-Pacific, and more broadly to a rules-based
13 international order.

14 (3) Australia has a strong record of leadership
15 in the international nuclear non-proliferation regime
16 and is fully committed to responsible stewardship of
17 naval nuclear propulsion technology.

18 (4) Pillar 1 of the AUKUS partnership aims to
19 provide Australia with a conventionally-armed, nu-
20 clear-powered submarine capability while upholding
21 the highest non-proliferation standards.

22 (5) In support of this Pillar 1 goal, the United
23 States and the United Kingdom plan to increase
24 port visits to Australia of conventionally-armed, nu-
25 clear-powered submarines then begin forward rota-

1 tions of such submarines to Australia at Submarine
2 Rotational Force-West.

3 (6) In support of these goals, the United States
4 will transfer Virginia-class submarines to Australia
5 to bolster its critical undersea capabilities and en-
6 hance its undersea presence in the Indo-Pacific re-
7 gion.

8 (7) Pillar 1 of the AUKUS partnership will en-
9 hance all three nations' defense industrial capacity
10 to produce and sustain interoperable nuclear-pow-
11 ered submarines, expand collective undersea pres-
12 ence in the Indo-Pacific, and contribute to freedom
13 of navigation, security, and stability in the Indo-Pa-
14 cific region.

15 (8) Trilateral security cooperation that
16 strengthens joint capabilities, enhances the ability to
17 share information and technology safely, and inte-
18 grates defense industrial bases and supply chains
19 will contribute to the security of each nation as well
20 as peace and stability in the Indo-Pacific region.

21 **SEC. 3. AUSTRALIA, UNITED KINGDOM, AND UNITED**
22 **STATES SUBMARINE SECURITY ACTIVITIES.**

23 (a) AUTHORIZATION TO TRANSFER SUBMARINES.—

24 (1) IN GENERAL.—Subject to paragraph (6),
25 the President may transfer not more than two Vir-

1 ginia class submarines from the inventory of the
2 Navy to the Government of Australia on a sale basis
3 under section 21 of the Arms Export Control Act
4 (22 U.S.C. 2761).

5 (2) COSTS OF TRANSFER.—Any expense in-
6 curred by the United States in connection with the
7 transfer authorized by this subsection shall be
8 charged to the Government of Australia.

9 (3) WAIVER OF CERTIFICATION REQUIRE-
10 MENT.—The requirement for the Chief of Naval Op-
11 erations to make a certification under section 8678
12 of title 10, United States Code, shall not apply to
13 a transfer under this subsection.

14 (4) USE OF FUNDS.—The Secretary of the
15 Navy may use the proceeds of a transfer under this
16 subsection—

17 (A) for the acquisition of vessels to replace
18 the vessels transferred to the Government of
19 Australia; or

20 (B) to carry out any other authority the
21 use of which the Secretary of the Navy deter-
22 mines would improve the submarine industrial
23 base.

24 (5) CREDITING OF RECEIPTS.—Notwith-
25 standing any provision of law pertaining to the cred-

1 iting of amounts received from a sale under the
2 terms of the Arms Export Control Act (22 U.S.C.
3 2761), any receipt of the United States as a result
4 of a transfer under this section shall—

5 (A) be credited, at the discretion of the
6 Secretary of the Navy to—

7 (i) the appropriation, fund, or account
8 used in incurring the original obligation;

9 (ii) an appropriate appropriation,
10 fund, or account currently available for the
11 purposes for which the expenditures were
12 made; or

13 (iii) any other appropriation, fund, or
14 account available for the purpose specified
15 in paragraph (4)(B); and

16 (B) remain available for obligation until
17 expended for the same purpose as the appro-
18 priation to which the receipt is credited.

19 (6) APPLICABILITY OF EXISTING LAW TO
20 TRANSFER SPECIAL NUCLEAR MATERIAL AND UTILI-
21 ZATION FACILITIES FOR MILITARY APPLICATIONS.—

22 (A) IN GENERAL.—With respect to any
23 special nuclear material for use in utilization fa-
24 cilities or any portion of a vessel transferred
25 under this subsection constituting utilization fa-

1 facilities for military applications under section
2 91 of the Atomic Energy Act of 1954 (42
3 U.S.C. 2121), transfer of such material or such
4 facilities shall only occur in accordance with
5 such section 91.

6 (B) USE OF FUNDS.—The Secretary of
7 Energy may use proceeds from a transfer de-
8 scribed in subparagraph (A) for the acquisition
9 of submarine naval nuclear propulsion plants
10 and the nuclear fuel to replace the propulsion
11 plants and fuel transferred to the Government
12 of Australia.

13 (b) REPAIR AND REFURBISHMENT OF AUKUS SUB-
14 MARINES.—Section 8680 of title 10, United States Code,
15 is amended—

16 (1) by redesignating subsection (c) as sub-
17 section (d); and

18 (2) by inserting after subsection (b) the fol-
19 lowing:

20 “(c) REPAIR AND REFURBISHMENT OF CERTAIN
21 SUBMARINES.—(1) Notwithstanding any other provision
22 of this section, the Secretary of the Navy shall determine
23 the appropriate shipyard in the United States, Australia,
24 or the United Kingdom to perform any repair or refurbish-
25 ment of a United States submarine involved in submarine

1 security activities between Australia, the United Kingdom,
2 and the United States (in this section referred to as
3 ‘AUKUS’).

4 “(2) Repair or refurbishment described in paragraph
5 (1) may be carried out by personnel of the United States,
6 United Kingdom, or Australia in accordance with the
7 international arrangements governing AUKUS submarine
8 security activities.”.

9 **SEC. 4. ACCEPTANCE OF CONTRIBUTIONS IN SUPPORT OF**
10 **AUSTRALIA, UNITED KINGDOM, AND UNITED**
11 **STATES SUBMARINE SECURITY ACTIVITIES.**

12 (a) IN GENERAL.—Chapter 155 of title 10, United
13 States Code, is amended by inserting after section 2608
14 the following new section:

15 **“§ 2609. Acceptance of contributions for Australia,**
16 **United Kingdom, and United States sub-**
17 **marine security activities; Submarine Se-**
18 **curity Activities Account**

19 “(a) ACCEPTANCE AUTHORITY.—The Secretary of
20 Defense may accept from the Government of Australia
21 contributions of money made by the Government of Aus-
22 tralia for use by the Department of Defense in support
23 of non-nuclear related aspects of submarine security ac-
24 tivities between Australia, the United Kingdom, and the
25 United States (in this section referred to as ‘AUKUS’).

1 “(b) ESTABLISHMENT OF SUBMARINE SECURITY AC-
2 TIVITIES ACCOUNT.—(1) There is established in the
3 Treasury of the United States a special account to be
4 known as the ‘Submarine Security Activities Account’.

5 “(2) Contributions of money accepted by the Sec-
6 retary of Defense under subsection (a) shall be credited
7 to the Submarine Security Activities Account.

8 “(c) USE OF THE SUBMARINE SECURITY ACTIVITIES
9 ACCOUNT.—(1) The Secretary of Defense may use funds
10 in the Submarine Security Activities Account—

11 “(A) for any purpose authorized by law that the
12 Secretary determines would support AUKUS sub-
13 marine security activities; or

14 “(B) to carry out a military construction
15 project that is consistent with the purposes for
16 which the contributions were made and is not other-
17 wise authorized by law.

18 “(2) Funds in the Submarine Security Activities Ac-
19 count may be used as described in this subsection without
20 further specific authorization in law.

21 “(d) TRANSFERS OF FUNDS.—(1) In carrying out
22 subsection (c), the Secretary of Defense may transfer
23 funds available in the Submarine Security Activities Ac-
24 count to appropriations available to the Department of
25 Defense.

1 “(2) In carrying out subsection (c), and in accordance
2 with the Atomic Energy Act of 1954 (42 U.S.C. 2011 et
3 seq.), the Secretary of Defense may transfer funds avail-
4 able in the Submarine Security Activities Account to ap-
5 propriations or funds of the Department of Energy avail-
6 able to carry out activities related to AUKUS submarine
7 security activities.

8 “(3) Funds transferred under this subsection shall be
9 available for obligation for the same time period and for
10 the same purpose as the appropriation to which trans-
11 ferred.

12 “(4) Upon a determination by the Secretary that all
13 or part of the funds transferred from the Submarine Secu-
14 rity Activities Account are not necessary for the purposes
15 for which such funds were transferred, all or such part
16 of such funds shall be transferred back to the Submarine
17 Security Activities Account.

18 “(e) INVESTMENT OF MONEY.—(1) Upon request by
19 the Secretary of Defense, the Secretary of the Treasury
20 may invest money in the Submarine Security Activities Ac-
21 count in securities of the United States or in securities
22 guaranteed as to principal and interest by the United
23 States.

24 “(2) Any interest or other income that accrues from
25 investment in securities referred to in paragraph (1) shall

1 be deposited to the credit of the Submarine Security Ac-
2 tivities Account.

3 “(f) REPORT.—(1) Not later than 60 days after the
4 date on which contributions of money accepted by the Sec-
5 retary of Defense under subsection (a) are credited to the
6 Submarine Security Activities Account under subsection
7 (b), the Secretary of Defense shall submit to the appro-
8 priate congressional committees a report on—

9 “(A) the amount of money so transferred;

10 “(B) a description of the intended use of the
11 funds; and

12 “(C) any other matters related to the adminis-
13 tration of the Submarine Security Activities Account
14 as determined necessary by the Secretary.

15 “(2) The report required by this subsection shall be
16 submitted in unclassified form but may include a classified
17 annex.

18 “(3) In this subsection, the term ‘appropriate con-
19 gressional committees’ means—

20 “(A) the congressional defense committees; and

21 “(B) the Committee on Foreign Affairs of the
22 House of Representatives and the Committee on
23 Foreign Relations of the Senate.

1 “(g) RELATIONSHIP TO OTHER LAWS.—The author-
2 ity to accept or transfer funds under this section is in ad-
3 dition to any other authority to accept or transfer funds.”.

4 (b) CLERICAL AMENDMENT.—The table of sections
5 at the beginning of such chapter is amended by inserting
6 after the item relating to section 2608 the following:

“2609. Acceptance of contributions for Australia, United Kingdom, and United
States submarine security activities; Submarine Security Ac-
tivities Account.”.

7 **SEC. 5. AUSTRALIA, UNITED KINGDOM, AND UNITED**
8 **STATES SUBMARINE SECURITY TRAINING.**

9 (a) IN GENERAL.—The President may transfer or
10 authorize the export of defense services to the Government
11 of Australia under the Arms Export Control Act (22
12 U.S.C. 2751 et seq.) that may also be directly exported
13 to Australian private-sector personnel to support the de-
14 velopment of the Australian submarine industrial base
15 necessary for submarine security activities between Aus-
16 tralia, the United Kingdom, and the United States (in this
17 section referred to as “AUKUS”), including in cases in
18 which such private-sector personnel are not officers, em-
19 ployees, or agents of the Government of Australia.

20 (b) APPLICATION OF REQUIREMENTS FOR FURTHER
21 TRANSFER.—Any transfer of defense services to the Gov-
22 ernment of Australia pursuant to subsection (a) to persons
23 other than those directly provided such defense services
24 pursuant to subsection (a) shall only be made in accord-

12

- 1 ance with the requirements of the Arms Export Control
- 2 Act (22 U.S.C. 2751 et seq.).

(/)

PRESS RELEASES (/PRESS-RELEASES)

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Meeks, Bera, Courtney Introduce AUKUS Undersea Defense Act (/press-releases?ID=0DC2A168- 2013-41B7-A15D-1FF8572DBCB1)

June 9, 2023

Washington, DC – Representatives Gregory W. Meeks, Ranking Member of the House Foreign Affairs Committee, Ami Bera M.D., Ranking Member of the Subcommittee on the Indo-Pacific, and Joe Courtney, Ranking Member of the House Armed Services Seapower and Projection Forces Subcommittee, today introduced H.R. 3939, the AUKUS Undersea Defense Act. This bill supports the AUKUS Trilateral Security Framework by providing legislative authority to allow for the transfer of *Virginia*-class nuclear-powered submarines to Australia, the training of Australian private sector defense personnel, as well as the integration of Australian financial contributions to

the U.S. defense industrial base.

The AUKUS Trilateral Security Framework between the United States, Australia, and the United Kingdom enhances trilateral security cooperation and interoperability in the Indo-Pacific and facilitates closer information sharing and technology cooperation, bolstering deterrence and security in the Indo-Pacific. Pillar 1 of AUKUS will strengthen the U.S. industrial base, Australia's undersea warfare capabilities, and our collective undersea presence in the Indo-Pacific.

Full text of the Bill can be found **here**

(https://mcusercontent.com/e711646c72c197262ff8d3d32/files/98498394-7d0d-6556-3510-fd5306294539/AUKUS_Undersea_Defense_Act.pdf).

"I am proud to introduce this critical legislation jumpstarting security cooperation between the United States, Australia, and the United Kingdom under the historic AUKUS partnership," said Rep. Gregory W. Meeks. "This bill will enhance our collective undersea defense capabilities and interoperability and pave the way for critical training and collaboration between the US and Australia as we face common security challenges. AUKUS not only strengthens our alliances globally, but it is also a significant step forward for regional peace and security."

"The AUKUS partnership promotes regional stability in the Indo-Pacific, and the transfer of Virginia-class submarines to Australia marks a significant step towards deepening our defense cooperation," said Rep. Ami Bera, M.D. "This bill underscores our commitment to enhancing maritime security to advance a free and open Indo-Pacific region. By modernizing our alliances with the United Kingdom and Australia, we pave the way for a safer and more prosperous future across the Indo-Pacific region and the world."

"It has been three months since the heads of government of the United States, Australia, and the United Kingdom announced the Optimal Pathway to execute the AUKUS security agreement, whose centerpiece is to enhance Australia's Navy nuclear powered, conventionally armed submarines to maintain a peaceful, open Indo-Pacific region," said Rep. Joe Courtney. "Introduction of this enabling legislation is a critical first step

~~EX-10002 DEAT, DECLASSIFIED UNDER THE FREEDOM OF INFORMATION ACT, 1982 (OTM)~~
towards swift congressional action to support this enterprise. I am excited to join my colleagues Greg Meeks and Ami Bera, who are leaders on the House Foreign Affairs Committee, to introduce these measures. Passage of this common sense bill, which was crafted in collaboration with the Department of Defense, will demonstrate the commitment of the U.S. Congress to the AUKUS mission. I look forward to working to move this effort forward."

###

Permalink: **<https://democrats-foreignaffairs.house.gov/2023/6/meeks-bera-courtney-introduce-aukus-undersea-defense-act>** (**<https://democrats-foreignaffairs.house.gov/2023/6/meeks-bera-courtney-introduce-aukus-undersea-defense-act>**)

s 33(a)(iii), s 33(b) - this page, together with the following pages (339 to 341) are exempt and have been removed.

Title: United States: AUKUS Pillar II Congressional Research Service paper
MRN: s 22(1)(a)(ii)
To: Canberra
Cc: RR : EU Posts, Indo-Pacific Posts, USA Posts
From: Washington
From File:
EDRMS
Files:
References: s 22(1)(a)(ii)
The cable has the following attachment/s -
CRS Pillar 2.pdf
Response: Routine, Information Only

s 22(1)(a)(ii)

Summary

On 20 June, the US Congressional Research Service published a research paper on AUKUS Advanced Capabilities. These reports are intended as tools for legislators and staff to rapidly understand complex issues. The report outlines publicly available information about each AUKUS Pillar II working group, and analyses issues it anticipates Congress may want to consider, including export controls and AUKUS membership. s 33(a)(i), s 33(a)(iii)

The US Congressional Research Service (CRS) published the attached report entitled 'AUKUS Pillar 2: Background and Issues for Congress'. The report describes the origins, role, and implementation of AUKUS Advanced Capabilities, and identifies potential issues for congressional consideration. It draws almost exclusively from publicly available information, including think tank reporting, joint statements, speeches and US budgetary documentation. 2. The CRS is a non-partisan research body serving both chambers of the US Congress. CRS authors reports and background documents focused on issues under consideration by Congress. These reports are often used by legislators and staff as tools to rapidly understand complex issues, approaching topics from a variety of perspectives and analysing potential actions Congress could choose to take.

s 33(a)(iii)

s 33(a)(iii), s 33(b)

4. The report assesses that AUKUS appears to be part of a 'broader response to the perceived threat from China' to Indo-Pacific security, citing public statements from House Foreign Affairs Committee (HFAC) Chair McCaul, British Prime Minister Rishi Sunak and former Prime Minister Morrison.

5. The paper details the eight technological and functional Pillar II working groups. It defines the military application of each technology, and references the respective strategies of each AUKUS nations. It references Pentagon funding requests related to AUKUS in the FY2024 President's Budget Request (PBR). The PBR is a request, not a formal bill, that Congress uses to frame the annual National Defence Authorization Act (NDAA) s 33(a)(i), s 33(a)(iii)

6. The report also identifies and analyses potential issues Congress may consider for AUKUS Pillar II, including: export controls; options for oversight of progress and outcomes; and whether to modify the technological scope or membership of AUKUS. On export controls, the report outlines the two current proposed bills on export controls s 22(1)(a)(ii) and anticipates that the Department of State will soon socialise a draft legislative proposals to inform congressional deliberations on AUKUS and export controls. The report also outlines arguments that have been made for New Zealand, Canada and Japan to join Pillar II.

s 33(a)(iii)

s 22(1)(a)(ii)



**Congressional
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AUKUS Pillar 2: Background and Issues for Congress

June 20, 2023

Congressional Research Service

<https://crsreports.congress.gov>

R47599

**SUMMARY****R47599**

June 20, 2023

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AUKUS Pillar 2: Background and Issues for Congress

AUKUS Pillar 2 refers to a suite of cooperative activities conducted by the United States, the United Kingdom, and Australia to develop and field “advanced capabilities” under the AUKUS security pact. To date, Pillar 2 activities have been coordinated among the three governments by means of working groups. Eight such groups are currently active; six of them address technological areas, and the remaining two address broader functional areas. The current working groups are

- Undersea capabilities;
- Quantum technologies;
- Artificial intelligence and autonomy;
- Advanced cyber;
- Hypersonic and counter-hypersonic capabilities;
- Electronic warfare;
- Innovation; and
- Information sharing.

The activities of these working groups are closely tied to the broader regional and global defense strategies of each of the participating governments, and have drawn considerable attention from some Members of Congress and other stakeholders. This report describes the origins, role, and implementation of AUKUS Pillar 2, and identifies and analyzes potential issues for congressional consideration. Particular questions Congress may face include

- How might the current U.S. defense export control regime—the laws, regulations, and policies that govern the export of defense articles and services—impact the conduct of AUKUS Pillar 2 activities? What options are available should Congress want to improve the speed or ease with which U.S. entities may provide controlled articles or services to British or Australian entities?
- How can Congress exercise effective oversight of the administration and implementation of AUKUS Pillar 2? What criteria, metrics, and considerations might Congress use to assess the progress and efficacy of Pillar 2 activities?

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AUKUS Overview

AUKUS is a security partnership between the governments of the United States, the United Kingdom of Great Britain and Northern Ireland, and Australia designed to “promote a free and open Indo-Pacific that is secure and stable.”¹ Established by a joint announcement in September 2021, AUKUS has organized its trilateral defense activities along two lines of effort, referred to as “pillars.” Pillar 1 aims to provide Australia with a fleet of nuclear-powered attack submarines.² Pillar 2 is intended to collaboratively develop advanced defense capabilities across eight technological and functional areas.

Pillar 2 activities have been coordinated among the U.S., British, and Australian governments by means of working groups. Eight such groups are currently active: six address particular technological areas (undersea capabilities, quantum technologies, artificial intelligence and autonomy, advanced cyber, hypersonic and counter-hypersonic capabilities, and electronic warfare), and two address broader functional areas (innovation and information sharing).³

Given its broad scope, AUKUS has involved a wide array of stakeholders across the U.S. government. Within the executive branch, the National Security Council (NSC) and a number of organizations within the Department of State (including the Bureau of Political-Military Affairs) and the Department of Defense (including the Office of the Secretary of Defense and the Department of Navy) have participated in the implementation of AUKUS activities.⁴ Within the legislative branch, a bipartisan group of Members formed the Congressional AUKUS Working Group in 2022, and a number of committees have held hearings on various AUKUS-related issues in 2022 and 2023.⁵

¹ “Joint Leaders Statement on AUKUS,” The White House, March 13, 2023. Available at <https://www.whitehouse.gov/briefing-room/statements-releases/2023/03/13/joint-leaders-statement-on-aukus-2/>.

² The details of Pillar 1—that is, the precise capabilities, mechanisms, and timelines associated with Australia’s acquisition of nuclear submarines—were to be determined through an 18-month consultative process. That process was completed in March 2023, when the participating nations’ heads of government issued another Joint Leaders Statement (also referred to as the “AUKUS Optimal Pathway Announcement”) detailing a phased approach to occur over the next two decades. Under this plan, Australia would purchase between three and five U.S.-built Virginia-class submarines beginning in the early 2030s, while concurrently working with the UK to design and build a new class of nuclear submarines for delivery in the early 2040s. See “Joint Leaders Statement on AUKUS,” The White House, September 15, 2021, at <https://www.whitehouse.gov/briefing-room/statements-releases/2021/09/15/joint-leaders-statement-on-aukus/>.

³ “Fact Sheet: Implementation of the Australia – United Kingdom – United States Partnership (AUKUS),” The White House, April 5, 2022, at <https://www.whitehouse.gov/briefing-room/statements-releases/2022/04/05/fact-sheet-implementation-of-the-australia-united-kingdom-united-states-partnership-aukus/>.

⁴ For information on the various U.S. government organizations involved in AUKUS implementation, see Jack Detsch and Robbie Gramer, “Biden’s AUKUS Point Man to Exit,” *Foreign Policy*, March 10, 2023, at <https://foreignpolicy.com/2023/03/10/biden-aukus-miller-us-uk-australia-china-france/>, and “Rear Admiral Dave Goggins to support AUKUS Program,” U.S. Navy, June 17, 2022, at <https://www.navy.mil/Press-Office/Press-Releases/display-pressreleases/Article/3066852/rear-admiral-dave-goggins-to-support-aukus-program/>.

⁵ For more on the Congressional AUKUS Working Group (sometimes referred to as the “AUKUS Caucus”), see “AUKUS Working Group Issues Statement,” Rep. Joe Courtney Press Release, April 6, 2022 at <https://courtney.house.gov/media-center/press-releases/aukus-working-group-issues-statement-new-details-trilateral-defense>. For a recent example of AUKUS-related congressional activity, see “House Foreign Affairs Committee Member Roundtable on AUKUS and Arms Exports Modernization,” April 18, 2023, webcast recording available at <https://foreignaffairs.house.gov/hearing/hfac-member-roundtable-on-aukus-and-arms-exports-modernization/>.

The Role of AUKUS in U.S., British, and Australian Strategy

The U.S., British, and Australian governments have identified AUKUS as an important part of their respective national strategies. The Biden Administration's 2022 U.S. Indo-Pacific Strategy cites AUKUS efforts under its "Reinforce Deterrence" line of effort, stating that the partnership will support the defense of U.S. interests, deterrence of adversary aggression, and promotion of regional security.⁶ The United Kingdom's "Integrated Review Refresh 2023" asserts that the AUKUS partnership will "allow [the UK and its allies] collectively to balance against coercive behaviours and to preserve an open and stable international order."⁷ AUKUS features prominently in Australia's 2023 "Defense Strategic Review," primarily as an enabler of essential "enhanced lethality" for the Royal Australian Navy (RAN) and "asymmetric capability" more generally.⁸

Formal DOD and executive branch statements concerning AUKUS tend to avoid identifying particular threats or challenges of concern, instead referring to more abstract interests and goals.⁹ However, some analysts argue the pact responds to a perception among its members that the intentions and capabilities of the People's Republic of China (PRC) pose a significant and growing threat to Indo-Pacific security. This perspective has been articulated by a number of U.S. policymakers, including several Members of Congress. In March 2023, for instance, House Foreign Affairs Committee (HFAC) Chairman Michael McCaul spoke on the House Floor concerning AUKUS:

We are facing a generational challenge from the Chinese Communist Party. We must bring all tools to bear in our effort to counter Chairman Xi's attempts to disrupt the global balance of power. With AUKUS, our three nations can achieve the shared strategic goal of defending the Indo-Pacific region, while maintaining our technological and military superiority.¹⁰

This view—that AUKUS is part of a broader response to the perceived threat from the PRC—appears to be shared by the other AUKUS nations. During the AUKUS Optimal Pathway Announcement, for example, British Prime Minister Rishi Sunak explained the need for an increased focus on defense by citing a number of particular challenges, including "China's

⁶ "Indo-Pacific Strategy of the United States," The White House, February 2022, p. 15. Available at <https://www.whitehouse.gov/wp-content/uploads/2022/02/U.S.-Indo-Pacific-Strategy.pdf>.

⁷ The 2023 "Integrated Review Refresh" is an update of the "Integrated Review of Security, Defence, Development, and Foreign Policy" issued in 2021. See "Integrated Review Refresh 2023," His Majesty's Government, March 13, 2023, p. 40, available at <https://www.gov.uk/government/publications/integrated-review-refresh-2023-responding-to-a-more-contested-and-volatile-world>.

⁸ "Defense Strategic Review," Australian Government, April 24, 2023, pp. 7 and 72. Available at <https://www.defence.gov.au/about/reviews-inquiries/defence-strategic-review>.

⁹ See, for example, Secretary Austin's characterization of AUKUS as a partnership to "strengthen our combined military capabilities, boost our defense industrial capacity, enhance our ability to deter aggression, and promote our shared goal of a free and open Indo-Pacific." "Statement by Secretary of Defense on AUKUS Optimal Pathway Announcement," U.S. Department of Defense, March 13, 2023. Available at <https://www.defense.gov/News/Releases/Release/Article/3327747/statement-by-secretary-of-defense-lloyd-j-austin-iii-on-aukus-optimal-pathway-a/>.

¹⁰ "McCaul Speaks on House Floor in Support of Deterring China Through AUKUS Bill," HFAC Press Release, March 24, 2023. Available at <https://foreignaffairs.house.gov/press-release/mccaul-speaks-on-house-floor-in-support-of-deterring-china-through-aukus-bill/>. For another example, see Rep. Mike Rogers' remarks concerning AUKUS in "House Armed Services Committee Hearing on Indo-Pacific National Security Challenges," April 18, 2023. Available at <https://armedservices.house.gov/hearings/full-committee-hearing-us-military-posture-and-national-security-challenges-indo-pacific>.

growing assertiveness.”¹¹ In 2022, Australia’s then-Prime Minister Scott Morrison described AUKUS as a response to, in part, PRC “attempt[s] to reshape our region, and the world, in a way more conducive to autocracies than liberal democracies.”¹²

Pillar 2 Working Groups

Given the diversity of technological and functional areas encompassed by AUKUS Pillar 2, each of the eight working groups may conduct its activities in a different manner. In addition, the ongoing and potentially classified nature of many such activities may limit the amount of information available to the public. To accomplish their goals, it appears likely that the working groups will engage in a number of activities that the U.S. DOD refers to as *international armaments cooperation*.¹³ These may include

- the exchange of controlled technical information;
- the exchange of military, civilian, and industry personnel;
- cooperative research, development, testing, and evaluation (RDT&E) projects;
- joint procurement efforts; and
- other acquisition partnerships.¹⁴

In contrast to Pillar 1 activities, which may take decades to deliver results, some analysts and policymakers expect AUKUS Pillar 2 to produce more immediate capability improvements.¹⁵ The following sections discuss each working group’s area in the context of overarching AUKUS objectives.

Undersea Capabilities

Undersea capabilities, in the context of AUKUS, refer to systems and technologies that operate underwater but are not manned submarines. To date, the U.S. Navy (USN) has engaged in a number of high-profile efforts in this area, including RDT&E activities focused on the maturation, procurement, and operation of unmanned underwater vehicles (UUVs). The USN has been developing various UUVs for years, and future systems may have considerable variation in size, capability, and role.¹⁶ Within the USN, UUVs may have applications for intelligence,

¹¹ “Transcript: Remarks By President Biden, Prime Minister Albanese, and Prime Minister Sunak on AUKUS,” U.S. Embassy in Canberra, March 14, 2023, at <https://au.usembassy.gov/transcript-remarks-by-president-biden-prime-minister-albanese-of-australia-and-prime-minister-sunak-of-the-united-kingdom-on-the-aukus-partnership/>.

¹² Tyrone Clarke, “Scott Morrison says AUKUS and Quad key to fight back against China’s ‘arc of autocracy’ after missing first week of parliament,” *Sky News Australia*, July 29, 2022, at <https://www.skynews.com.au/australia-news/politics/scott-morrison-says-aukus-and-quad-key-to-fight-back-against-chinas-arc-of-autocracy-after-missing-first-week-of-parliament/news-story/c798f6c004eaabc5e952118d69d73948>.

¹³ For more on international armaments cooperation, see CRS In Focus IF12425, *Defense Primer: International Armaments Cooperation*.

¹⁴ Some working groups may also employ other security cooperation mechanisms to transfer defense articles and services between the three countries, including foreign military sales.

¹⁵ See, for instance remarks by former Deputy Under Secretary of Defense for Industrial Policy William Greenwalt in Joe Gould and Bryant Harris, “Big AUKUS news coming, but Hill and allies see tech sharing snags,” *Defense News*, March 7, 2023, at <https://www.defensenews.com/pentagon/2023/03/07/big-aukus-news-coming-but-hill-and-allies-see-tech-sharing-snags/>.

¹⁶ The USN currently manages programs for developing UUVs designated as small (0–45 feet in length), medium (45–190 feet in length), and large (200–300 feet in length) UUVs. See CRS Report R45757, *Navy Large Unmanned Surface and Undersea Vehicles: Background and Issues for Congress*, by Ronald O'Rourke.

surveillance, and reconnaissance (ISR), anti-submarine warfare, anti-surface warfare, minesweeping, and other missions.¹⁷ The other AUKUS nations are also developing UUV capabilities: the UK's Royal Navy (RN) has acquired a number of REMUS 100 small UUVs, and the RAN has initiated developmental partnerships with several defense companies for large and extra-large UUVs.¹⁸ The development of UUVs is part of a broader push by various militaries to adopt robotics for naval purposes. For example, in March 2023 congressional testimony, Chairman of the Joint Chiefs of Staff General Mark Milley stated that “in the future, you’ll see maybe a third or more of the United States Navy or the Chinese Navy or the Russian Navy, those will be unmanned maritime vessels, unmanned sub vessels, and so on.”¹⁹

Through the Undersea Capabilities working group, the USN, RN, and RAN have established the AUKUS Undersea Robotics Autonomous Systems (AURAS) project, an initiative to jointly develop and field autonomous underwater vehicles. The White House has said that it intends for this initiative to function as “a significant force multiplier for [AUKUS] maritime forces,” and that as of April 2022 it expected to begin initial trials and experimentation in 2023.²⁰ In addition, the FY2024 President’s budget request for DOD included \$10 million to develop “mission payloads for UUVs” as part of a \$25 million request for “AUKUS Innovation Initiatives.”²¹ Although the precise connection to the Undersea Capabilities working group is unclear from publicly available information, the Australian government and U.S. company Anduril Industries have undertaken a partnership to deliver three extra-large autonomous undersea vehicle prototypes to the RAN by 2025.²²

Quantum Technologies

In the context of defense policy, quantum technologies are those that use the principles of quantum physics (e.g., superposition, quantum bits, and entanglement) to create or enhance military capabilities.²³ Quantum technologies have a variety of potential applications, including the improvement of communication systems, sensor capabilities, and information processing and security.²⁴ One recent quantum-focused initiative in the United States is the 2018 National Quantum Initiative Act (P.L. 115-368), which created a framework for a whole-of-government

¹⁷ For more information on current and potential military applications of UUVs, see Bradley Martin et al., “Advancing Autonomous Systems: An Analysis of Current and Future Technology for Unmanned Maritime Vehicles,” RAND Corporation, 2019, at https://www.rand.org/pubs/research_reports/RR2751.html.

¹⁸ See “UK Royal Navy Acquires Latest Generation REMUS 100s,” HII Press Release, September 21, 2022 at <https://hii.com/news/united-kingdom-royal-navy-acquires-remus-100-unmanned-underwater-vehicle/>, and Ridzwan Rahmat, “Indo Pacific 2022: Royal Australian Navy breaks cover on Speartooth large unmanned underwater vehicle,” *Jane’s*, May 11, 2022, at <https://www.janes.com/defence-news/news-detail/indo-pacific-2022-royal-australian-navy-breaks-cover-on-speartooth-large-unmanned-underwater-vehicle>.

¹⁹ “House Armed Services Committee Hearing on FY2024 DOD Budget Request,” March 29, 2023, transcript available through CQ at <https://plus.cq.com/doc/congressionaltranscripts-7702490?4>.

²⁰ See “AUKUS Fact Sheet,” The White House, April 5, 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/04/05/fact-sheet-implementation-of-the-australia-united-kingdom-united-states-partnership-aukus/>.

²¹ See “Department of Defense FY 2024 Budget Estimates, Defense-Wide RDT&E Justification Book Volume 3 of 5,” Office of the Secretary of Defense, March 2023, p. 466, at https://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2024/budget_justification/pdfs/03_RDT_and_E/OSD_PB2024.pdf.

²² See “Ghost Shark a Stealthy ‘Game-Changer,’” Australian Department of Defence, December 14, 2022, at <https://www.defence.gov.au/news-events/news/2022-12-14/ghost-shark-stealthy-game-changer>.

²³ For more information on defense applications of quantum technologies, see CRS In Focus IF11836, *Defense Primer: Quantum Technology*, by Kelley M. Sayler.

²⁴ “NATO Exploring Quantum Technology for Future Challenges,” *NATO*, October 14, 2022, <https://www.act.nato.int/articles/nato-exploring-quantum-technology-future-challenges>.

effort “to accelerate quantum research and development for the economic and national security of the United States.” Another recent quantum-focused initiative is the Defense Quantum Information Science and Technology Research and Development Program, established by the FY2019 John S. McCain National Defense Authorization Act (NDAA, P.L. 115-232) to coordinate research and development efforts for quantum sciences and to provide for interagency collaboration. In a manner similar to U.S. efforts, both the British and Australian governments have undertaken activities to increase cooperation among government and industry to research and develop quantum technologies.²⁵

As part of the Quantum Technologies working group, the AUKUS nations have established the AUKUS Quantum Arrangement (AQuA), an initiative to coordinate U.S., British, and Australian RDT&E efforts concerning quantum technologies. Initial AQuA efforts are expected to focus on developing alternate solutions for position, navigation, and timing (similar to current global positioning system [GPS] capability) through trials and experimentation through 2025.²⁶

Artificial Intelligence and Autonomy

Definitions of artificial intelligence (AI) and autonomy vary. In a defense context, the terms typically refer to technologies that can perform tasks under varying and unpredictable circumstances without significant human oversight, in a manner that replicates certain human qualities (e.g., learning from experience).²⁷ AI has extremely diverse defense applications that span many different functional areas. As a result, the U.S. DOD has established a Joint Artificial Intelligence Center (JAIC) to manage the development and implementation of AI strategy and programs across the department.²⁸ As of June 2021, the JAIC had accomplished this in part by managing six AI “mission initiatives” covering different topic areas.²⁹ The other AUKUS nations have been adopting similarly broad approaches to AI and autonomy: the United Kingdom Ministry of Defence (MOD) released a “Defence Artificial Intelligence Strategy” in June 2022, and the Australian government published “Australia’s AI Action Plan” in June 2021.³⁰

According to the White House, the AUKUS Artificial Intelligence and Autonomy working group will focus on “improving the speed and precision of decision-making processes to maintain a

²⁵ Australia launched the National Quantum Strategy in 2021, and the UK established the National Quantum Technologies Programme in 2013. Jennifer D.P. Moroney, *Quantum Technologies*, RAND Corporation, RAND Alliance Initiative, Santa Monica, CA.

²⁶ See “AUKUS Fact Sheet,” The White House, April 5, 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/04/05/fact-sheet-implementation-of-the-australia-united-kingdom-united-states-partnership-aukus/>.

²⁷ See, for instance, definitions of AI adopted by Section 238 of the FY2019 NDAA, P.L. 115-232, the 2018 DOD AI Strategy, and Section 5002 of the FY2021 NDAA, P.L. 116-283. For more information on AI and autonomy in a military context, see CRS Report R45178, *Artificial Intelligence and National Security*, by Kelley M. Saylor.

²⁸ Summary of the 2018 DOD AI Strategy, <https://media.defense.gov/2019/feb/12/2002088963/-1/-1/1/summary-of-dod-ai-strategy.pdf>. U.S. Department of Defense Responsible Artificial Intelligence Strategy and Implementation Pathway, 2022, <https://media.defense.gov/2022/Jun/22/2003022604/-1/-1/0/Department-of-Defense-Responsible-Artificial-Intelligence-Strategy-and-Implementation-Pathway.pdf>.

²⁹ These mission initiatives are Health and Business Processes; Joint Logistics; Joint Force Protection; Joint Information Warfare; Academic/Industry Engagement; and Joint Command and Control, Maneuver, and Fires. See “Artificial Intelligence,” Government Accountability Office, March 2022, p. 14, at <https://www.gao.gov/assets/gao-22-105834.pdf>.

³⁰ See “Defence Artificial Intelligence Strategy,” UK Ministry of Defence, June 15, 2022, at <https://www.gov.uk/government/publications/defence-artificial-intelligence-strategy>, and “Australia’s AI Action Plan,” Australian Government, June 2021, at <https://webarchive.nla.gov.au/awa/20220816053410/https://www.industry.gov.au/data-and-publications/australias-artificial-intelligence-action-plan>.

capability edge and defend against AI-enabled threats.”³¹ In addition, the FY2024 President’s budget request for DOD included \$5 million to develop an “Artificial Intelligence Development Hub” as part of the broader request for “AUKUS Innovation Initiatives.”³² Based on publicly available information, it is unclear to what degree the remit of the Artificial Intelligence and Autonomy working group may overlap with the development of unmanned systems under the Undersea Capabilities working group.

Advanced Cyber

DOD’s cyber operations are diverse, consisting of military, intelligence, and business activities conducted in or through cyberspace—the information network encompassing the internet, other telecommunications connections, and computer systems.³³ Cyber capabilities have become an enduring focus for all three AUKUS nations, especially given the intensification of the threat environment in what DOD refers to as the “cyber domain.”³⁴ DOD’s 2018 Cyber Strategy identifies five “cyberspace objectives”: (1) enable the military to prevail in a contested cyberspace environment, (2) conduct cyber operations to enhance U.S. national advantage, (3) protect critical infrastructure from cyberattack, (4) protect DOD information and systems from cyberattack, and (5) expand cyber cooperation.³⁵ Australia and the UK have outlined strategies focused on increasing cyber resilience to enable both commercial and defense activities. In April 2023, the UK disclosed the existence of a National Cyber Force (NCF), which has advanced defensive and offensive cyber operations capabilities.³⁶

According to the White House, the Advanced Cyber working group will seek to “strengthen cyber capabilities, including protecting critical communications and operations systems.”³⁷ Given the increasing centrality of networked communications to military operations, the scope of the Advanced Cyber working group may encompass many different platforms, systems, and functions. Some analysts have argued that cybersecurity will be a critical enabler of other AUKUS working groups, particularly for information sharing.³⁸ In addition, the FY2024 President’s budget request for DOD included \$6 million for “Cyber Capability Development” under the “AUKUS Innovation Initiatives” program element.³⁹

³¹ See “AUKUS Fact Sheet,” The White House, April 5, 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/04/05/fact-sheet-implementation-of-the-australia-united-kingdom-united-states-partnership-aukus/>.

³² See “Department of Defense FY 2024 Budget Estimates, Defense-Wide RDT&E Justification Book Volume 3 of 5,” Office of the Secretary of Defense, March 2023, p. 409, at https://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2024/budget_justification/pdfs/03_RDT_and_E/OSD_PB2024.pdf.

³³ For more information on cyber capabilities and operations, see CRS In Focus IF10537, *Defense Primer: Cyberspace Operations*, by Catherine A. Theohary.

³⁴ A November 2022 Government Accountability Office report found that DOD experienced over 12,000 cyber incidents since 2015; see <https://www.gao.gov/products/gao-23-105084>.

³⁵ Department of Defense, “Summary: Department of Defense Cyber Strategy 2018,” at https://media.defense.gov/2018/Sep/18/2002041658/-1/-1/1/CYBER_STRATEGY_SUMMARY_FINAL.PDF.

³⁶ Kevin Poireault, “UK Discloses Offensive Cyber Capabilities Principles,” *Info Security Magazine*, April 5, 2023, <https://www.infosecurity-magazine.com/news/uk-offensive-cyber-capabilities/>.

³⁷ See “AUKUS Fact Sheet,” The White House, April 5, 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/04/05/fact-sheet-implementation-of-the-australia-united-kingdom-united-states-partnership-aukus/>.

³⁸ See Stew Magnuson, “AUKUS Agreement Poses Cybersecurity Risks to Allies,” *National Defense*, September 29, 2022, <https://www.nationaldefensemagazine.org/articles/2022/9/29/aukus-agreement-poses-cybersecurity-risk-to-allies>.

³⁹ See “Department of Defense FY 2024 Budget Estimates, Defense-Wide RDT&E Justification Book Volume 3 of 5,” Office of the Secretary of Defense, March 2023, p. 466, at https://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2024/budget_justification/pdfs/03_RDT_and_E/OSD_PB2024.pdf.

Hypersonic and Counter-Hypersonic Capabilities

Hypersonic and counter-hypersonic capabilities refer to maneuverable weapons that fly at speeds of Mach 5 or greater, or systems intended to counter such weapons.⁴⁰ The speed and maneuverability of these missiles, coupled with their low flying altitude, make them more difficult to detect and neutralize than ballistic missiles.⁴¹ The U.S. DOD currently manages a number of programs intended to develop conventionally armed hypersonic weapons and counter-hypersonic defensive capabilities.⁴² The British and Australian governments also pursued the development of hypersonic capabilities prior to the establishment of the AUKUS pact, including—in the case of Australia—bilateral hypersonic-focused cooperation with the United States.⁴³

In April 2022, the White House announced that the AUKUS partners would “work together to accelerate development of advanced hypersonic and counter-hypersonic capabilities” under AUKUS Pillar 2.⁴⁴ Few details about this working group are publicly available; however, some analysts have speculated that Australia’s missile testing infrastructure—including a newly opened “Hypersonic Research Precinct” in Brisbane, Australia—could feature significantly in initial projects.⁴⁵

Electronic Warfare

Electronic warfare (EW) refers to activities that manipulate and control the electromagnetic spectrum (EMS)—a range of frequencies for electromagnetic energy—for military purposes. The U.S. DOD, UK MOD, and Australian DOD have each engaged in electronic warfare operations and programs since World War II, and a wide number of organizations in each nation’s defense establishment operate and develop electronic warfare capabilities.⁴⁶

EW was added to the scope of AUKUS Pillar 2 in April 2022. According to the White House, this working group will aim to “share understanding of tools, techniques, and technology to enable our forces to operate in contested and degraded environments.”⁴⁷ Opportunities for the EW working group may include electronic protection, electronic attack, and electronic support (i.e.,

⁴⁰ For more information on hypersonic weapons, see CRS Report R45811, *Hypersonic Weapons: Background and Issues for Congress*, by Kelley M. Sayler.

⁴¹ Department of Defense, “Department of Defense Press Briefing on Hypersonics,” press release, March 2, 2020, <https://www.defense.gov/News/Transcripts/Transcript/Article/2101062/departement-of-defense-press-briefing-on-hypersonics/>.

⁴² These include the Navy’s Conventional Prompt Strike program, the Air Force’s Air-Launched Rapid Response Weapon, the Army’s Long-Range Hypersonic Weapon, and DARPA’s Tactical Boost Glide. See CRS Report R45811, *Hypersonic Weapons: Background and Issues for Congress*.

⁴³ Bilateral U.S.-Australia hypersonics efforts include the Southern Cross Integrated Flight Research Experiment (SCIFiRE) and Hypersonic International Flight Research Experimentation (HIFiRE) programs. See “Department of Defense Announces New Allied Prototyping Initiative Effort With Australia to Continue Partnership in Developing Air Breathing Hypersonic Vehicles,” DOD press release, November 30, 2020, at <https://www.defense.gov/News/Releases/Release/Article/2429061/departement-of-defense-announces-new-allied-prototyping-initiative-effort-with-a/>.

⁴⁴ See “AUKUS Fact Sheet,” The White House, April 5, 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/04/05/fact-sheet-implementation-of-the-australia-united-kingdom-united-states-partnership-aukus/>.

⁴⁵ See Mikayla Easley, “AUKUS Partners Aim to Catch China in Hypersonics Race,” *National Defense*, February 17, 2023, at <https://www.nationaldefensemagazine.org/articles/2023/2/17/aukus-partners-aim-to-catch-china-in-hypersonics-race>.

⁴⁶ For more information on electronic warfare, see CRS In Focus IF11118, *Defense Primer: Electronic Warfare*.

⁴⁷ See “AUKUS Fact Sheet,” The White House, April 5, 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/04/05/fact-sheet-implementation-of-the-australia-united-kingdom-united-states-partnership-aukus/>.

intelligence collection and analysis of the EMS that supports other EW operations), all of which strengthen the ability to operate in a contested EMS environment. These EW opportunities are particularly relevant given that all three AUKUS nations are to operate the U.S. Air Force E-7 Wedgetail, an airborne EW platform.⁴⁸

Innovation

As a functional area of defense collaboration, innovation is more difficult to define than the technological areas identified above. Broadly speaking, defense innovation refers to purposeful changes in the technologies, operations, processes, or organizations employed by governments for military purposes.⁴⁹

According to the White House, the Innovation working group will seek to “accelerate our respective defense innovation enterprises and learn from one another, including ways to more rapidly integrate commercial technologies to solve warfighting needs.”⁵⁰ This may include increased collaboration between the U.S. DOD’s Defense Innovation Unit (DIU), Defense Advanced Research and Development Projects Agency (DARPA), and service RDT&E organizations, on the one hand, and analogous British and Australian organizations (e.g., the UK’s Defence Science and Technology Laboratories and Australia’s Defence Science and Technology Group), on the other.⁵¹ In addition, the President’s FY2024 budget request for DOD included \$25 million for “AUKUS Innovation Initiatives.”⁵² The new initiative includes proposed funding for efforts in AI, cyber, UUVs, enhanced battlespace awareness, and engineering and architecture studies.⁵³

Information Sharing

According to the White House, the Information Sharing working group will “will expand and accelerate sharing of sensitive information, including as a first priority enabling workstreams that underpin our work on agreed areas of advanced capabilities [i.e., the other working groups].” The AUKUS nations have a long history of sharing information on defense, most notably through the Five Eyes (FVEY) intelligence alliance.⁵⁴

⁴⁸ See “E-7A AEW&C,” Boeing, at <https://www.boeing.com/defense/e-7-airborne-early-warning-and-control/>.

⁴⁹ See P.M. Picucci et al., “Categorizing Defense Innovation,” Defense Acquisition University, March 9, 2021, at <https://www.dau.edu/library/defense-atl/blog/Categorizing-Defense-Innovation>.

⁵⁰ See “AUKUS Fact Sheet,” The White House, April 5, 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/04/05/fact-sheet-implementation-of-the-australia-united-kingdom-united-states-partnership-aukus/>.

⁵¹ For more information on British and Australian programs, see “MOD Innovation,” UK Government, at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/553429/MOD_SB_Innovation_Initiative_Brochure_v21_web.pdf, and “Defence Innovation,” Australian Government, at <https://www.dst.defence.gov.au/strategy/defence-science-and-technology-strategy-2030>.

⁵² This request includes funding for UUV and AI applications mentioned above. See Office of the Secretary of Defense, “Department of Defense Fiscal Year (FY) 2024 Budget Estimates, Research Development, Test & Evaluation, Defense-Wide,” March 2023, accessed at https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2024/FY2024_r1.pdf, p. 61.

⁵³ See “Department of Defense FY 2024 Budget Estimates, Defense-Wide RDT&E Justification Book Volume 3 of 5,” Office of the Secretary of Defense, March 2023, p. 466, at https://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2024/budget_justification/pdfs/03_RDT_and_E/OSD_PB2024.pdf.

⁵⁴ In addition to the three AUKUS nations, FVEY includes Canada and New Zealand. Some experts see FVEY as a model—or additional mechanism—for AUKUS information sharing.

According to some analysts, this working group could seek to address barriers to trilateral information sharing, such as export controls, classification more generally, and bureaucratic cultures that prioritize risk aversion when it comes to sharing controlled information.⁵⁵

Issues for Congress

Congress may consider options for modifying U.S. export controls and exercising oversight of the AUKUS Pillar 2 working groups. Particular issues include

- whether and how to modify U.S. export control laws and regulations;
- options to assess progress and measure outcomes;
- whether to modify the technological and functional scope of Pillar 2 working groups; and
- whether to expand participation in Pillar 2 activities beyond the current AUKUS members.

Each of these topics is discussed in more detail below.

U.S. Export Control Laws and Regulations

A number of analysts and policymakers—including some Members of Congress—have argued that the current U.S. export control regime may hamper effective technological and industrial cooperation between the AUKUS partners.⁵⁶ From this point of view, the existing array of U.S. laws, regulations, and policies restricting defense exports may impede AUKUS Pillar 2 efforts by barring or disincentivizing contractors from establishing joint projects, thereby delaying the commencement and execution of work and imposing undue administrative burdens on participating organizations.⁵⁷

Much of this concern has focused on the International Traffic in Arms Regulations (ITAR), a set of regulations concerning the export of defense articles and services. Established to implement the Arms Export Control Act (AECA, codified at 22 U.S.C. §§2751 et seq.), ITAR restricts the transfer of controlled defense articles and services (i.e., those that appear on the United States Munitions List, or USML) to non-U.S. persons.⁵⁸ To comply with ITAR, companies wishing to export controlled articles or services must obtain licenses or other authorization from the U.S. Department of State (DOS). Some analysts contend that this process is overly complex and onerous, arguing that—in combination with the significant legal and financial consequences of violating the ITAR—it can hinder legitimate cooperation efforts.⁵⁹ Characterizing the issue in an

⁵⁵ Jennifer D.P. Moroney and Alan Tidwell, “Making AUKUS Work,” *RAND Corporation*, March 22, 2022, <https://www.rand.org/blog/2022/03/making-aukus-work.html>.

⁵⁶ Rachel Oswald, “Lawmakers Seek to Ease Defense Export Controls to UK, Australia,” *Roll Call*, May 23, 2023, <https://rollcall.com/2023/05/23/lawmakers-seek-to-ease-defense-export-controls-to-uk-australia/>.

⁵⁷ See, for instance, Rajiv Shah, “U.S. Export Rules Need Major Reform if AUKUS is to Succeed,” *Australian Strategic Policy Institute: The Strategist*, February 16, 2023, <https://www.aspistrategist.org.au/us-export-rules-need-major-reform-if-aukus-is-to-succeed/>.

⁵⁸ ITAR is available at <https://www.ecfr.gov/current/title-22/chapter-I/subchapter-M>. It implements Section 38 of the Arms Export Control Act (22 U.S.C. §2778) and authorizes the President to control the export and import of defense articles and defense services.

⁵⁹ See, for instance, Rajiv Shah, “U.S. Export Rules Need Major Reform if AUKUS is to Succeed,” *Australian Strategic Policy Institute*, February 16, 2023, at <https://www.aspistrategist.org.au/us-export-rules-need-major-reform-if-aukus-is-to-succeed/>, and Alan Dupont, “Failure Not An Option in this Generational Opportunity,” *The Australian*, (continued...)

April 2023 House Foreign Affairs Committee hearing on AUKUS, Representative Michael McCaul asserted that “ITAR is a big issue, and it’s prohibiting our ability [sic] to make weapons with our closest allies in a very expeditious way.”⁶⁰

On the other hand, some experts have argued that the current U.S. export control regime does not create significant barriers to AUKUS Pillar 2 activities. A March 2023 *Defense News* article quoted an anonymous DOS official as saying that the department does “not anticipate any challenges in implementing AUKUS due to U.S. export control regulations, which exist to safeguard U.S. technologies and maintain the U.S. warfighter’s qualitative edge.”⁶¹

To address perceived issues with U.S. export controls in the context of AUKUS efforts, several analysts and policymakers have proposed remedies. Some have advocated for the total exemption of AUKUS participants from ITAR, while others have advanced more modest changes to the technology-sharing and export approval processes.⁶² In addition, some have pointed to precedents in Cold War-era frameworks that allowed the United States to share sensitive nuclear information with the United Kingdom.⁶³

In 2023, the executive branch initiated a number of efforts to align U.S. export control administration with AUKUS goals. In a May 2023 House Foreign Affairs Committee hearing, DOS’s Bureau of Political-Military Affairs Assistant Secretary Jessica Lewis described three broad efforts:

First, the AUKUS trade authorization mechanism, known as ATAM, legislative changes and international consultations. The Department of State will implement a novel use of our existing authorities [and pursue an] interim solution, expediting and optimizing technology sharing and defense trade among only the AUKUS partners. Second and simultaneously, the administration plans to consult closely with Congress and propose legislative changes to meet the ambitions of AUKUS.... Under this legislative proposal, AUKUS partners will have many transfers pre-approved and not subject to case by case review. Third, the administration will also be seeking commitments from our AUKUS partners on shared standards for protection of defense, information, and material.⁶⁴

In 2023, two bills addressing these issues were introduced in the 118th Congress: H.R. 1093 and S. 1471. H.R. 1093 would “direct the Secretary of State to submit to Congress a report on implementation of the advanced capabilities pillar of the [AUKUS] trilateral security partnership.” The report would provide information on a number of issues relating to export controls, including

March 18, 2023, at <https://www.theaustralian.com.au/inquirer/aukus-failure-not-an-option-in-this-generational-opportunity/news-story/00d638abe9b939a56f6f730d00beae49>.

⁶⁰ “House Foreign Affairs Committee Hearing on AUKUS and Arms Exports Modernization,” April 18, 2023, <https://foreignaffairs.house.gov/hearing/hfac-member-roundtable-on-aukus-and-arms-exports-modernization/>.

⁶¹ Bryant Harris, “Congress lays Groundwork for AUKUS Export Control Reform,” *Defense News*, March 22, 2023.

⁶² For a version of the first position, see James Carouso et al., “ITAR Should End for Australia,” Center for Strategic and International Studies, December 7, 2022, at <https://www.csis.org/analysis/itar-should-end-australia>. For a version of the second, see Assistant Secretary of Defense for Indo-Pacific Security Affairs Ely Ratner’s comments highlighting a “live evolution of processes around technology sharing” in the context of AUKUS. “Building a More Resilient Indo-Pacific Security Architecture,” DOD, March 2, 2023 at <https://www.defense.gov/News/Transcripts/Transcript/Article/3318943/building-a-more-resilient-indo-pacific-security-architecture-a-conversation-wit/>.

⁶³ See, for example, Rep. Joe Courtney, “Rep. Joe Courtney: To Make AUKUS work, Congress should look to the Past,” *Breaking Defense*, January 11, 2023, at <https://breakingdefense.com/2023/01/rep-joe-courtney-to-make-aukus-work-congress-should-look-to-the-past/>.

⁶⁴ “House Foreign Affairs Committee Hearing on Modernizing U.S. Arms Exports and a Stronger AUKUS,” May 24 2023, <https://foreignaffairs.house.gov/hearing/modernizing-u-s-arms-exports-and-a-stronger-aukus/>.

- wait times, volume, and denials of/modifications to applications for U.S. defense exports and foreign military sales to the United Kingdom and Australia in calendar years 2021 and 2022;
- ITAR violations involving the United Kingdom and Australia from FY2017 to FY2022; and
- recommendations to improve existing U.S. export controls and regulations to implement the AUKUS partnership.

S. 1471 would make a number of changes to the processes and programs enabling AUKUS-related functions, including

- designating the UK and Australia as domestic sources for the purposes of the Defense Production Act of 1950 (P.L. 81-774, 50 U.S.C. §§4501 et seq.);
- exempting defense exports to the UK and Australia from certain licensing requirements;⁶⁵
- exempting the UK and Australia from certain arms transfer-related certification and congressional notification requirements;⁶⁶
- creating an open general license for defense exports to the UK and Australia;
- expediting the release of certain advanced technologies to the UK and Australia through the Foreign Military Sales (FMS) process;
- requiring reports on AUKUS strategy, implementation, impacts to U.S. military readiness, and recommended changes to export control regimes; and
- creating an “AUKUS Senior Advisor” position at the DOS and authorizing the use of existing DOS funds to hire additional personnel to review export license applications.

In addition, DOS has announced it will socialize draft legislative proposals to inform congressional deliberations (pursuant to Assistant Secretary Lewis’ remarks quoted above). Congress may consider these modifications alongside other options, including other reforms to the AECA and direction to DOD and/or DOS to develop administrative options to facilitate trilateral cooperative efforts under AUKUS Pillar 2.

Oversight of AUKUS Pillar 2 Activities

The scale and diversity of AUKUS Pillar 2 activities may present administrative challenges for the governments of the United States, the United Kingdom, and Australia. Each technological and functional area is relatively broad, involving an array of different programs, stakeholders, and potential applications.⁶⁷

⁶⁵ This could be enacted as an amendment of Section 38(j)(1) of the Arms Export Control Act (codified at 22 U.S.C. 2778(j)(1)).

⁶⁶ This could be enacted as an amendment of Section 38(f)(3) of the Arms Export Control Act (codified at 22 U.S.C. 2778(f)(3)).

⁶⁷ To take the Artificial Intelligence and Autonomy working group as an example, DOD’s Joint Artificial Intelligence Center has identified six broad and disparate AI “mission initiatives,” and a 2022 Government Accountability Office found 10 separate AI strategies across DOD. See “Artificial Intelligence: DOD should Improve Strategies, Inventory Process, and Collaboration Guidance,” Government Accountability Office, March 2022, pp. 18-21, at <https://www.gao.gov/assets/gao-22-105834.pdf>.

Given the relevance of AUKUS to many congressional priorities, Congress may seek to exercise oversight of DOD, DOS, and other executive agencies' coordination of the working groups in a number of areas, three of which are discussed below.

Assessing Progress and Measuring Outcomes

Congress may consider ways to assess the progress of AUKUS Pillar 2 activities and to measure their outcomes against strategic and operational objectives. For example, Congress could establish periodic reporting requirements for DOD and DOS that address Pillar 2-specific progress and outcomes. Depending on the alignment of existing executive branch guidance with congressional priorities, Congress may also consider whether to use legislation (or accompanying explanatory statements) to direct DOD, DOS, or other relevant executive organizations to modify processes or programs to better accomplish Pillar 2 objectives.

Modifying Technological and Functional Coverage

As AUKUS activities continue, Congress may consider whether additional technological or functional areas should be included under Pillar 2, either through the creation of new working groups or the assignment of new topics to existing ones. Congress may also assess whether any of the currently identified technological or functional working groups are underperforming or conducting activities that are superfluous to U.S. defense requirements, which may suggest a need to narrow existing scopes. The import of such assessments may grow as the amount of U.S. resources devoted to Pillar 2 activities increases.

Expanding AUKUS Pillar 2 to Include Additional Countries

Congress may also consider whether to direct DOD and DOS to expand AUKUS Pillar 2 to include additional countries, especially New Zealand and Canada (the other two members of the Five Eyes intelligence pact). A number of analysts have argued for the inclusion of New Zealand on strategic grounds, and the country's Defence Minister has stated that his government has "been offered the opportunity ... and would be willing to explore it."⁶⁸ Another candidate may be Canada: in May 2023, a Canadian newspaper reported that Canada was seeking to join Pillar 2, and some analysts have argued the country's addition would strengthen AUKUS efforts relating to critical minerals, AI, cybersecurity, and Arctic-focused domain awareness capabilities.⁶⁹ Some analysts have also argued for the addition of Japan, given its close security ties to the U.S., technological and industrial capabilities, and geopolitical interests.⁷⁰

⁶⁸ "New Zealand may Join AUKUS Pact's Non-Nuclear Component," *The Guardian*, March 27, 2023, at <https://www.theguardian.com/world/2023/mar/28/new-zealand-may-join-aukus-pacts-non-nuclear-component>. For arguments in support of New Zealand membership in Pillar 2, see Reuben Steff, "AUKUS + NZ=Win-Win," *The Lowy Institute*, May 1, 2023, at <https://www.loyyinstitute.org/the-interpreter/aukus-nz-win-win>.

⁶⁹ See Robert Fife and Steven Chase, "Canada Seeks to Join Non-Nuclear Pillar of AUKUS Alliance," *The Globe and Mail*, May 8, 2023, at <https://www.theglobeandmail.com/politics/article-canada-eyes-entry-into-aukus-alliance-to-help-keep-china-in-check/>, and Christopher Hernandez-Roy, "Canadian Membership in AUKUS: A Time for Action," Center for Strategic and International Studies, May 9, 2023, at <https://www.csis.org/analysis/canadian-membership-aukus-time-action>.

⁷⁰ See, for instance, Michael Auslin, "Why Japan Belongs in AUKUS," *Foreign Affairs*, October 28, 2022, at <https://www.foreignaffairs.com/japan/why-japan-belongs-aukus>.

In considering whether it would be in the U.S. interest to expand AUKUS Pillar 2, Congress may weigh the potential benefits, such as new members' capability and capacity, against the potential drawbacks. These latter may include the risk of administrative inefficiencies, negative impacts on U.S. firms (e.g., through increased competition with foreign companies for U.S. defense contracts), and geopolitical blowback (i.e., provoking a destabilizing response from regional competitors such as China).

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Title: United States: AUKUS: Pillar 1 and Pillar 2 Congressional State of Play
MRN: s 22(1)(a)(ii)
To: Canberra
Cc: RR : Indo-Pacific Posts, London, USA Posts
From: Washington
From File:
EDRMS
Files:
References: s 22(1)(a)(ii)
Response: Routine, Information Only

s 22(1)(a)(ii)

Summary

Reps Courtney and Gallagher have introduced a National Defense Authorization Act (NDAA) amendment allowing Australian contractors to work in American submarine shipyards. s 33(a)(iii)

s 33(a)(i), s 33(a)(iii), s 33(b)

Today's Congressional Developments

Subsequent to reporting on 29 June s 22(1)(a)(ii) an amendment to the Fiscal Year 2024 National Defense Authorization Act (NDAA) submitted by Representatives Meeks, Courtney, and Bera may be withdrawn from consideration. s 33(a)(i), s 33(a)(iii), s 33(b)

s 33(a)(i), s 33(a)(iii), s 33(b)

3. The new amendment from Representatives Courtney and Gallagher includes specific language from one of the Administration's LPs allowing Australian shipbuilding contractors to work in American submarine shipyards. s 33(a)(i), s 33(a)(iii), s 33(b)

s 33(a)(i), s 33(a)(iii), s 33(b)

s 33(a)(i), s 33(a)(iii)

11. Defence was consulted in the preparation of this cable.

s 22(1)(a)(ii)

s 33(a)(i), s 33(a)(iii), s 33(b) - this page, together with the following pages (368 to 398) are exempt and have been removed.

s 22(1)(a)(ii)

s 22(1)(a)(ii)

Title: United States: Congress - AUKUS legislation State of Play and key points**MRN:****To:** Canberra**Cc:** RR : Americas Posts, Europe Posts, Indo-Pacific Posts, Middle East Posts**From:** Washington**From File:****EDRMS****Files:****References:**^s² The cable has the following attachment/s -² AUKUS Update - Congressional - 1900hrs 26 July.pdf¹ HR 4619 ANS, Submarine Transfer Authorization Act.pdf¹ KOALA Act.pdf**Response:** (**Routine, Information Only**

s 22(1)(a)(ii)

Summary

Cable contains State of Play on AUKUS legislation in the US Congress. House Foreign Affairs Committee reviewed and passed its AUKUS P1 and P2 legislation today. P1 passed unanimously. s 33(a)(iii)

There remains strong bipartisan support for both pillars. The Senate continues to debate inclusion in their NDAA of legislation for submarine transfer and Australian investment into the US SIB. s 33(a)(iii)

AUKUS Legislation State of Play (attached)

The **House Foreign Affairs Committee reviewed and passed its AUKUS P1 and P2 legislation today** (texts attached). P1 passed unanimously. s 33(a)(iii)

There remains strong bipartisan support for both pillars. The **Senate continues to debate** inclusion in their NDAA of legislation for submarine transfer and Australian investment into the US SIB. s 33(a)(iii) . But as we enter the Summer Recess (28 July) we have strong pillar 1 and pillar 2 provisions in agreed texts going to conference.

s 33(a)(iii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

· s 33(a)(iii)

- **AUKUS continues to enjoy strong bipartisan support in the US Congress.**

· No one in Congress is opposed to the submarine deal, nor a national exemption on export controls.

· A number of members have been energised to speak up in support.

s 33(a)(iii), s 33(b)

s 33(a)(iii)

s 22(1)(a)(ii)

s 33(a)(iii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 4619
OFFERED BY M ____ . _____

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “AUKUS Submarine
3 Transfer Authorization Act”.

4 SEC. 2. FINDINGS.

5 Congress finds the following:

6 (1) The trilateral security partnership between
7 Australia, the United Kingdom, and the United
8 States (in this Act referred to as the “AUKUS part-
9 nership”) provides an opportunity to deepen mari-
10 time cooperation and coordination with two critical
11 allies to promote a free, open, stable and secure
12 Indo-Pacific region.

13 (2) The AUKUS partnership reflects our
14 shared interest in a global rules-based order in
15 which the sovereignty of nation States, including
16 international waters and territorial seas, is re-
17 spected.

1 (3) Underpinned by the 1951 Australia, New
2 Zealand, United States Security Treaty (commonly
3 referred to as the “ANZUS Treaty”), the Australian
4 Defence Force has long played a role in maintaining
5 peace, security, and prosperity in the Indo-Pacific
6 region and has also been a global security partner
7 to the United States in addressing global threats, in-
8 cluding the global war on terrorism.

9 (4) The Australian Government Defence Stra-
10 tegic Review, released on April 24, 2023, recognizes
11 the need for a biennial National Defense Strategy.
12 This Review emphasizes the need for Australian in-
13 frastructure for the sustainment of nuclear-powered
14 submarines through the AUKUS partnership.

15 (5) The AUKUS partnership furthers United
16 States national security interests by ensuring part-
17 ner countries strengthen joint advanced military ca-
18 pabilities to promote global security and stability
19 through enhanced information sharing and techno-
20 logical cooperation.

21 (6) In the September 15, 2021, Joint Leaders
22 Statement, the AUKUS partnership affirmed that it
23 would adhere “to the highest standards for safe-
24 guards, transparency, verification, and accountancy

1 measures to ensure the non-proliferation, safety, and
2 security of nuclear material and technology’.

3 (7) United States arms exports conducted
4 under the Foreign Assistance Act of 1961 (22
5 U.S.C. 2151 et seq.) and the Arms Export Control
6 Act (22 U.S.C. 2751 et seq.)—

7 (A) advance national security and foreign
8 policy interests of the United States; and

9 (B) also support the United States defense
10 industrial base and defense procurements.

11 **SEC. 3. AUTHORIZATION OF SALE OF VIRGINIA CLASS SUB-**
12 **MARINES TO AUSTRALIA.**

13 (a) IN GENERAL.—Notwithstanding any other provi-
14 sion of law, the President is authorized to transfer up to
15 two Virginia Class submarines from the inventory of the
16 Department of the Navy to the Government of Australia
17 on a sale basis, during the 15-year period beginning on
18 the date of the enactment of this Act, to implement the
19 AUKUS partnership.

20 (b) COSTS OF TRANSFERS.—Any expense incurred by
21 the United States in connection with a transfer of a vessel
22 authorized under subsection (a) shall be charged to the
23 recipient notwithstanding section 516(e) of the Foreign
24 Assistance Act of 1961 (22 U.S.C. 2321j(e)).

25 (c) REPAIR AND REFURBISHMENT.—

1 (1) IN GENERAL.—Notwithstanding any other
2 provision of this section, the President shall deter-
3 mine appropriate shipyards in the United States,
4 Australia, or the United Kingdom to perform any re-
5 pair or refurbishment of a United States submarine
6 involved in submarine security activities among
7 members of the AUKUS partnership.

8 (2) PERSONNEL.—Repair or refurbishment de-
9 scribed in paragraph (1) may be carried out by per-
10 sonnel of the United States, the United Kingdom, or
11 Australia in accordance with the international ar-
12 rangements governing submarine security activities
13 under the AUKUS partnership.

14 (d) CERTIFICATION.—

15 (1) IN GENERAL.—Not less than 270 days prior
16 to the transfer of a vessel authorized under sub-
17 section (a), the President shall submit to the appro-
18 priate congressional committees and leadership a
19 certification that—

20 (A) the transfer of such vessels—

21 (i) will not degrade United States un-
22 dersea operational requirements;

23 (ii) is consistent with United States
24 foreign policy and national security inter-
25 ests; and

1 (iii) is in furtherance of the AUKUS
2 partnership;

3 (B) the United States has the industrial
4 capacity to meet and maintain the submarine
5 production requirements needed to support the
6 national security and operational requirements
7 for its submarine fleet;

8 (C) the United States has sufficient stock-
9 piles of highly enriched uranium to meet the
10 needs of the Department of Defense for the
11 next 10 years;

12 (D) the Government of Australia has pro-
13 vided the necessary funds and support for the
14 additional capacity required to meet the United
15 States submarine fleet requirements; and

16 (E) the Government of Australia has the
17 sovereign capability to host and operate the ves-
18 sels authorized to be transferred.

19 (2) JOINT RESOLUTION OF DISAPPROVAL.—

20 (A) IN GENERAL.—The President may not
21 transfer a vessel authorized under subsection
22 (a) if, within the 270-day period prior to the
23 proposed transfer, a joint resolution is enacted
24 into law prohibiting the proposed transfer.

1 (B) SENATE PROCEDURES.—Any joint res-
2 olution described in this paragraph shall be con-
3 sidered in the Senate in accordance with the
4 provision of section 601(b) of the International
5 Security Assistance and Arms Export Control
6 Act of 1976.

7 (C) HOUSE PROCEDURES.—For the pur-
8 pose of expediting the consideration and enact-
9 ment of a joint resolution described in this
10 paragraph, a motion to proceed to the consider-
11 ation of any such joint resolution after it has
12 been reported by the appropriate committee
13 shall be treated as highly privileged in the
14 House of Representatives.

15 (3) NON-APPLICABILITY.—Section 8678 of title
16 10, United States Code, shall not apply with respect
17 to the transfer of vessels authorized under sub-
18 section (a).

19 (e) CREDITING OF RECEIPTS.—

20 (1) IN GENERAL.—Notwithstanding any provi-
21 sion of law pertaining to the crediting of amounts
22 received from a sale under the terms of the Arms
23 Export Control Act (22 U.S.C. 2761), any receipt of
24 the United States as a result of a transfer of vessels
25 authorized under subsection (a) shall—

1 (A) be credited, at the discretion of the
2 Secretary of Defense to—

3 (i) the appropriation, fund, or account
4 used in incurring the original obligation;

5 (ii) an appropriate appropriation,
6 fund, or account currently available for the
7 purposes for which the expenditures were
8 made; or

9 (iii) any other appropriation, fund, or
10 account available for the improvement of
11 the United States submarine industrial
12 base; and

13 (B) remain available for obligation until
14 expended for the same purpose as the appro-
15 priation to which the receipt is credited.

16 (2) REPORT.—Not later than 30 days after the
17 receipt of funds as described in paragraph (1), the
18 Secretary of Defense, in coordination with the Sec-
19 retary of State and the Administrator of the Na-
20 tional Nuclear Security Administration, shall submit
21 to the appropriate congressional committees and
22 leadership a report on the matters described in sub-
23 paragraphs (A) and (B) of paragraph (1).

1 (f) APPLICABILITY OF EXISTING LAW TO TRANSFER
2 OF SPECIAL NUCLEAR MATERIAL AND UTILIZATION FA-
3 CILITIES FOR MILITARY APPLICATIONS.—

4 (1) IN GENERAL.—With respect to any special
5 nuclear material for use in utilization facilities or
6 any portion of a vessel transferred under subsection
7 (a) constituting utilization facilities for military ap-
8 plications under section 91 of the Atomic Energy
9 Act of 1954 (42 U.S.C. 2121), the transfer of such
10 material or such facilities shall only occur in accord-
11 ance with such section 91.

12 (2) USE OF FUNDS.—The Administrator of the
13 National Nuclear Security Administration may use
14 proceeds from a transfer described in subparagraph
15 (1) for the acquisition of submarine naval nuclear
16 propulsion plants and the nuclear fuel to replace the
17 propulsion plants and fuel transferred to the Gov-
18 ernment of Australia.

19 (g) TRANSFER OR EXPORT OF DEFENSE SERV-
20 ICES.—

21 (1) IN GENERAL.—Notwithstanding any other
22 provision of law, the President may transfer or au-
23 thorize the export of defense services (as such term
24 is defined in section 47 of the Arms Export Control
25 Act (22 U.S.C. 2794)) to the Government of Aus-

1 tralia and the Government of the United Kingdom
2 in support of a transfer of vessels authorized under
3 subsection (a).

4 (2) AUTHORITY TO EXPORT TO AUSTRALIAN
5 AND UNITED KINGDOM PRIVATE-SECTOR PER-
6 SONNEL.—The transfer or export of defense services
7 under this subsection may be directly exported to
8 private-sector personnel of Australia or to private-
9 sector personnel of the United Kingdom to support
10 the development of the Australian submarine indus-
11 trial base necessary for submarine security activities
12 between members of the AUKUS partnership, in-
13 cluding in the case in which such private-sector per-
14 sonnel are not officers, employees, or agents of the
15 Government of Australia or the Government of the
16 United Kingdom in accordance with the require-
17 ments of the Arms Export Control Act (22 U.S.C.
18 2751 et seq.).

19 (h) REPORT.—

20 (1) IN GENERAL.—Not later than 180 days
21 after the date of the enactment of this Act and an-
22 nually thereafter for 15 years, the Secretary of De-
23 fense, in coordination with the Secretary of State
24 and the Administrator of the National Nuclear Secu-
25 rity Administration, shall submit to the appropriate

1 congressional committees and leadership a report de-
2 scribing the status of—

3 (A) the transfer of vessels authorized
4 under subsection (a);

5 (B) the implementation of submarine secu-
6 rity cooperation under the AUKUS partnership
7 and challenges towards its implementation;

8 (C) expansion of the public and private
9 Virginia class submarine production and repair
10 facilities, to include proposed work conducted in
11 Australia and the United Kingdom to meet the
12 additional work required by commitments under
13 the AUKUS partnership;

14 (D) the Integrated Master Schedules for
15 Virginia and Columbia production over the next
16 15 years, to include the total number of nuclear
17 powered attack submarines and nuclear pow-
18 ered ballistic missile submarines the Depart-
19 ment of Defense plans to procure;

20 (E) whether 12 nuclear powered ballistic
21 missile submarines is sufficient to meet the re-
22 quirements of the United States Strategic Com-
23 mand or whether additional nuclear powered
24 ballistic missile submarines will be required;

1 (F) a list of transfers or exports of defense
2 services authorized under subsection (g) and
3 the private-sector personnel of Australia or the
4 private-sector personnel of the United Kingdom
5 to whom the defense services were exported;
6 and

7 (G) bilateral or trilateral agreements be-
8 tween countries of the AUKUS partnership rel-
9 evant to the transfer of vessels authorized
10 under subsection (a).

11 (2) FORM.—The report required by this sub-
12 section shall be submitted in classified form.

13 (i) APPROPRIATE CONGRESSIONAL COMMITTEES AND
14 LEADERSHIP DEFINED.—In this section, the term “ap-
15 propriate congressional committees and leadership”
16 means—

17 (1) the Speaker of the House of Representa-
18 tives and the Committee on Foreign Affairs, the
19 Committee on Armed Services, and the Committee
20 on Appropriations of the House of Representatives;
21 and

22 (2) the majority leader of the Senate and the
23 Committee on Armed Services, the Committee on
24 Foreign Relations, and the Committee on Appropria-
25 tions of the Senate.

1 **SEC. 4. ACCEPTANCE OF CONTRIBUTIONS IN SUPPORT OF**
2 **AUSTRALIA, UNITED KINGDOM, AND UNITED**
3 **STATES SUBMARINE SECURITY ACTIVITIES.**

4 (a) IN GENERAL.—Chapter 155 of title 10, United
5 States Code, is amended by inserting after section 2608
6 the following:

7 **“§ 2609. Acceptance of contributions for Australia,**
8 **United Kingdom, and United States sub-**
9 **marine security activities; Submarine Se-**
10 **curity Activities Account**

11 “(a) ACCEPTANCE AUTHORITY.—The Secretary of
12 Defense may accept from the Government of Australia
13 contributions of money made by the Government of Aus-
14 tralia for use by the Department of Defense in support
15 of non-nuclear related aspects of submarine security ac-
16 tivities between Australia, the United Kingdom, and the
17 United States (in this section referred to as ‘AUKUS’).

18 “(b) ESTABLISHMENT OF SUBMARINE SECURITY AC-
19 TIVITIES ACCOUNT.—(1) There is established in the
20 Treasury of the United States a special account to be
21 known as the ‘Submarine Security Activities Account’.

22 “(2) Contributions of money accepted by the Sec-
23 retary of Defense under subsection (a) shall be credited
24 to the Submarine Security Activities Account.

1 “(c) USE OF THE SUBMARINE SECURITY ACTIVITIES
2 ACCOUNT.—(1) The Secretary of Defense may use funds
3 in the Submarine Security Activities Account—

4 “(A) for any purpose authorized by law that the
5 Secretary determines would support AUKUS sub-
6 marine security activities; or

7 “(B) to carry out a military construction
8 project that is consistent with the purposes for
9 which the contributions were made and is not other-
10 wise authorized by law.

11 “(2) Funds in the Submarine Security Activities Ac-
12 count may be used as described in this subsection without
13 further specific authorization in law.

14 “(d) TRANSFERS OF FUNDS.—(1) In carrying out
15 subsection (c), the Secretary of Defense may transfer
16 funds available in the Submarine Security Activities Ac-
17 count to appropriations available to the Department of
18 Defense.

19 “(2) In carrying out subsection (c), and in accordance
20 with the Atomic Energy Act of 1954 (42 U.S.C. 2011 et
21 seq.), the Secretary of Defense may transfer funds avail-
22 able in the Submarine Security Activities Account to ap-
23 propriations or funds of the Department of Energy avail-
24 able to carry out activities related to AUKUS submarine
25 security activities.

1 “(3) Funds transferred under this subsection shall be
2 available for obligation for the same time period and for
3 the same purpose as the appropriation to which trans-
4 ferred.

5 “(4) Upon a determination by the Secretary that all
6 or part of the funds transferred from the Submarine Secu-
7 rity Activities Account are not necessary for the purposes
8 for which such funds were transferred, all or such part
9 of such funds shall be transferred back to the Submarine
10 Security Activities Account.

11 “(e) INVESTMENT OF MONEY.—(1) Upon request by
12 the Secretary of Defense, the Secretary of the Treasury
13 may invest money in the Submarine Security Activities Ac-
14 count in securities of the United States or in securities
15 guaranteed as to principal and interest by the United
16 States.

17 “(2) Any interest or other income that accrues from
18 investment in securities referred to in paragraph (1) shall
19 be deposited to the credit of the Submarine Security Ac-
20 tivities Account.

21 “(f) REPORT.—(1) Not later than 60 days after the
22 date on which contributions of money accepted by the Sec-
23 retary of Defense under subsection (a) are credited to the
24 Submarine Security Activities Account under subsection

1 (b), the Secretary of Defense shall submit to the appro-
2 priate congressional committees a report on—

3 “(A) the amount of money so transferred;

4 “(B) a description of the intended use of the
5 funds; and

6 “(C) any other matters related to the adminis-
7 tration of the Submarine Security Activities Account
8 as determined necessary by the Secretary.

9 “(2) The report required by this subsection shall be
10 submitted in unclassified form but may include a classified
11 annex.

12 “(3) In this subsection, the term ‘appropriate con-
13 gressional committees’ means—

14 “(A) the congressional defense committees; and

15 “(B) the Committee on Foreign Affairs of the
16 House of Representatives and the Committee on
17 Foreign Relations of the Senate.

18 “(g) RELATIONSHIP TO OTHER LAWS.—The author-
19 ity to accept or transfer funds under this section is in ad-
20 dition to any other authority to accept or transfer funds.”.

21 (b) CLERICAL AMENDMENT.—The table of sections
22 at the beginning of such chapter is amended by inserting
23 after the item relating to section 2608 the following:

“2609. Acceptance of contributions for Australia, United Kingdom, and United
States submarine security activities; Submarine Security Ac-
tivities Account.”.



.....
(Original Signature of Member)

118TH CONGRESS
1ST SESSION

H. R. _____

To amend the Arms Export Control Act in support of Australia and the
AUKUS partnership.

IN THE HOUSE OF REPRESENTATIVES

Mrs. KIM of California introduced the following bill; which was referred to the
Committee on _____

A BILL

To amend the Arms Export Control Act in support of
Australia and the AUKUS partnership.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Keeping our Allies
5 Leading in Advancement Act” or the “KOALA Act”.

1 **SEC. 2. EXCEPTIONS FOR AUSTRALIA RELATING TO LI-**
2 **CENSING OF DEFENSE ARTICLES AND DE-**
3 **FENSE SERVICES FOR EXPORT UNDER THE**
4 **ARMS EXPORT CONTROL ACT.**

5 (a) IN GENERAL.—Section 38(j)(1) of the Arms Ex-
6 port Control Act (22 U.S.C. 2778(j)(1)) is amended—

7 (1) by redesignating subparagraph (C) as sub-
8 paragraph (D); and

9 (2) by inserting after subparagraph (B) the fol-
10 lowing:

11 “(C) EXCEPTIONS FOR AUSTRALIA.—

12 “(i) IN GENERAL.—Subject to clause
13 (iii), the requirement to conclude a bilat-
14 eral agreement in accordance with sub-
15 paragraph (A) shall not apply with respect
16 to an exemption for Australia from the li-
17 censing requirements of this Act for the
18 export of defense articles or defense serv-
19 ices that is issued in furtherance of or in
20 connection with the multilateral coopera-
21 tive partnership between Australia, the
22 United Kingdom, and the United States
23 announced on September 21, 2021.

24 “(ii) RELATING TO OTHER LICENSING
25 AND APPROVAL REQUIREMENTS.—Notwith-
26 standing any other provision of this section

1 (other than clause (iii)), the President
2 shall exempt from the licensing or other
3 approval requirements of this section ex-
4 ports and transfers (including reexports,
5 retransfers, temporary imports, and
6 brokering activities) of defense articles or
7 defense services between the United States,
8 Australia, and the United Kingdom.

9 “(iii) JOINT RESOLUTION OF DIS-
10 APPROVAL.—

11 “(I) IN GENERAL.—No exemp-
12 tion described in clause (i) or (ii) may
13 be made if Congress enacts a joint
14 resolution disapproving of the exemp-
15 tion.

16 “(II) CONSIDERATION IN SEN-
17 ATE.—Any joint resolution under this
18 clause shall be considered in the Sen-
19 ate in accordance with the provision
20 of section 601(b) of the International
21 Security Assistance and Arms Export
22 Control Act of 1976.

23 “(III) CONSIDERATION IN THE
24 HOUSE OF REPRESENTATIVES.—For
25 the purpose of expediting the consid-

1 eration and enactment of any joint
2 resolution under this clause, a motion
3 to proceed to the consideration of any
4 such joint resolution after it has been
5 reported by the appropriate committee
6 shall be treated as highly privileged in
7 the House of Representatives.

8 “(iv) INAPPLICABILITY OF CERTAIN
9 CERTIFICATION REQUIREMENTS.—

10 “(I) IN GENERAL.—Paragraphs
11 (1) through (3) of section 3(d) shall
12 not apply to transfers (including
13 transfers of United States Govern-
14 ment sales or grants, or commercial
15 exports authorized under this chapter)
16 of defense articles or defense services
17 to Australia.

18 “(II) REPORT.—The President
19 shall submit to the Speaker of the
20 House of Representatives, the Com-
21 mittee on Foreign Affairs of the
22 House of Representatives, and the
23 Committee on Foreign Relations of
24 the Senate on a semiannual basis a
25 report on all transfers that would be

1 subject to the requirements of para-
2 graphs (1) and (2) of section 3(d) but
3 for the application of subclause (I),
4 except for marketing or brokering ac-
5 tivities, temporary imports, or amend-
6 ments to existing marketing or
7 brokering licenses. Any such report
8 shall contain all of the information re-
9 quired to be contained in certifications
10 issued pursuant to section 3(d)(1) for
11 each transfer identified.

12 “(v) AUKUS TRANSFER REPORTING
13 REQUIREMENTS.—Any United States per-
14 son transferring a defense item between or
15 among the United States, the United
16 Kingdom, and Australia that would have
17 required a license under this section but
18 for an exemption issued pursuant to clause
19 (i) or (ii) of this subsection shall report
20 that transfer to the Secretary no later than
21 90 days after the transfer occurs.”.

22 (b) MODIFICATION OF EXCEPTION FOR DEFENSE
23 TRADE COOPERATION TREATIES.—Subparagraph (D) of
24 section 38(j)(1) of the Arms Export Control Act (22

1 U.S.C. 2778(j)(1)), as so redesignated by subsection
2 (a)(1), is further amended—

3 (1) by striking “(D) EXCEPTION” and all that
4 follows through “(i) IN GENERAL.—The” and insert-
5 ing “(D) EXCEPTION FOR DEFENSE TRADE CO-
6 OPERATION TREATIES.—The”;

7 (2) by striking “(I) The Treaty” and inserting
8 the following:

9 “(i) The Treaty”;

10 (3) by striking “(II) The Treaty” and inserting
11 the following:

12 “(ii) The Treaty”; and

13 (4) by striking clause (ii) at the end.

14 (c) ADVANCE CERTIFICATION.—Paragraph (3) of
15 section 38(j) of the Arms Export Control Act (22 U.S.C.
16 2778(j)) is amended by inserting after “export of defense
17 items” the following: “subject to the requirements of para-
18 graph (1)(A)”.

19 **SEC. 3. MODIFICATIONS OF CIVIL AND CRIMINAL PEN-**
20 **ALTIES UNDER SECTIONS 38 AND 39 OF THE**
21 **ARMS EXPORT CONTROL ACT.**

22 Subsection (c) of section 38 of the Arms Export Con-
23 trol Act (22 U.S.C. 2778(c)) is amended—

24 (1) by striking “\$1,000,000” and inserting
25 “\$5,000,000”; and

1 (2) by striking “20 years” and inserting “25
2 years”.

3 **SEC. 4. EFFECTIVE DATE.**

4 The amendments made by sections 2 and 3 shall take
5 effect on the date that is 180 days after the date of the
6 enactment of this Act.

s 22(1)(a)(ii)

s 22(1)(a)(ii)

Title: United States: AUKUS: Congress - State of Play and Next Steps
MRN:
To: Canberra
Cc: RR : Americas Posts, Europe Posts, Indo-Pacific Posts
Ministers: Foreign Minister, Assistant Minister for Trade, Assistant Minister for Foreign
From: Affairs
Washington
From File:
EDRMS
Files:
References: s 22(1)(a)(ii)

Response: Routine, Information Only

s 22(1)(a)(ii)

Summary

s 33(a)(iii)

Cable sets out the current state of play and planned next steps to pursue the passage of AUKUS legislation on submarine transfer, training, investment into the US submarine industrial base (SIB) and export control reform through to law in 2023. s 33(a)(iii), s 47C(1)

. For state of play on Defense Production Act

Title III legislation see s 22(1)(a)(ii)

Current State of Play

2. The US Congress is in summer recess. The Senate is back on 5 September, and the House the following week. s 33(a)(iii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 33(a)(iii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 33(a)(iii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 33(a)(iii)

Opportunities for advocacy

10. There are approximately 13 Congressional sitting weeks remaining from the return from Summer Recess on 5 September through to the end of 2023. Of these, there are 10 weeks when both chambers are in session. Options for specific advocacy are listed below:

s 33(a)(iii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 33(a)(iii)

14. Drafted in consultation with Defence and DFAT Political.

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

Title: United States: AUKUS: US Congress is back in session
MRN:
To: Canberra
Cc: RR : Americas Posts, Europe Posts, Indo-Pacific Posts, Middle East Posts
From: Washington
From File:
EDRMS
Files:
References: s 22(1)(a)(ii)
Response: Routine, Information Only

s 22(1)(a)(ii)

Summary

The US Senate is back. The Senate Foreign Relations Committee (SFRC) held a snap AUKUS hearing on the second day of the session, 6 September. Cable reports on Post's engagement with SFRC Members and staff to progress passage of AUKUS legislation - on submarine transfer, training, Australian investment into the US submarine industrial base and export control reform - and proposed next steps by the Embassy and visiting Australian senior officials. The outcomes from the hearing will be reported separately.

s 33(a)(iii), s 33(b)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 33(a)(iii), s 33(b)

s 33(a)(iii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 33(a)(iii), s 33(b)

Senate Staffdel

11. Congressional staffers also advised Post the SPSMs for Senators Jack Reed (Chair Senate Armed Services Committee, D-Rhode Island) and Senator Wicker may travel to Australia in October. s 33(a)(iii)

s 33(a)(iii), s 33(b)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 33(a)(iii), s 33(b)

s 33(a)(iii)

17. Drafted in consultation with Defence Policy, the Australian Submarine Agency at Post and DFAT Political.

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

Title: United States: Congress: Senate Foreign Relations Committee AUKUS hearing
MRN: s 22(1)(a)(ii)
To: Canberra
Cc: RR : Americas Posts, Europe Posts, Indo-Pacific Posts, Middle East Posts
From: Washington
From File:
EDRMS
Files:
References: s 22(1)(a)(ii)
The cable has the following attachment/s -
SFRC Committee hearing transcript.docx
090623_Moy_Testimony.pdf
090623_Karlin_Testimony.pdf
090623_Lewis_Testimony.pdf
Response: Routine, Information Only

s 22(1)(a)(ii)

Summary

At a 6 September US Senate Foreign Relations Committee hearing on AUKUS, Senators and senior State and Defense officials reiterated their support for legislative efforts to enable AUKUS. Senators pressed Administration witnesses for detail on plans to increase domestic submarine production capacity. Senators raised export control reform and the need for comparable protective security standards, and State expressed confidence Australia would meet these standards. The national exemption was defined as license free movement of defence articles and services between government, companies and universities. s 22(1)(a)(ii)

As foreshadowed s 22(1)(a)(ii) on 6 September the Senate Foreign Relations Committee (SFRC) held a public hearing, *AUKUS: A generational opportunity to deepen our security partnerships with Australia and the United Kingdom*. This follows a House Foreign Affairs Committee hearing on AUKUS in May s 22(1)(a)(ii) Cable attaches a transcript and the witnesses' tabled testimonies. A recording of the hearing [is available](#).

2. The Administration witnesses were Mara Karlin (Acting Deputy Undersecretary of Defense for Policy, DoD), Jessica Lewis (Assistant Secretary Bureau of Political-Military Affairs, State), and Kin Moy (Principal Deputy Assistant Secretary Bureau of East Asian and Pacific Affairs, State). Lewis's opening statement called AUKUS "our most consequential Indo-Pacific defence and security partnership in a generation". She focused on the "transformative" potential of creating agile and secure defence trade and cooperation between and among AUKUS partners. Moy gave a short statement which addressed the economic, strategic and diplomatic benefits of AUKUS for the region. Karlin focused on how AUKUS fits into and advances the 2022 National Defense Strategy.

3. SFRC Chair Menendez (D-New Jersey) and Ranking Member Risch (R-Idaho) opened the session expressing strong bipartisan support for AUKUS, with both emphasising the link between AUKUS

s 22(1)(a)(ii)

s 22(1)(a)(ii)

and US competition with China. Menendez said failure to legislate the full suite of AUKUS proposals would be a win for China.

AUKUS nuclear-powered submarines

4. Senators wanted to hear from the Administration how the transfer of Virginia Class Submarines to Australia was in the US national interest – with Menendez underlining the importance of Congress passing Pillar I legislation this year as a concrete demonstration of the US’ commitment to AUKUS (and risking sending a message of ‘unreliability’ in the region if it failed to do so). However, Senators also pressed witnesses on the Administration’s lack of a long term investment plan for the US Submarine Industrial Base (SIB) to meet submarine production capacity targets. Senator Ricketts (R-Nebraska) said Australia was making a generational investment to develop its submarine industrial base and the US should do the same. s 33(a)(iii) receive a briefing on a recently completed study by the Capability Assessment and Program Evaluation (CAPE) office on the submarine industrial base. s 33(a)(iii), s 47C(1)

5. Menendez asked Karlin to address how the SIB would go from producing 1.2 to 3+ submarines per year. Senators Hagerty (R-Tennessee), Cardin (D-Maryland), Ricketts (R-Nebraska) and Shaheen (D-New Hampshire) pressed Karlin on whether meeting this goal would require additional funding through a supplemental funding bill. s 33(a)(iii)

6. Senator Kaine (D-Virginia) gave a s 33(a)(iii) speech in favour of AUKUS nuclear-powered submarines. This included recognition of the ‘chicken-egg’ dynamic between Australian contributions to the US SIB and the sale of Virginia Class Submarines – “Australia is not going to make the investment unless they have surety that there's going to be a deliverable for them”. He also positively recalled his recent visit to a shipyard in Virginia with HOM. s 33(a)(iii)

Technology transfer reforms and protective security

7. Senators expressed support for streamlining and strengthening export controls among AUKUS partners. s 33(a)(iii) SFRC Chair Menendez sought reassurances this would not undermine the security of US-origin technology or be used “as a Trojan horse to undermine US export controls for the sake of commercial industrial interests that are unrelated to the partnership”. Ranking Member Risch was highly supportive of “increased technology sharing, co-production and co-development and expedited export licensing processes”. He assessed Australia and the UK already had protective security regimes comparable to the US, s 33(a)(iii)

8. s 33(a)(iii)

She said recent AUSMIN discussions were some of the most positive in which she had ever participated and was confident Australia, the UK and the US would “end up with comparable standards”. s 33(a)(iii)

9. Lewis outlined that the national exemption would allow faster defence trade – “license free movement of defense articles” – between not just governments but between companies and universities. She explained that “most defense items will be able to move forward without needing a license and approved entities within the three countries will be able to move defense items or transfer them without needing new authorizations”. Lewis explained State’s rationale for implementing a

s 22(1)(a)(ii)

s 22(1)(a)(ii)

shared community able to access the exemption. She also usefully confirmed (in response to specific question by Risch) that State's interim solution – the ATAM – was a temporary measure, only intended to fill the gap while waiting for AUKUS legislation to pass.

Broader AUKUS themes

10. Several Senators asked about adding other partners to AUKUS, but witnesses said the Administration was focused on getting the partnership with Australia and the UK right first. Lewis confirmed the Administration has not “made plans at this point to bring others in”.

11. Senator Duckworth (D-Illinois) said she heard positive comments about AUKUS during her recent visit to Indonesia, Thailand, and the Philippines, and that AUKUS will promote a free and open Indo-Pacific that is secure and stable. s 33(a)(iii)

, Senator Merkley (D-Oregon) also noted the positive response AUKUS had received during his recent trip to Southeast Asia.

12. Senator Young (R-Indiana) pitched the value designating Australia as a domestic source under the US Defense Production Act s 22(1)(a)(ii). He said Australia was well positioned to reduce US dependency on China for critical minerals. Karlin agreed this proposal would streamline technological and industrial based collaboration, accelerate and strengthen AUKUS implementation, and build new opportunities for co-investment in the production and the purchase of critical minerals.

s 33(a)(iii)

s 33(a)(iii), s 33(b)

s 33(a)(iii)

17. Cable prepared in consultation with Post Australian Submarine Agency, DFAT Congressional and Political.

s 22(1)(a)(ii) - this page, together with the following pages (444 to 445) are irrelevant and have been removed.

Senate Foreign Relations Committee Holds Hearing on US-UK-Australia Security Partnership

[LIST OF PANEL MEMBERS](#)

BOB MENENDEZ:

This hearing of the Senate Foreign Relations Committee will come to order. In March, President Biden stood alongside the leaders of the United Kingdom and Australia to announce the AUKUS agreement, a generational opportunity that will enhance US national security interests by transforming our alliances, deterring aggression from the People's Republic of China, and fostering a more peaceful and stable Indo-Pacific.

Beijing today has the world's largest navy. Xi Jinping's hyper nationalist government has been laying claim to territory and international waters. They have built artificial islands for new operating bases with runways for military aircraft and ballistic missiles. At the same time, they are aggressively trying to influence Australian politics and civil society, buying critical infrastructure like port facilities in Darwin, making political donations, even hacking Australian Parliament and major political parties.

This is a critical moment in which the United States needs to show that we are serious about our commitment to a free and open Indo-Pacific. Congress has a vital role to play in cementing this long term vision and time is of the essence.

Unfortunately, the necessary Congressional codification of some of this agreement has not gone as smoothly as some of us would have hoped.

Senator Risch and I worked incredibly hard to codify the two central pillars of AUKUS and I want to acknowledge also Senator Kaine's engagement on that initiative as well. Pillar one includes selling US Virginia class nuclear powered

submarines to Australia, making them the only other country other than the United Kingdom that we share this technology with.

Training Australians to crew and to produce such submarines and significant financial contributions from Australia to expand our own submarine production capabilities. We authored legislation with all of these elements that we move to the Senate Foreign Relations Committee with strong bipartisan support.

I want to thank Senator Risch for his partnership in helping us to advance Pillar One. However, it did not make it into the Senate's version of the National Defense Authorization Act. In addition to the French submarine industry, some of our colleagues in the Senate expressed concerns about the primary purpose of AUKUS the submarine transfers and support.

But if we fail to move forward with full Congressional support of AUKUS, including the nuclear powered submarines, we are doing Beijing's job for them. China is against AUKUS because it complicates their calculations across the Indo-Pacific. With nuclear power, these submarines can travel long distances, underwater and undetected.

This will give Australia the ability to protect security interests from thousands of miles away. And we will be able to cruise submarines together that operate directly out of naval bases in Australia, further enhancing our already deep bilateral relationship and enhancing our reach into the region. Congress needs to play its part of the agreement is going to work.

We need to send the message that the United States can be relied upon. Australia and all our partners in the region are watching. President Xi is watching and thousands of Americans employed in our shipyards who would build these submarines and who would benefit from the Australian contributions to support and expand our submarine infrastructure are watching as well.

So I hope our witnesses will help us understand why both pillars of AUKUS will improve the national security interests of the United States, Australia and the United Kingdom because, based on mission requirements set by the Navy, the United States and Australia need these submarines faster than they are currently being produced.

Dr. Karlin, I think it would be helpful if you could clarify exactly how the Department of Defense plans to increase American sub production. How will you go from making 1.4 subs a year to three subs a year? Secretary May, I hope you can shed some light on Canberra's perspective. What will this deal mean for our alliance with Australia and what is the cost of inaction?

And finally, Secretary Lewis, how will you ensure that as we co-develop advanced military technologies with Australia, our proprietary products will be safe from Chinese espionage? Will this require changes to all parties export controls to protect US military technology as well as the military technology we developed together through this new partnership?

I'm supportive of Pillar Two of the agreement, the co-development of advanced military technology, which will require streamlining and strengthening export controls among the partners. But I don't want AUKUS to be used by some as a Trojan horse to undermine US export controls for the sake of commercial industrial interests that are unrelated to the partnership.

AUKUS should be about modernizing our historic alliances with two of our closest partners who have fought alongside the United States in defense of democracy and freedom. With that, let me turn to the ranking member for his opening statement.

JAMES E. RISCH:

Well, thank you very much, Mr. Chairman. And certainly I want to associate myself with the remarks you've made. Both of us recognize how important AUKUS is and we're anxious to see it move forward. And certainly, there have been some disappointments so far, but that doesn't mean we can't do better in the future.

And I think that's the purpose of this hearing is trying to get this thing on track and move it more quickly and more efficiently. As the United States enters into a period of strategic rivalry with China that includes military competition on a scale we haven't seen in -- in generations, China has undertaken a nuclear breakout and builds the world's largest navy and a fully modernized air force.

To meet this challenge, we must move quickly to expand the reliance -- resilience and capacity of our defense industrial base. US allies should be full partners in this effort and the AUKUS partnership is an important first step. The Defense Trade Partnership between Australia, the UK, and the US is meant to bolster collaboration on joint advanced military capabilities.

In particular, our goals include increased technology sharing, co-production and co-development and expedited export licensing processes. Pillar one focuses on Australia's acquisition of conventionally armed nuclear powered submarines. While this is bold and essential. It is also highly contingent upon supply and unlikely to produce increased submarine capability in the Indo-Pacific for a decade.

Importantly, many of the capabilities needed to fully implement Pillar one, including cruise missiles, the boat's combat system, or advanced computing capabilities will heavily be dependent on pillar two. If -- if executed as intended, Pillar two offers the potential to produce meaningful results this decade.

Pillar two can also expand and build -- build resilience across the supply chains and industrial bases, an imperative given the lingering impact of Covid and US limitations exposed by Russia's invasion of Ukraine. However, our export control system remains over -- overly cumbersome and treats our closest allies with proven track records of technology protection as if they were our new or emerging partners.

Simply put, Australia and the United Kingdom have legal, regulatory and technological -- technology control regimes that are comparable to those of the United States. Demands from the administration that Australia and UK undertake extensive reform of their domestic political and regulatory system are, frankly, condescending and it highlights the need for a clear shift in the -- in states attitude toward defense cooperation with its allies.

I fully appreciate that we don't want to open the door, as the chairman said, to using this as a Trojan horse to do some things we don't want to do. I've served on this committee for the 15 years now that I've been in the Senate. I also at the same time have served on the Intelligence Committee and I would like to report to this committee that one of the very first things I noticed between the two committees is that there is a very distinct difference between the way we treat allies in the intelligence field versus how we treat them on other things like export.

And I think probably would behoove State and the Department of Defense to spend a little bit of time with the intelligence community. We share incredibly, incredibly sensitive and important material with the Five Eyes. And so here I don't have the concerns that some have. As far as the chairman's concern on using this as a Trojan horse, that is a legitimate concern and it certainly deserves attention.

But having said that, I think that there may be an overreach there. And I think that we -- we really ought to take a deep breath and sit down and review how we can

reconcile how we treat our allies in the intelligence field and make it more compatible with how we treat them in trade and industrial matters.

The Department of State in concert with the Department of Defense and Commerce and other relevant US agencies should clearly communicate to our AUKUS partners our requirements to ensure robust technology, security, and export control measures and then adhere to them. In addition, these agencies should work to reduce barriers to defense innovation, cooperation, trade production, and sustainment with the governments and industry partners of the United Kingdom and Australia.

If AUKUS realizes its potential, it will set a precedent and incentivize similar agreements with other close US allies. We need to get this right before we add other partners, but these agreements are necessary if we are -- if we are to prevail in the long term competition with China, Russia, and their partners.

If AUKUS fails to achieve its lofty goals, it would not only show us to be an unreliable ally. It would also signal that we are fundamentally unserious about competing with China. Thank you very much, Mr. Chairman.

BOB MENENDEZ:

Thank you, Senator Risch. Let's turn to our witnesses. It's my privilege to welcome back to the committee, Assistant Secretary for the bureau of Political Military Affairs, Jessica Lewis. Prior to assuming her role as assistant secretary, she served here on the committee as a Democratic staff director for five years, those were the most glorious years of her career, from 2007 to 2014. Assistant Secretary Lewis was the National Security Advisor and foreign policy advisor and then Senior National Security Advisor to Senate Majority and Minority Leader, Harry Reid.

We also welcome Assistant Secretary of Defense for Strategy, Plans, and Capabilities, Dr. Marla Karlin, who is currently performing the duties of the Deputy Undersecretary of Defense for policy. Dr. Karlin is now working for her sixth, Secretary of Defense, where she has advised the Department on policy spanning strategic planning, defense policy, budgeting, future conflicts, and regional security affairs.

She has previously performed the duties of Deputy Undersecretary of Defense for Policy from August of 2021 to February of 2022 and, prior to that, served as acting assistant Secretary of defense for international security affairs. Lastly, we're pleased to welcome Kin Moy who has been serving as the principal Deputy Assistant Secretary for the Bureau of East Asian and Pacific Affairs since June 15th of 2021. Mr. Moy has been in the Foreign Service for 29 years and his diplomatic stops have included tours in Taipei, Beijing, and Seoul.

Prior to his -- this role, Mr. Moy was the acting Assistant Secretary of State in the Bureau of Intelligence and Research. Welcome to you all. I want to thank the witnesses for their participation in today's hearing for their service to our country. Your full statements will be included in the record without objection.

I'd ask you to summarize them in about five minutes or so, so the committee can have a conversation with you. And with that, we'll start off with you, Assistant Secretary Lewis.

JESSICA LEWIS:

Thank you so much, Mr. Chairman, for the kind introduction. Ranking Member Risch and honorable members of the committee, I want to thank you for the opportunity to testify today. As noted, I am joined with my -- by my colleagues, Dr. Karlin, PDASS Moy, and I'm excited to talk to you about the role of the State

Department in AUKUS, one of this administration's hallmark national security and foreign policy initiatives.

I want to start first by thanking both the Chairman and the ranking member and the entire committee for your leadership role in making AUKUS possible. Through your support for the legislation passed by this committee in the State Authorization Act, and much of which was then included in the National Defense Authorization Act passed by the full Senate in July.

I want to start by giving an overview of AUKUS and then discuss legislation and the interim plan that we're also putting in place. One month ago, I was with Secretary Blinken and Secretary Austin as they met with their Australian counterparts in Brisbane. During our time in Australia, our leaders emphasize that AUKUS, as both the chairman and the ranking member noted, is poised to be a transformational initiative.

Perhaps our most consequential Indo-Pacific defense and security partnership in a generation. By modernizing long standing partnerships, AUKUS will strengthen our defense, enhance deterrence and contribute to peace, security, and prosperity in the Indo-Pacific region and beyond. AUKUS comprises two pillars.

In Pillar one, we are working to provide Australia with a nuclear powered conventionally armed submarine capability as soon as possible. In Pillar two, we are partnering with Australia and the UK to jointly develop advanced military capabilities based on the most cutting edge emerging technologies our nation possesses.

In the past year, we have made significant progress on both pillars. In March 2023, the United States, Australia, and the United Kingdom announced the optimal pathway to provide Australia with a conventionally armed nuclear powered submarine capability at the earliest possible date. Modernizing Australia's

submarine fleet will be a long term multi-decade undertaking and the AUKUS partners are moving ahead to implement this phased approach.

On Pillar two, as a recent join -- as recent joint experiments on swarming UAS on hypersonic technologies have demonstrated, we are leveraging the collective power of our industrial bases to create a trilateral ecosystem that combines the competitive and comparative advantages of each nation to strengthen our joint capabilities.

Let me turn to legislation. As was noted by both the Chairman and the ranking member, for AUKUS to succeed, we need to enable speedy, seamless, and secure technology and information sharing between our countries. Earlier this year, the administration submitted an AUKUS Pillar two legislative proposal to Congress and, as I said earlier, we are extremely grateful to this committee for ensuring with broad bipartisan support that the substance of our proposal was included in the National Defense Authorization Bill.

We look forward to working with Congress and hope that the final version reflects the legislation needed across all four of the administration's submitted proposals so we can deliver on the promise of AUKUS. To put it simply under the Senate's language, most defense items will be able to move forward without needing a license and approved entities within the three countries will be able to move defense items or transfer them without needing new authorizations.

This groundbreaking approach will ensure that AUKUS Pillar two can deliver its full potential while also ensuring that our three nations maintain shared standards to safeguard the crown jewels of our defense technologies. In the interim, while the legislation is being worked on here, the Department of State is also implementing a novel use of existing authorities to expedite and optimize technology sharing and defense trade among our AUKUS partners.

The State Department's AUKUS trade authorization mechanism, known as ATAM, is an interim solution to streamline defense trade into legislation is enacted. We've begun engaging with the Committee on our Interim Mechanism and will continue to consult closely with Congress as we finalize our approach. We are also working with our Australian and British counterparts to ensure equal opportunity and access for American firms and workers within AUKUS efforts in alignment with our respective domestic regulations and international trade obligations.

We all have a stake in the success of AUKUS and we look forward to seeing this through together. Australia and the United Kingdom are two of our closest allies and we are proud to stand shoulder to shoulder as we strengthen our long standing alliance and implement this historic partnership. And I look ahead and I look forward to working with this committee and Congress to promote agile and secure defense trade and cooperation between and among the partners.

Thank you.

BOB MENENDEZ:

Secretary Moy.

KIN MOY:

Chairman Menendez, Ranking Member Risch, thank you for the opportunity to testify you -- testify before you today. Almost two years ago, President Biden, alongside the leaders from Australia and the United Kingdom, announced the creation of an enhanced trilateral security partnership, or AUKUS. AUKUS, as Assistant Secretary Lewis noted, is a modernization of our long standing partnerships with Australia and the UK to address the security challenges of the future and support peace, prosperity, and stability in the Indo-Pacific and beyond.

AUKUS deepens our diplomatic security and defense cooperation in line with President Biden's vision of working with allies and partners to solve global challenges. AUKUS enhances the United States security, that of our allies and partners, and contributes to global peace and security. Since its announcement, much work has been done to realize this commitment.

On March 13th, as the Assistant Secretary noted, President Biden, Australian Prime Minister Albanese, and UK Prime Minister Sunak announced the optimal pathway for Australia to acquire conventionally armed nuclear powered submarines. AUKUS partners are pursuing a multi-phased approach over the coming decades with the goal to deliver the submarine capability to Australia at the earliest possible date.

Under Pillar two of the partnership, we continue to scope a variety of advanced capabilities and ensure that our defense export systems are prepared to meet this challenge. These commitments have critical implications for our foreign policy and national security. AUKUS is a critical element of our efforts to advance implementation of the US national security defense and Indo-Pacific strategies with the goal of advancing a free and open connected, secure, resilient, and prosperous Indo-Pacific.

AUKUS supports our shared vision of a world that is stable and prosperous where countries thrive, trade, and collaborate to address shared challenges and where all countries are empowered to make their own sovereign decisions free from coercion. A free and open Indo-Pacific region is vital to global security and prosperity, which is why we must deepen cooperation now.

Like our other partners across the Atlantic and Indo-Pacific, AUKUS partners understand the critical role the region plays in global trade and global prosperity.

Economic growth and prosperity requires stability and predictability, conditions that AUKUS seeks to undergird through enhanced deterrence and security.

Our alliances and partnerships have played a foundational role in contributing to peace and prosperity in the Indo-Pacific for the last 70 years. AUKUS is a concrete commitment to strengthening these partnerships by integrating our partners in Europe and Asia, recognizing that our world is increasingly interconnected and that the security of all the world's regions and our security here at home in the United States are all inextricably linked.

It reflects the critical role that both our European and Indo-Pacific partners will play in supporting our shared vision for enhancing peace and security in the Indo-Pacific and around the world. AUKUS will bolster the security of the United States, both through the development of cutting edge defense and security capabilities, but also by ensuring our allies are best positioned to contribute to their own security and our shared interests as they continue to modernize their military capabilities.

AUKUS is more than submarines and defense projects. It is a generational commitment to working with two of our closest allies to strengthen security cooperation to meet the many multifaceted challenges of the future. It is an unparalleled opportunity to boost the defense capabilities, industrial bases, and economies of all three nations while increasing investment and economic prosperity here at home.

It will bring together our sailors, our scientists, and our industries to showcase the best of American ingenuity and technology along with that of our allies. With the optimal pathway now set, the hard work of implementation begins. The size, scope and complexity of actualizing partnerships -- or this partnership cannot be

understated or assumed and work must advance now to deliver a capability to meet the moment as the international security environment continues to rapidly change.

For AUKUS to succeed, it will take the full support of the US government, Congress, and the American worker working alongside the same constituencies in both Australia and the UK. The continued bipartisan support of Congress is absolutely critical. Passing relevant US AUKUS legislation is not only needed to enable progress, but also to send critical message -- a critical message that will be received around the world.

The United States industry -- to the US to -- to US industry to provide assurance to plan and succeed to our closest allies, Australia and the UK to demonstrate that we stand together as we advance a plan to bolster joint security. To our other allies and partners around the world, demonstrating that the United States delivers on its commitments and to our adversaries and competitors to demonstrate the seriousness of our intent and resolve to maintain continued international peace and prosperity.

Thank you and I look forward to answering your questions.

BOB MENENDEZ:

Thank you, Dr. Karlin.

MARA KARLIN:

Chairman Menendez, Ranking Member Risch, and distinguished members of the committee. Thank you for the opportunity to speak with you today on the AUKUS partnership, which is an unprecedented and generational opportunity to deepen our security partnerships with two of our closest allies. I want to start by acknowledging the service of three of our Marines who lost their lives in a military

training exercise north of Darwin, Australia on August 27th. I want to express my heartfelt condolences to the families of the three service personnel who lost their lives there.

I'd like to thank the committee for this broad bipartisan support of AUKUS. It is vital to ensure AUKUS delivers on the promise of this opportunity. As we approach the two year anniversary of our three nations leaders announcing this historic partnership, it is clear that we have made tremendous progress in advancing the objectives of AUKUS, but we still have far to go to realize the full potential of what AUKUS can achieve.

Today, I hope to reinforce three main topics, how AUKUS fits into and advances the 2022 National Defense Strategy, how we are seizing the generational opportunity AUKUS presents, and why we need to expand defense cooperation with our closest allies. First, how does AUKUS fit into our national Defense strategy?

The 2022 National Defense Strategy describes the People's Republic of China as our most consequential strategic competitor for the coming decades, highlights Indo-Pacific security and stability, and underscores the importance of new and fast evolving technologies to meet the shifting global security environment.

AUKUS is a critical part of how we will achieve the goals of the National Defense Strategy. It also describes integrated deterrence as a holistic response to the strategies that our competitors are pursuing and calls on the Department of Defense to build enduring advantages across the defense ecosystem. AUKUS will help us realize the concepts laid out in both the National Security and National Defense Strategy.

Second, how are we seizing on the generational opportunity of AUKUS? Through Pillar one of AUKUS, the United States, the United Kingdom, and Australia have

committed to conduct naval nuclear propulsion cooperation in a manner that is fully consistent with our respective legal obligations and that sets the highest Nonproliferation standard.

We are moving out swiftly. Since the announcement of the optimal pathway in March of this year. Three Australian officers have graduated from US Nuclear Power School and the USS North Carolina conducted the first port visit under our commitment to increase rotations of nuclear powered attack submarines to Australia.

Through the AUKUS Advanced Capabilities line of effort, also referred to as Pillar two, we are enhancing cooperation in other critical military capabilities. For example, in April, under the auspices of the Artificial Intelligence Working Group, we trilaterally demonstrated the joint deployment of artificial intelligence enabled assets in a collaborative swarm to detect and track military targets in real time.

Through collaborative investment and high end capabilities, we are ensuring our ability to maintain a free and open Indo-Pacific with two countries who have stood shoulder to shoulder with the United States for more than 70 years. Third, we need to expand defense cooperation with our AUKUS partners even more.

The US network of alliances and Partnerships is a strategic advantage that competitors cannot match. We've been fortunate to have great partners in the departments of State and Commerce who are working with us to ensure we are creating an enabling environment that securely streamlines and promotes deeper cooperation.

We appreciate the continued support of Congress to enable us to accomplish these critical objectives. As you're aware, there are four areas in which the administration requires Congressional action to facilitate implementation of this generational opportunity. First, the optimal pathway requires ship transfer

legislation to authorize the US to sell Virginia class submarines to Australia as an interim capability before SSN AUKUS comes online.

Second, legislation is required to allow us to accept Australia's historic investment into the US submarine industrial base through financial contributions. Third, to move out on training, Australia's submarine workforce requires legislation -- excuse me, to move out on training, Australia's submarine workforce legislation is required to allow the US government to coordinate submarine workforce training with Australian private sector entities.

And finally, we request legislation to enable export licensing exemptions supporting defense trade that would facilitate the goals of AUKUS and raise our collective standards to protect the -- the critical technologies that provide US forces with warfighting advantages. We cannot implement AUKUS without your critical support in all of these areas.

Mr. Chairman and distinguished members of the committee, thank you for the opportunity to meet with you today and I look forward to answering any questions you may have.

BOB MENENDEZ:

Thank you all for your testimony. Before we start a round of five minutes, I want to ask unanimous consent to include in the record an article that is entitled "Meet the tiny State Department offices clearing billions of dollars worth of weapons for Ukraine. They've handled a 150 fold increase in work by doing an hours what used to take months." Without objection, so included.

That happens to be Secretary Lewis Department. So we'll start a series of five minute rounds. So let me ask you, Dr. Karlin, how are we going to increase our sub production? We do 1. -- about 1.3. We need to get it to at least three. One of the

issues here that was raised during the whole NDAA is the concern about giving our subs at a time that we're not producing sufficiently at a rate to replace them.

So how do we -- how do we meet that -- that concern?

MARA KARLIN:

Senator, as you know, we have two really important advantages, our undersea capability and our historic network of alliances and partnerships. I want to hone in on the first to make sure I get at your question. There's two pieces here. There's maintenance and production. And so we need to make sure that we're investing in both of those so that we can have more operationally available submarines, particularly out in the Indo-Pacific, given the focus that we're talking about today.

With Congress's leadership and support, the administration has been able to put in billions of dollars, indeed approximately \$4 billion in the latest President's budget for both production and maintenance of submarines. And so there's a lot of really hard work to help increase those numbers. If I could just hone in on maintenance for one moment, the Navy in particular has been doing some really good work to increase the availability of submarines.

And indeed since May, that availability has gone up from 60 percent to 67 percent. The goal is to get to 80 percent, which they think that they're on track to do in about 2027 or so. That would allow there to be seven more operationally available submarines in our arsenal. This is all really important for --

BOB MENENDEZ:

-- So you're suggesting that a significant increase in maintenance opens up more subs to be put at sea?

MARA KARLIN:

Indeed.

BOB MENENDEZ:

OK. What happens if we don't approve Pillar one?

MARA KARLIN:

I just want to make sure I understand your question, sir. As in approve the request to sell --

BOB MENENDEZ:

-- If we -- if we -- if we do not make pillar one as a transfer of submarines to the Australians as part of a very broad deal, what happens if we don't do that?

MARA KARLIN:

We think it's a priority to keep investing in the submarine industrial base and will continue to do so. That is a separate issue. Look, Australia has demonstrated a commitment to purchasing these conventionally armed nuclear powered submarines. They've shown that they will treat this responsibly. I would note that there's a bit of a crawl, walk, run approach to how they can do this.

So getting submariners who are trained in how to do so, getting workforce trained and all kind of builds on pieces so that AUKUS can deliver its full potential to deliver deterrence at every phase.

BOB MENENDEZ:

But if we were not to do that, there would be consequences for us in the Indo -- not only with the Australians, but in the Indo-Pacific. The message that we would send is one of unreliability. And two, our reach would be significantly limited. So I hope that those who have a concern about this will find their way to be supportive.

Now, I am supportive, as -- as is evidenced by the fact that we passed legislation out of the committee in a bipartisan way, of both Pillar one and two. So having said that, however, I do have some questions. Secretary Lewis, I understand that the UK and Australia's export control regimes operate differently and are not reliably comparable to that of the United States as of this moment and that this means there is a greater risk.

The US military technology that is exported pursuant to Pillar two activities could be compromised by US adversaries, including the People's Republic of China. Can you confirm for me that the Australian and British governments -- that if the Australian British governments were to make certain adjustments to their export control regimes, enforcement, and safeguards that their regimes could be deemed comparable to the United States system?

JESSICA LEWIS:

Senator thank you for the question. Let me start by saying yes, we are confident that Australia and the UK and the United States will end up with comparable standards. And I think what you're pointing to is the reason we need those standards is to make sure that adversaries or others who are trying to gain control access to our IP, to our most sensitive technologies cannot do so. So we are very confident that Australia and UK will be able to move forward, that we will end up with comparable standards.

And we are also committed to making sure that we are protecting our warfighter and our technology.

BOB MENENDEZ:

And has either country committed to bringing their export controls up to US standards at least for protecting US defense goods, technologies, and services as this committee passed in the MATEs act?

JESSICA LEWIS:

My understanding is they are -- each country is looking at changes they may decide to make. I don't want to speak for them, but again I am confident that they will be able to do so.

BOB MENENDEZ:

And one last question, we -- if we lower our comparability standards for Australia and the UK significantly, which of course as Senator Risch has pointed out, they're very, very long term reliable allies, I get that. What do we do when other partners tell us that they inevitably want the same lower standards?

And they will be not insignificant allies as well in terms of their long term relationship with us. Shouldn't we -- we use this opportunity to leverage enhance allied export controls so that we are protecting our own vital taxpayer funded military technology?

JESSICA LEWIS:

Sir, I think you're absolutely right. What we want --

BOB MENENDEZ:

-- You can stop the answer there. Thank you. No, I'm just kidding. You've got to have a little fun here sometimes. Go ahead, I'm sorry.

JESSICA LEWIS:

But I think the bottom line is, as we work very hard to increase and -- that -- make the system work so that we can create these kinds of alliances and partnerships where we're providing our most sensitive highly lethal defense articles to other countries, we want everybody to have the best possible standards.

Let me give you an example. This isn't specific to Australia or the U.K., but let me give you an example of the kinds of things that we could be concerned about. For example, we've recently seen some Chinese pilots getting training from other countries, including pilots here in the US. We need to be able to prosecute those.

We want our partners and allies to be able to do the same. We want to make sure that, if a country is trying to acquire a particular technology, it can't get around the system by going into a place where there's more room in their export controls. And I think that to me this -- these -- it's common sense to work together to bring all of us to similar standards.

And I would say it's not just to protect our companies and the IP that they produce, but fundamentally, it's to protect our warfighter because if these technologies are exploited and used against our warfighter, we're also putting them in danger and we take that responsibility very seriously.

BOB MENENDEZ:

Thank you. Senator Risch.

JAMES E. RISCH:

Well, thank you very much, Mr. Chairman. And first of all, let me say I'm incredibly proud of this committee has done its job as far as producing legislation

and coming to agreement on it. And I want to thank the chairman for working in partnership. As always, the devil's in the details, and I hope no one gets the idea that we may have some different views on how we handle this technology transfer that somehow there's daylight between us. There really isn't. This is a -- we're all on the same page here.

And so I hope we can move forward in that regard. The pilot -- interestingly enough, you mentioned the pilot training of Chinese citizens. You know, we got the same problem, though. Even with our standards, we got the exact same problem. So that's not a good example. There's other examples, but that's not a good one.

The other thing I find ironic is that -- and first of all, let me back up. You're aware that the -- that the other parties to the AUKUS agreement are groaning a bit at the United States, insisting that they make certain changes in their standards. So you're -- you're aware of that, are you not?

JESSICA LEWIS:

Senator, may I start by just saying I -- first of all, I want to go back to what you started with, which is that this committee's work really put us on a path to achieving all of our goals on AUKUS. And as someone who worked on the committee, I know how much work goes into that both by you and your staffs, and just to thank you again for that.

I actually will say I was just in Australia with both our Secretary of State, our Secretary of Defense, and their equivalents. And across the board, we heard broad support for what we are doing together. I have to tell you, I spent a lot of time meeting with other countries and it was possibly one of the most positive meetings I've ever participated in. I think the Australians, and again, they of course can speak for themselves, but I think they're very committed to pillar two in particular

on how we can look at the comparable advantages that they may have, for example, in production as -- of certain items as they work with Our defense industrial base.

So really the conversation that I participated in was about how do we take advantage, how do we bring our companies and our research institutions together to work on Pillar two?

JAMES E. RISCH:

Well, first of all, let me say that my experience in talking with them, both the Australians and the Brits is the same as yours. They're -- they're -- it's incredibly positive. Certainly, you don't always agree on everything, but everyone's rolling up their sleeves and committed to get this done and to -- to reach the middle ground we need to to get there.

It's a little ironic that we are beating the drum about higher or different regulatory changes when in fact we're the ones that have actually been the victim of Chinese thefts and espionage and what have you. Whereas I'm not aware of any of publicly reported instances of the same thing happening to the Australians or the Brits.

Is that an accurate statement?

JESSICA LEWIS:

Let me share what I'm aware of. I actually think because we have our laws in place, we're actually able to prosecute the Chinese the -- the -- those who were training the Chinese pilots. And while I was in Australia, I did learn that an Australian also participated and we're looking to extradite that pilot here under our laws to deal with that issue.

But again, these kinds of issues, that's really an illustrative example, but certainly not the only one. I'm concerned also about what we -- what we talk about are the known unknowns, the other ways that we may see those kinds of challenges coming forward.

JAMES E. RISCH:

And I agree with that. And none of this is existential to the failure of the -- of this program. I mean these are things that we can work through there. They're are things that we can -- should work through. On ATAM itself, I would really hope that you don't view ATAM as being a solution to the problem. It's temporary and -- and there's got to be more to it than that.

So number one, we need to get it finalized. Fair enough?

JESSICA LEWIS:

Sir, I agree with you. The -- the purpose of ATAM is to be an interim measure so that we have something in place while the legislative process is being completed. And so I absolutely agree that we will continue to work on ATAM. I think that, for those of you who aren't living in the world of State Department acronyms, this is our interim measure that we're working on while we're waiting for the AUKUS legislation to pass.

And I think the good news is a lot of the work that we're doing to put this interim measure together will also be helpful, hopefully when the final legislation is passed.

JAMES E. RISCH:

I appreciate that. And again, I would urge that the finalization be given a very high priority and get there as quickly as you can and also have everyone understand that this is only interim because it's going to take more than this. And with that, my time is up. Thank you, Mr. Chairman.

BOB MENENDEZ:

Thank you, Senator Risch. Before I turn to Senator Cardin, let me just say we share intelligence with government officials, export controls, however, control US defense technology to non-government persons. So our bill requires comparability of export controls only on US origin defense items, not on all of their own indigenous products.

And it's, I think, important to note that Australia's DNI counterpart publicly warned about the extent of Chinese espionage directed at Australia. So I think we all agree on what we want to achieve and the concerns are legitimate on both sides. Senator Cardin.

BEN CARDIN:

Well, thank you, Mr. Chairman. And I -- I want to add my thanks to you and the ranking member for the manner in which our committee has been engaged. I strongly support this alliance and recognize that Congress needs to act. I want to thank our witnesses. But Dr. Karlin, I want to start with the realities of our budget.

So I have an understanding whether you talk about increasing our capacity on maintenance to get more subs out there and perhaps increasing production, Senator Wicker has asked for additional submarines to be produced, you also mentioned the fact that Australia will be contributing to these costs. We have tough budgets.

Give me an idea as to whether the implementation of Tier one will require additional resources from the United States.

MARA KARLIN:

Thank you for highlighting this issue. We have for years, thanks to the great support of Congress, been investing in our submarine industrial base and will want to continue doing so, given that undersea capabilities are such an unparalleled advantage for us. As it relates to AUKUS, to the extent legislation passes that would permit this, Australia has offered an unprecedented and historic investment into it to -- to -- to -- to help ensure our submarine industrial base can be as strong as possible.

So we will want to keep investing in it and AUKUS is of course a piece of that. But more broadly, having that undersea advantage is critical.

BEN CARDIN:

I understand that I'm just trying to get a bottom line as to whether Pillar one will require additional allocations of our defense resources in our budget.

MARA KARLIN:

I see Pillar one, increasing our collaboration with Australia and the UK and really building on investments that we have made to date and will want to continue to do in the spirit of the national defense strategy's focus on pacing to the -- to the need to deter the People's Republic of China.

BEN CARDIN:

So are you saying there will be no increase in the projected resources necessary or do you believe that there will be additional stress on our defense budget?

MARA KARLIN:

I do not see that there is additional stress on the defense budget due to AUKUS. I see at the strategic level AUKUS actually being immensely helpful for what we are trying to achieve strategically in trying to ensure that we have deterrence in the Indo-Pacific.

BEN CARDIN:

OK, on Pillar two, Secretary Lewis, if I might, I think this discussion has been very helpful in trying to understand how we are going to share technology and be able to advance the next generations as they come along. We know there are many other allies that are interested in Pillar two, both in the Asia Pacific region as well as our NATO partners that are interested in being engaged in Pillar two.

So what standards will the administration use in order to deal with the requests that we are going to be receiving from our other allies?

JESSICA LEWIS:

Senator, thank you for raising this issue because let me just start by saying that right now we're really focused on getting Australia and the UK over the line, and you can see the significant amount of work that's taking. So we haven't made plans at this point to bring others in.

BEN CARDIN:

Well, as our Chairman, Ranking Member mentioned, what's done here is going to be used by other allies to say why aren't we getting comparable considerations.

JESSICA LEWIS:

Absolutely. If I may, would it be helpful for me to talk a little bit about sort of exactly what we're putting in place? Because I think for any kind of exemption that allows faster defense trade between, as the chairman pointed out, not just governments but between companies to universities and other places, it's important to understand that.

And what we're asking for here is we need to make sure that we know who's going to be receiving these items. I think for obvious reasons, you want to know who's the -- the the recipient. You want to know that this is not an item that is prohibited under one of our nonproliferation regimes. And then you want to make sure that once you have that information that, when it lands in the country that they're going to have their own protections in place so that it doesn't get transferred to a bad actor.

And so those are the kinds of requirements. It's -- the technicalities are in the weeds, but that's what we're looking for across the board is so that we have that shared community, we know where things are going, we have an understanding of making sure that some things will still need to move with a license and still need to be looked at more carefully, and that all countries participating have those same standards.

And so I do think that is a precedent we're setting moving forward. I think, to address something that Senator Risch raised, is we want to make sure and just to talk about the transformational nature of this, what we're talking about is license free movement of these defense articles. That means that, if you are on the list of companies or entities that can receive it, you don't have to come ask permission to export a lethal weapon.

You can receive it. And that is why this is so important to make sure that when that entity, whether it's a university or a company receives it, that nothing is going to

happen in the next step where we end up having it exported to a bad actor or someone who may want to exploit it. And I think those are the standards we need across the board.

BEN CARDIN:

Thank you.

BOB MENENDEZ:

Senator Ricketts.

PETE RICKETTS:

Thank you very much, Mr. Chairman. We've talked a lot today about deterring the People's Republic of China. As the chairman said, they've got the largest navy in the world. They are expanding their capabilities and this is all part of Xi Jinping's plan to dominate the world by 2049. And in some areas, they are outpacing us with regard to their technological capabilities.

But one area they cannot do that in is our allies and that's why this AUKUS agreement is so important and it's important that we get it right, that we get our ducks in a row to be able to meet the commitment. The Navy has a requirement to have 66 fast attack nuclear submarines to be able to defend this nation.

And right now, we're sitting at 49, and I think, Dr. Karlin, you mentioned that up to 40 percent are not available or were not available due to maintenance issues and they've got it up to -- now it's down to 33 percent are not available and they're hoping to improve upon that. But -- but by 2030, we're going to be dropping down to 46 submarines.

And so even adding the additional submarines through availability because of maintenance, you're still not going to have anywhere close to the 66 submarines. So we're producing is, I think the chairman was pointing out somewhere about 1.2 submarines, Virginia class submarines a year. We need to get that up to 2.3, 2.5, maybe 3 to be able to do that.

So we have to make sure how this is going to get done. And my understanding is that some months ago that OSD Cape and the Navy produced a detailed plan for how to meet the funding -- and funding requirements to how to meet the US and AUKUS requirements. Is that accurate? Has this plan -- has this detailed study been done?

MARA KARLIN:

Senator, there has been a lot of study of -- of what we can do to make sure that we are prioritizing this undersea advantage.

PETE RICKETTS:

So Cape has been done? Cape is done.

MARA KARLIN:

There -- there have -- has been a lot of studying on what we can do to ensure that we are investing as much as possible as --

PETE RICKETTS:

-- But has the OSD Cape study been done? Is that done?

MARA KARLIN:

They -- they have been working on a study --

PETE RICKETTS:

-- So it's not finished yet or is finished?

MARA KARLIN:

I don't think I should represent OSD Cape. So what I will say is that they have been looking very hard at this issue and studying it. And if it is helpful, I would welcome asking my colleagues from that office to --

PETE RICKETTS:

-- Well, this is really kind of the crux of the problem, right? Because one of the things that Senator Wicker, myself, and others have asked is OK, you know, Australia is obviously making a generational investment in their submarine industrial base and ours and we ought to be doing the same. I agree with you that this is a huge competitive advantage for us. And so the question is what is that number?

What is that number that's going to take? I think Senator Cardin was asking the same question, you kind of dodged it then, too. You know, obviously we -- we're grateful that the Australians want to invest \$3 billion. What are we going to have to invest if you're able to get to 66 submarines? Has that study been done?

And if it has been, can it be supplied to Congress? If it's not, when's it going to be done? That's what we're looking for.

MARA KARLIN:

Thank you for raising this issue, Senator. You know, as you know post-Cold War, we closed down a whole bunch of the submarine industrial base and consolidated, given this kind of post-Cold War peace dividend. There has been really important investment by this Congress, by the administration to try to build it up and to make sure that we can put it in the right places and then see kind of what fruits will grow from that in terms of workforce and talent management in terms of supplies.

So there's been a lot, a lot a lot going in there and it is a priority. It will continue to be a priority going forward.

PETE RICKETTS:

Right, but we -- I think -- again, when we're talking about how are we going to make this happen, if we want this to be a success, we actually have to have these plans. It's not sufficient just to say we're working on it. And this is part of the concern that some of the folks have. We want to make sure this is a success.

I think AUKUS is incredibly important. If we're going to make it a success, we have to know what we're going to be investing. And this is why -- is the administration going to ask for a supplemental to be able to do this? And I'll throw that open to any of the panelists. Is the administration going to have a supplemental to start doing this investment?

When -- and when would be the timing and are we going to get a study? I mean, these are the questions that we'd like to know to be able to make sure this is going to be successful. Does anybody have an answer to that?

MARA KARLIN:

Senator, we want to make sure that we are robustly sharing information on this topic because we know how important bipartisan Congressional support has been in AUKUS and also in investing in our submarine industrial base.

PETE RICKETTS:

That's great. So share the information. That's what I'm saying. I keep hearing you say you want to share the information, but I'm not getting any information here. So what's the information? Is -- is there a study that says, yeah, this is what we're going to need to do to make AUKUS a success? How much money it's going to cost.

I'm expecting it's probably not a small number.

MARA KARLIN:

Senator, we have been able to share a lot of information, particularly over the last few months about what we are doing both on AUKUS and the submarine industrial base. I'm aware of approximately 45 briefings or so to members and to staffs over the last seven or eight months. And I would be delighted to take this back and work with colleagues in the office of the Secretary of Defense to share -- share the information that you are requesting.

PETE RICKETTS:

OK, and is there going to be a supplemental from the administration requesting more dollars to be able to invest in our submarine industrial base?

MARA KARLIN:

I'm not able to speak to that at this time. I defer to my colleagues as well.

PETE RICKETTS:

Anybody else know? No, nobody else knows. OK. Thank you, Mr. Chairman.

BOB MENENDEZ:

Thank you. I will say that whether in public or in classified, if the -- if the -- if the -
- if the numbers somehow some classified consequence to it, I think the Senator's
question is well-poised. And I think all of us would be interested in knowing that
answer. You take that back to the department. We'd appreciate it. Senator Shaheen.

JEANNE SHAHEEN:

Well, thank you, Mr. Chairman. And I guess I would like to follow up a little bit on
Senator Ricketts questions and Senator Cardin's. But first I want to go back. Dr.
Karlin, you talked about the maintenance piece of our industrial base capacity and
obviously the shipyard infrastructure optimization plan is making a huge impact on
that.

I can speak from the Portsmouth Naval Shipyards perspective that we have -- we
are about to double our drydock capacity and that's going to give us much more
ability to maintain nuclear subs and get them out in an expeditious way. But I
guess -- and I would agree that we have made substantial investments in our
defense industrial base in a way that is contributing to our ability to produce the
submarines we need.

I've talked to suppliers in New Hampshire who are beneficiaries of that investment,
but it still seems clear to me that despite all of that investment, we don't yet have
the capacity in that defense industrial base to build the subs that we need to -- to
meet the AUKUS Agreement. Is that an accurate assessment or do you see
something different?

MARA KARLIN:

Senator Shaheen, I think I might take that a little bit of a wider aperture on that, which is we absolutely need to be able to produce and maintain more submarines for our strategic interests, for our ability to be able to deter in the Indo-Pacific and also globally.

JEANNE SHAHEEN:

I think we would all agree with that. I don't think that was an answer to my question, though. I think my question was based on what I know about our situation at present, we don't now have that capacity. Is that correct or not?

MARA KARLIN:

The -- I want to make sure I understand which capacity you're talking about because the way AUKUS is set up, we're not actually going to be assuming Congressional support, obviously. We would not actually be selling submarines to Australia for at least a few years and -- right, in terms of delivery. And if we continue on the trajectory we're on with maintenance, we would have approximately seven more submarines that are operationally available at that time.

So I think when I would look at that operationally available picture, it is a whole lot more more satisfying to be able to ensure both to be able to ensure the strategic intent of AUKUS.

JEANNE SHAHEEN:

So what you're saying is if we continue to invest at the rate we are investing by the time our commitment to provide those submarines comes due, we will have that capacity.

MARA KARLIN:

At this stage, with the information we have, it does appear as though we are on that right trajectory in terms of the impacts of investments. I think this is an area one needs to monitor really closely. I'm delighted to hear your case studies of the impacts of investments to date, but we're just all going to need to watch that closely.

JEANNE SHAHEEN:

I've heard from our industry partners that they face challenges realizing AUKUS related defense technology transfers and exports and not at the senior level because we've certainly gotten those assurances, but more at the action officer and manager level. Can either of you speak to that and whether you're seeing that move as we hoped?

JESSICA LEWIS:

Absolutely. And first of all, we are in regular conversation with industry to across the board on these kinds of issues. Let me talk a little bit about what's going to be different once the -- assuming the legislation moves forward. And I think this will help, presumably, some of the concerns that you're hearing.

When it comes to Australia and the UK companies who again we know where they're sending an item to and we know that it's not prohibited under an international agreement, they will be able to move without actually coming to the State Department for a license. That is a very significant change. But the second piece which I actually haven't talked about as much which is actually I think the thing we hear more from countries about is right now, if you have a US Defense article like a weapon and you want to transfer it between one company to another

among the three countries, you also have to get, in essence you have to come for authorization to do that.

And among and between the three countries, US defense items, again within the caveats that I laid out are going to be able to move. When I sit down and talk with companies that I met with the US AmCham, for example, when I was just in Australia, when we talk through those issues, those tend to be the core of their concerns.

Now, they're always some specific things that we have to work through, but that's why what we're doing here is so significant and we are doing it, again, with Australia and the UK because they are some of our closest allies and because of a long history of working with them on defense trade.

JEANNE SHAHEEN:

Thank you. Thank you, Mr. Chairman.

BOB MENENDEZ:

Thank you. Senator Hagerty.

WILLIAM HAGERTY:

Thank you, Mr. Chairman. And I welcome our guests today. First, I'd just like to say that our friends in Australia and Britain ought to know that AUKUS enjoys very strong bipartisan support here in Congress. In fact, I can't think of a single member of Congress, whether they be Republican or Democrat, that doesn't support AUKUS and -- at least the objectives of AUKUS. I think the question before the President and Congress right now is how to implement AUKUS quickly also effectively for everybody that's concerned.

As part of the first submarine pillar, the administration has put forward a plan for the United States to sell and transfer some three to five nuclear powered attack submarines to Australia starting in the early 2030s. But the administration still hasn't put forward a credible long term plan to ensure that our Navy can meet its requirement to have 66 attack subs in a reasonable time frame.

And ladies and gentlemen, that's a problem. Today, the Navy has 49 attack submarines. That's roughly 25 percent short of its goal of 66 submarines. The pace of making, as I've read, maybe 1.2 submarines a year by giving these submarines to Australia, that'll put us 3 to 4 years behind in our production process.

And looking at the Navy's most optimistic projection, they don't see realizing this goal of 66 attack subs until the year 2049. That's before taking into account the submarines that we would send to Australia. I understand that there's talk about maintenance being some type of fix for this. Maybe extending the life of the submarines that we do have in service, but we're only at 75 percent of our goal right now in terms of how many submarines that we have.

This is a Band-Aid fix. We've got to look at our capacity. There's no real substitute, I think, for having a strong industrial base to build these submarines and to meet our deterrence goals. And I'll start with you, Assistant Secretary Karlin, do you agree or disagree with anything -- do you agree with what I said or do you disagree in any way?

MARA KARLIN:

Senator, I really appreciate the points you made on the strategic importance of AUKUS, but also on the importance of our undersea capability. It is an unparalleled comparative advantage and it is absolutely a priority. The National Defense Strategy underscores this as well. And the points I'm making on

maintenance are in no way to ignore, to be clear, the importance of production as well.

It's just that we are all working through Congress' really important support and through the administration's prioritization to build up an industrial base that, frankly, was not as strong as I think anyone would like it to be.

WILLIAM HAGERTY:

Speaking to that -- that -- that cooperation between the administration and Congress, I look forward to -- to the President working with Congress to make the necessary hard choices and work through regular order to get this done. So we are prioritizing resources rather than coming to some sort of emergency situation.

We need to do that in a way we need to implement this in a way that AUKUS works to make both America First interest and our allies interest first as well when it comes to nuclear powered submarines. Next, I'd like to turn to pillar two though and that focuses -- Pillar two focuses on trilateral cooperation on advanced capabilities.

Here, advanced capabilities includes undersea technologies, quantum technologies, artificial intelligence, and autonomous systems, advanced cyber, hypersonic and counter hypersonic capabilities, electronic warfare, information sharing. All of these are absolutely critical and I want to make an important suggestion to you and I'd be encouraged to hear your thoughts on this.

You all know that I served as ambassador to Japan. I got to see firsthand Japan's superior capabilities when it comes to artificial intelligence and quantum computing. Our allies in South Korea also have similar strengths. And so my question, I'll just put this to both Assistant Secretary Lewis and to Assistant

Secretary Karlin, do you agree with me on the need to find ways to incorporate US allies such as Japan and South Korea into the pillar two activities down the line?

JESSICA LEWIS:

First of all, let me just thank you for your leadership on defense trade. We've had a lot of conversations and I 100 percent agree with you on the -- the bipartisan need and strength and consensus around these issues. To get your question, I think in the -- first things first, we're really focused on getting this right for our UK and Australia.

And I think then we can look at whether there may be other countries who want to, need to bring capabilities for specific projects.

WILLIAM HAGERTY:

In my conversations, I can assure you they want to.

JESSICA LEWIS:

Thank you.

MARA KARLIN:

Thank you, Senator. I would echo what Assistant Secretary Lewis said and once we get this right, we could look at discreet partners for discreet projects. I also want to thank you for your leadership on the US-Japan alliance, which is flourishing in just extraordinary ways.

WILLIAM HAGERTY:

Well, thank you. And I just want to reiterate how important AUKUS is to our own national security interest and I look forward to working with all of you and I'm looking forward to working with the interagency to make certain we keep advancing this. Thank you, Mr. Chairman.

BOB MENENDEZ:

Thank you. Senator Van Hollen.

CHRIS VAN HOLLEN:

Thank you, Mr. Chairman, and thank all of you for your testimony today. And I do want to start by applauding President Biden and the Biden administration for striking the AUKUS agreement to begin with. I think it's a very important move in achieving our -- our goal of ensuring a free and open Indo-Pacific.

And I agree with the chairman's remarks that we should move forward expeditiously in implementing it. I think that further delay will undermine our credibility both in terms of the strategy, but also with partners that we enter into agreements with. So I hope we can overcome the current delay on that front.

I also support the idea of streamlining export control provisions with respect to these two allies. I also share the chairman's view that that should be accompanied by applying the highest standards with respect to protecting our technologies. And it's going to be very important that these two partners, the UK and Australia adopt very strong export controls.

As has been said, we need to make sure that ours are as strong as possible. The pilot issue was raised here and so we all need to be looking at ways we can do it. But at the same time providing some flexibility when we're talking about these

kind of partners. I want to talk about a little other piece of the technology sharing and co-production piece.

And Dr. Karlin, maybe this is for you, maybe it's for Assistant Secretary Lewis. I -- as I read this, it doesn't vision technology sharing and co production. Is that correct?

MARA KARLIN:

It does indeed look at that.

CHRIS VAN HOLLEN:

And I'm looking at a series of potential weapon systems that we may be co-producing, autonomous underwater vehicles, quantum technologies for positioning, navigation, and timing. Those are the kind of things that this envisions, is that right?

JESSICA LEWIS:

Yes, that's absolutely correct. May I add one thing here? I think part of why we're talking about these advanced technologies, and Dr. Karlin may want to add more on this, is because we think this is a unique opportunity to leverage the different capabilities and strengths that different -- the three countries bring to this problem set.

CHRIS VAN HOLLEN:

Right.

JESSICA LEWIS:

And so that's why we're talking about co-production and that's why the defense trade needs to be smooth.

CHRIS VAN HOLLEN:

Right. So before so you don't need to convince me of -- of that, but here's my question and my concern, and this is going to be important with respect to precedent. Let's take a hypothetical co-production agreement of an autonomous underwater vehicle where the United States invest the lion's share in the co-production, 80 percent, whatever it may be. Would either Australia, the UK under that scenario have the ability to veto a decision by The United States to transfer that system to, say, our Ukrainian friends fighting Russian aggression as we speak?

Because I think it's very important that we don't give up our ability and authority to transfer system where we've done the lion's share of the production to other allies in need. So can you -- can you talk to that, either of you?

JESSICA LEWIS:

Let me make sure I get you the correct answer. Let me start by saying co-production and co-development agreements vary significantly. We do these with other countries without AUKUS and so I need to be a little careful about not getting ahead of whatever may be written into these agreements. But fundamentally, if a US company would own a certain kind of technology, then we would still be able to control the export of that technology.

But again, I need to be careful to not get ahead of the way these agreements are written because they all do tend to be slightly different.

CHRIS VAN HOLLEN:

Right, I understand. In fact, my -- my concerns are raised by some of the current co-production agreements and the fact that some other countries are limiting our ability today to transfer our own systems to the fighters in Ukraine. And so I think it's a sort of open the door to the larger question of when we enter into co-development agreements and co-production agreements where the United States is the primary actor and primary financial backer.

In my view, we should not be giving up our sovereign right to transfer those weapon systems to other allies in need. So for example, today to the Ukrainians, so I'm going to want to pursue that question with you going forward.

JESSICA LEWIS:

May I add one more thing on this? Part of the reason we're doing this with Australia and the UK is because they are among our closest allies where we would not anticipate those kinds of issues. But these co-production agreements do vary and happy to follow up with you on that.

CHRIS VAN HOLLEN:

Thank you.

BOB MENENDEZ:

Senator Coons.

CHRISTOPHER COONS:

And thank you, Mr. Chairman and Ranking Member. It is so encouraging to have us in a hearing where the two of you are really pulling in the same direction in leading the Senate in a positive and an important direction for our country and to have such strong and unified testimony across the three witnesses today.

This is a critical strategic moment for the United States. As our President has repeatedly said and many of us have agreed, our global network of allies is our critical, competitive, security, economic, development, and political advantage and nothing has strengthened and deepened that partnership in the Indo-Pacific like the AUKUS announcement.

So it is up to Congress now to deliver on the legal authorities, the framework, the funding that you need to fully take advantage of it and accelerate it. I recently had dinner with the Australian Ambassador to the United States, Kevin Rudd, a trenchant observer of Australian politics given his former service as Prime Minister and his deep and intimate knowledge of the challenge posed by the PRC and joined Senator Murphy and a number of other two Republican Senators and many House members on a trip to the United Kingdom where we had a series of meetings about AUKUS. I'm very interested in pillar two and the questions Senator Van Hollen just raised, but let me just briefly at the outset, if I could, Ms. Lewis, Secretary Lewis, are there -- can you be specific, are there any legal authorities that are required from this Congress that you think haven't been precisely defined in the previous rounds of questioning back and forth with you?

JESSICA LEWIS:

I mean, I think just to make a point of clarification, I think as you know there are four different pieces of legislation that we are looking to move. One of them, which is focused on pillar two is focused on the export controls. I would say it is, and I'm going to take that one to talk about. I think the reason we need that legislation is because of what you just laid out.

The companies and the countries need surety about how these defense articles are going to move and we need confidence that they're going to move speedily and safely. And so it is mission critical for us to have this legislation. Dr. Karlin may

want to add more on the other two, but obviously the ship transfer legislation is also mission critical for achieving pillar one.

Happy to go into any more detail that would be helpful.

CHRISTOPHER COONS:

Before I turn to Dr. Karlin, let me just add a simple observation I made in our conversation in the United Kingdom. Any list of the top ten research universities in the world typically includes two from the UK, Cambridge and Oxford, if not others. Their Prime Minister and many in leadership there are focusing on their particular capabilities in artificial intelligence, quantum computing as well.

As you've mentioned repeatedly, Pillar two in many ways has the longer term greater significance in that it may align our three nations more closely in terms of developing really challenging and important new technologies, autonomous underwater drones, for example. I would argue that our procurement system, our defense procurement system is ossified, sclerotic, antiquated, slow moving.

Pick your favorite multi syllable description, but I don't think there's anyone that says that our defense innovation and procurement and deployment system is moving at the speed of technology and moving at the same speed of our pacing throughout the PRC. Is it possible that through the pillar two partnership with Australia or the United Kingdom, given that they are smaller militaries, that they may have different legal constraints or operational constraints that we would find in them a research development and deployment partner able to move with more agility, particularly in emerging technology areas, Dr. Karlin?

MARA KARLIN:

Yeah, thank you very much, Senator. I think that's quite conceivable. I mean, as you note our -- our -- whether it's our procurement system or our export control system, this was all kind of designed for a different world. One, where we, the United States, had uncontested military and technical -- technological dominance.

And the security environment has changed in a whole bunch of ways. We have, as you note, this unparalleled network of allies and partners. It's our center of gravity. And so just as our system is -- is able to learn and move in different ways. So to Australia in the UK and I suspect you heard a lot on your trip, both of whom have really put AUKUS at the heart of what they are doing.

CHRISTOPHER COONS:

I'm struck by how the Ukrainians have demonstrated a remarkable ability to take off the shelf civilian products and modify them, deploy them, and to take material from dozens of countries all over the world in a way that our system just is not capable of doing. It's my hope that both out of AUKUS and in particular Pillar two and out of the war in Ukraine, we are learning about how to innovate in defense procurement.

Thank you, Mr. Chairman.

BOB MENENDEZ:

Thank you. Senator Kaine.

TIM KAINE:

Thank you, Mr. Chairman. Thanks to our witnesses. Secretary Karlin, I want to start where you did just to acknowledge the Marines who were killed in the Osprey accident in Australia. And I want to mention their names. Corporal Spencer Collart

21 years old from Arlington, Virginia; Captain Eleanor LeBeau 29 years old from Bellville, Illinois; and Major Tobin Lewis 37 years old from Jefferson, Colorado.

We -- we have great partners in the Aussies, but we're in a dangerous line of work and when people fall in that line of work, they ought to be recognized, particularly at a hearing like this. And I appreciate the fact that you began your testimony with that. AUKUS is a great example of how the US can work hand in hand with allies to promote stability in the Indo-Pacific.

And it's a good example of the way we do things globally. In Europe, we have NATO. We don't have a NATO equivalent in the -- in the INDOPACOM, but we do have these networks of allies. And I do want to applaud the Biden administration work with South Korea and Japan. That Camp David meeting, it probably wasn't as big a headline here at home because we have good relations with Japan and South Korea, but the work of the administration to forge closer relationships between those nations, the mill to mill relationship has often been strong, but it's been limited by challenges at the political leadership level.

That was a really important summit and I just want to applaud the Biden administration on that. From my vantage point in the Foreign Relations Committee and as chairman of the Sea Power Subcommittee of Armed Services, This AUKUS partnership is very exciting to me and it's also exciting because the Virginia class submarines are built in Virginia and Connecticut.

I had the opportunity to take Ambassador Rudd to our shipyard about a month ago to really dig into the -- the tremendous assets we have, but also the challenges some of the questions that have been directed about the current pace of production and how we can build up that pace, not only to meet our own needs, but to meet the needs -- the commitments that we've made in AUKUS. I want to follow up on a question that Senator Menendez put in. What if we didn't do pillar one?

Pillar two, I think everybody's excited about and everybody's supporting Pillar one. I think we're asking important detail questions but -- but there's a little bit of a chicken or an egg with pillar one because Australia is going to make a historic investment in the US industrial base, but they're only willing to make that investment if they know that during the 2030, we will be willing to deliver to them 3 to 5 Virginia class subs.

If they make that investment, it will help us increase our pace of production if they don't make that investment, it will be harder to increase the pace of production. We would like to be good on our commitment, but we're sort of saying, but -- but we'll only be good on our commitment if we're confident we can increase our pace of production.

Well, we'll be able to do that with the Australian investment. Without the Australian investment, it will be harder. So each side has something we definitely want to do and each side has resources that can help each other, but we kind of have to get the timing of this right. Australia is not going to make the investment unless they have surety that there's going to be a deliverable for them.

It would -- imagine going to the Parliament and saying, you know, let's invest billions in the US submarine industrial base. The question is going to be and what are the guarantees that the Virginia class subs will be there? So we should -- we should use this historic opportunity of the Australian investment to enhance our ability to meet the production goals that we're talking about.

And obviously, that's not just an Australian investment. We have been investing in the submarine industrial base in the last few years and we have more to do and the questions about how much more, I think, are fair questions. On your crawl, walk, run, if we were not to do the Virginia class transfers, the ultimate goal is that

Australia, which currently has no nuclear at all, I mean, the only nuclear Australia has is medical isotopes.

They don't even have civilian nuclear. If -- if we don't have this interim step of the transfer of the Virginia class subs, the ultimate goal that Australia will build their own nuclear subs off a UK design, but chock full of American technology, they're not -- that -- they would be significantly delayed in their ability to develop a domestic submarine manufacturing capability if there was not a timely delivery of this interim step because with the Virginia class subs, they're already training their officers here in the United States to operate nuclear subs.

The Virginia class sub transfer would happen after we had done significant training of their workforce. And then, with the Virginia class subs, they're learning to operate nuclear subs and maintain nuclear subs, possibly to refuel nuclear subs. And all those skill sets are needed before they begin to be a world class producer of their own nuclear subs in the 2040s and beyond.

So the AUKUS framework, and I'm now just talking about pillar one, is train them, accept their investment so we can expand our industrial base, ramp up our production, deliver assets to Australia that they can use and then learn on so that they can develop their own capacity. And that capacity would be fantastic for the United States and for all of the nations in the Indo-Pacific who care about stability there.

So I think the crawl, walk, run analogy, which I hadn't thought of until you said it is a really important one. We want to get the Aussies to a place where they have their own production capacity. The only way we can do that in a timely way is through the first step of the Virginia class deliverables. Their investment in our industrial base together with our own investment is -- is going to get us there and benefit both American security and security of Australia and regions in the nation.

Have I stated that right, Secretary Karlin?

MARA KARLIN:

Senator, you've said a lot more beautifully than I ever could.

TIM KAINE:

OK, well, I don't know about that, but I'll yield back.

BOB MENENDEZ:

A lot more beautifully, what a -- what a compliment that is. I'll tell you. And when you took --

MARA KARLIN:

-- I meant it as a compliment, to be very clear.

BOB MENENDEZ:

Well I -- I was echoing your compliment. I wasn't questioning it. When you took Ambassador Rudd there, which -- which submarine did you see?

TIM KAINE:

I brought back a hat from the USS New Jersey and delivered it to -- delivered it to my committee chair.

BOB MENENDEZ:

All right. Senator Duckworth.

TAMMY DUCKWORTH:

Thank you, Mr. Chairman. Thank you to all the witnesses for being here today. Last month, I led a Cordell to the Philippines, Indonesia, and Thailand to examine the many significant opportunities that our nations have to collaborate together in the Indo-Pacific region. So this is sort of following up a little bit on what Senator Kaine is talking about.

Again, the White House touts AUKUS as a new security partnership that will promote a free and open Indo-Pacific that is secure and stable. And I agree. The positive impact of AUKUS extends beyond these three allied countries. And in fact, I received very -- quite a few positive comments in the three nations I visited, Indonesia, Thailand, and Philippines, to AUKUS and what we are doing.

For each of the witnesses, how does AUKUS and Pillar two in particular impact the Indo-Pacific region as a whole beyond the three nations -- Australia and the United States? And how will our partner nations in Southeast Asia benefit from a stronger trilateral relationship and an enhanced Indo-Pacific presence from the United States, Australia, and the United Kingdom?

KIN MOY:

Thank you, Madam Senator. First of all, I wanted to express appreciation for your investment in Southeast Asia. It really does matter that you've taken a strong interest in ASEAN countries, ASEAN centrality. What I'd like to say about those countries and more countries in Asia where you have been is we've taken a -- we've invested a lot of time in diplomacy in making sure that all countries in Asia understand in a transparent way what we are trying to achieve there.

We stated earlier that AUKUS is a modernization of long standing partnerships that will recognize the changes in the security environment for the future. And when we talk to Southeast Asian countries, you mentioned three yourself, but there are more than that, when we talk to countries like Singapore's of the world,

Malaysia's, they also recognize these challenges and they believe that our transparency, our candor about the challenges we see ahead that AUKUS will help address that.

We are not trying to challenge ASEAN centrality. We in fact, believe that AUKUS can be complementary to ASEAN centrality. So we look forward to more discussions in the future with our allies and partners in Asia and around the world to make sure they understand the truth about AUKUS to make sure that the disinformation coming from other parties does not prevail and that they have facts.

And that when we provide those facts, we believe that we will prevail over them in ensuring the security of the East Asia Pacific region in the future.

TAMMY DUCKWORTH:

Thank you. Ms. Lewis.

JESSICA LEWIS:

Thank you. I'm actually going to agree with PDASS Moy. I think when we talk about AUKUS, it's not just about the alliance between and the strengthening of that alliance between Australia and the UK. It's really the question we say it a lot, but we really meet it when we talk about a stable, secure, free and open Indo-Pacific when that's what this alliance is about.

And fundamentally, I think as PDASS Moy was talking about, we believe that benefits the countries you listed as well as others. And I think resilience is another word, a term that we have been talking about meaning that we are investing in a way that countries will be able to feel more secure and more resilient facing, and I think that Dr. Karlin mentioned this earlier, a whole new set of challenges and threats that we need to be able to respond to collectively as well as individually.

TAMMY DUCKWORTH:

Thank you. And Dr. Karlin.

MARA KARLIN:

Thank you very much, Senator Duckworth. And I really appreciate hearing reflection -- reflections on your trip. That's heartening. You know, the vision that we have of a secure and stable Indo-Pacific, I think, is the vision that is manifested by AUKUS, but also by so many of our allies and partners around -- around Asia as well.

And to the extent you have more -- more partners who are actively involved in ensuring that that security and that stability can be realized through collaboration and cooperation, I think it really becomes a better -- better situation for -- for all. So this feels like a pretty positive and I think symbiotic effort.

TAMMY DUCKWORTH:

I agree with you. I think that the success of these regional mechanisms, whether it's AUKUS or the Quad, can only help our interests in -- in the Indo-Pacific region, in particular. I yield back Mr. Chairman. Thank you.

BOB MENENDEZ:

Thank you. Senator Merkley.

JEFF MERKLEY:

Thank you. Thank you very much. And I had a chance to -- to travel to Vietnam and Indonesia earlier this year and there's a fair amount of -- of confusion, I will say, as we talk about AUKUS, the quad, and then reinforce the centrality, as you

put it, Secretary Moy, of ASEAN. There are issues that are particularly important to countries like individual issues for Vietnam and Indonesia.

They're different, very two very different nations. We had quite positive responses to AUKUS from the Philippines, Japan, Taiwan, but a little bit of like what's this all about and how does it affect us? And I know that a lot of work has been done to try to assure and the word transparency has come up a number of times.

That's -- that's important. In Vietnam, there is a lot of appreciation for Senator Leahy's programs of cooperation to heal the wounds from the Vietnam War, including addressing the -- the munitions that continue to explode and the -- and the dioxin contamination from Agent Orange. But as you assess it now, and I guess I would address this to both you, Secretary Lewis and Secretary Moy, do you feel like we have really assuaged the concerns expressed by some of those other nations?

Or is there still a little bit of kind of feeling left out skepticism, if you will, that requires further work?

KIN MOY:

Well, thank you very much, Senator, for that question. It is important that we have those candid conversations with not just the countries that you identified, but with all partners, allies in Asia. It's natural that something so new so novel would generate questions. And so what we have done is undertake a very expansive effort to make sure that countries in the region do understand what this is and what it isn't. There is -- there are rivals out there.

There are adversaries out there who will try to paint AUKUS in a different light suggesting perhaps that the US is a provocateur. In fact, it's just the opposite of

that. We are recognizing the changing security environment in the future and we are taking steps with like minded countries, with allies, partners to address that.

And we will exercise, we will go to all efforts to inform others in the region to reassure them of our intentions, what this is really about. I am glad that our partners, our Australian and UK partners have also undertaken these efforts to make sure that regional friends and -- and others are fully aware of our intentions and what this is. And so we are committed to this.

It is not to say that we -- our work is done and that we are satisfied. We will continue, as AUKUS evolves, to inform our friends and partners out there just to make sure that they do understand what we are trying to achieve.

JESSICA LEWIS:

I may -- I would like to just add something in addition to the AUKUS question, but to bring up something that you raised, which is part of what's really important is that our investment in the region is much broader than AUKUS. And I think what you pointed out, my bureau actually runs the de-mining and unexploded unexploded ordnance programs.

We are the largest supporters of those programs in the world. In some countries that is our largest assistance program. We consistently hear from countries about how important that work is. And obviously Senator Leahy was a leader in this and his vision helped us achieve these goals. But I think it's important to remember that as significant as AUKUS is, we are doing a lot of different kinds of work investing and working with countries on issues that are critically important to them.

And in this case, helping save their populations from stepping on unexploded ordnance. But then, also letting, once lands are cleared, then they can be used for

other productive purposes. So just to support what PDASS Moy said, but also really thank you for raising that program.

JEFF MERKLEY:

Yeah, thank you and I'll continue to -- to really advocate for those programs in the context of of -- of Vietnam. The -- there's this -- this sense in the conversations that, hey, we really appreciate the counterweight to an aggressive China. But we're also concerned about our relationship with China because they're a powerful nearby ally, in reference to countries like Vietnam and Indonesia.

And so we have both an opportunity and a concern. And as you recognized, Secretary Moy, China in particular accuses AUKUS of being a kind of an imperialist assault to a Cold War version of attack on China, if you will, and to discredit it. But there's certainly a desire among a number of countries to have strengthened counterweight.

And I think we are working effectively in nation after nation with different issues because each nation is so different. But good work. I am -- I am -- I missed, You probably addressed this earlier, so -- but if you didn't address it, feel free to address it. The -- that we do not yet have pillar one in the Defense Authorization Act and how -- what level of concern you might have about that.

MARA KARLIN:

Thank you, Senator. Pillar one, as Senator Kaine was just discussing, is critical to the success of AUKUS and the way this broader effort of AUKUS has been designed is -- it really is a crawl, walk, run approach. And so it's important that Congress is enthusiastic of and supportive of the key pieces of legislation for pillar one like the ship transfer legislation like the training legislation and like the

legislation that would allow us to accept this historic and unprecedented investment by Australia into our submarine Industrial base.

That can ensure that all of the right things can happen so that Australia will be able to then responsibly operate conventionally armed nuclear power submarines as soon as possible. And of course, the strategic picture is critical as well. As you no doubt heard from your your travels, all eyes are on AUKUS. It is a spectacular effort and showing that together these three allies can deliver deterrence in every phase and help ensure that the Indo-Pacific remains secure and stable today and in the future is crucial.

JEFF MERKLEY:

And what -- what state are those submarines being made in?

MARA KARLIN:

I believe they're being made in a -- there are actually parts, I believe, from a variety of states.

JEFF MERKLEY:

I think the word Virginia is a word you are searching for there. Thank you all very much.

BOB MENENDEZ:

Thank you. You just made it in time, Senator Young. I'll give Senator Young a moment to -- to get ready for his questions. As I do, let me ask you one last question. This committee has demonstrated a willingness to provide legislative relief where required to facilitate defense exports under AUKUS. However, there's

far more that will need to be done by the administration at both State and DOD to make this a reality.

As has been said here, the US arms export system is convoluted and technical. The system is not built to move quickly. Yet, solutions to many of these challenges do not require legislative relief. I know the administration has developed an AUKUS authorization framework utilizing existing authorities, but this challenge goes beyond AUKUS to Ukraine to Taiwan and across the globe.

So I want to ask both Dr. Karlin and Secretary Lewis, can you update the members of the committee on efforts underway at State and DOD to improve the efficacy of arms exports?

JESSICA LEWIS:

Senator, you're absolutely correct and we have taken a number of steps to improve our system. Let me take just a minute and talk about the foreign military sales system. We've been very focused in this hearing on the commercial to commercial or commercial to government side and we've undertaken a plan which we call FMS 2023, the goal of which is to streamline how we move cases forward when we're selling between governments.

On the good news front, where we stand now, we move 90 percent of cases within 24 to 48 hours, but it's the 5 or 10 percent of cases that we need to look at how do we make changes. I'm not going to go through every detail, but just to give you a sense of what we're doing, we're -- we're asking questions and I met -- I meet with my team every two weeks.

I met with them yesterday, how can we do a better job at prioritizing? That does mean de-prioritizing, but how can we make sure we're prioritizing countries based on our national security strategy, the defense strategy? Two, how can we better

train the people who have to execute these programs? That sounds like a simple problem.

It's actually quite significant. We're obviously looking at improving and continuing to improve our work with Congress where you play a critical role as we come with Congressional notifications. And then we have a whole host of other pieces that we're working on, including some things that I think are very important in terms of looking at questions of exportability from the beginning of the process.

Often what we find with these complicated systems is they're designed for our military, which they should be for our own warfighter, but they need to be adapted or changed as we look to export them. We need to make the decision making about that much earlier in the process so we're not slowing it down at the end.

Much more there, but I want to give Dr. Karlin a chance as well.

MARA KARLIN:

Thank you. I might just add three points of kind of reforms that we've been trying to make to our part of it. So one is we're working on pulling together a security cooperation common operating picture and that is because it's, you know, looking - - being able for folks to be able to see from initiation until delivery, looking across that entire bucket of what's happening, seeing, what's where -- what needs to move, that's been a really important step that we've been working on for transparency and for communication.

Another piece I want to highlight is these process improvements and some of that is, I think, in line with what Secretary Lewis was saying is making sure that not only can folks see the entire picture, but then they can elevate the challenges, right, and be able to figure out, hey, we need to deal with -- with an accountability problem here.

Something's not moving here. The third piece I want to highlight is Secretary Austin announced over the last few months the creation of the Defense Security Cooperation Service which gets at this crucial issue of training. So much of this starts with the folks in the US military who are working in the countries, in our -- in our embassies with our partners and allies and allies and trying to understand what is it they're looking for, why are they looking for that, how does it fit within our national security interests?

So we're standing up a really robust training effort so that we can ensure we are organizing and training the folks appropriately to be able to make this all as successful as possible. Obviously, all this is hand in glove with our colleagues at the State Department.

BOB MENENDEZ:

I just make a comment, you know, I know there are people at State particularly, but maybe Defense too, who rally against the informal process. I have to be honest with you. When my staff gives me the for the sale notice, I generally do it in the same day. It depends -- it's very rare when the end user who were tentatively going to sell to has problems.

And I am concerned about those problems because I have no ideological problems in selling American weapons abroad. I am have a problem when the end user is going to use it wrongly against civilians and other entities. So -- so for our part, I know as the chair, I tried to expedite our response so it can be quick, but I think it would be a huge mistake if anybody try to undo the form -- the informal process.

Senator Young.

TODD YOUNG:

Thank you, Chairman. I thank our witnesses for being here today. I know it's been kind of a long morning for you. As a committee, we need to recognize that pillar two of AUKUS will be impossible to achieve without a secure supply of critical minerals. China's dominant position in this sector, particularly through its deep ties to a number of developing resource rich nations has led to it -- led it to account for approximately 60 percent of worldwide production and 85 percent of global production critical mineral processing.

Fortunately -- fortunately, Australia is well positioned to help us reduce this dependency, especially for critical defense requirements, including cobalt, tungsten, manganese, and lithium. And I believe we need to ensure that AUKUS takes Australia's existing and potential role as a mineral supplier into consideration.

This should start with the strategic decision to designate Australia as a domestic source under the Defense Production Act as was included in the Senate passed NDAA. And if time permits, I'll ask Dr. Karlin how the goals of AUKUS would be advanced by extending certain authorities under the Defense Production Act such as the designation of domestic source to other trading partners with critical minerals that aren't found in the US. But in my time, I certainly want to get to Secretary Lewis and start by asking what existing regulatory or statutory barriers might be hindering our foreign procurement of critical minerals and how would this impact the goals of AUKUS? Of course, defer to other witnesses if you like on this question.

KIN MOY:

Thank you for the question, Senator. I'm not an expert on critical minerals, but what I can say is that we do have discussions with a number of countries about the availability of -- of these critical minerals or rare earths. And so we do know that this -- there are supply chain issues. We do know that it is of critical importance to

get off reliance on specific countries that may have cornered the market or may have dominance in these areas.

So those countries, including Australia, but it could be Indonesia, it could be any number of countries in Africa, in other places in the world where are -- where there is availability, we are absolutely talking with governments to discover ways to stay off that kind of dependance on -- on a single country or other countries.

MARA KARLIN:

Thank you very much for for raising this, Senator. On DPA and Australia in particular, I would just highlight that adding the UK and Australia as domestic sources would streamline technological and industrial based collaboration, it would accelerate and strengthen AUKUS implementation, and it would build new opportunities for co-investment in the production and the purchase of critical minerals, exactly as you note.

And also critical technologies and other strategic sectors. I would see this as perhaps a complementary effort to the export control reform, that conversation that is also happening, but probably not a substitute for that conversation.

TODD YOUNG:

OK, thanks. I -- you know, as much as anything else. I'm -- I keep bringing this issue up in the hopes that these critical mineral conversations are happening -- happening among almost all the stakeholders within our government with their counterparties and foreign governments as well. Because I believe, and feel free to correct me if I'm wrong, that this is a real risk factor in implementing many of our priorities, including AUKUS. And if it's not regarded as a risk factor, then I -- I'm concerned because I think one of the risks is this is so little discussed compared to other issues.

And so hopefully the administration will -- will engage this committee on -- on critical minerals maybe in other contexts. Given the essential role of critical minerals in our advanced weapons systems, would ITAR apply to critical minerals from Australia?

JESSICA LEWIS:

Based on my understanding, I don't think that ITAR would apply to critical minerals. We -- the ITAR comes on -- applies to items on the US munitions list, which fall into, generally speaking, weapons or things associated directly with weapons.

TODD YOUNG:

Thank you. Given the importance, lastly, of critical minerals to AUKUS and indeed our economic prosperity, how should the United States be considering supply of minerals in response to the recent BRICs summit and its emphasis on critical minerals?

KIN MOY:

Absolutely, Senator. That is something that, at the highest levels of the State Department, we have had discussions with a number of countries, including the ones that I just mentioned. If I could just cite a few examples, Philippines and nickel, Indonesia, we talked about Cobalt in Congo and other countries as well.

So it is a priority. This is of great importance. And maybe not known as well to the American public, but it is something that we are definitely seized with when we see that there are opportunities, again, to -- to take action where in the past we may have been overreliant on specific countries that have --

TODD YOUNG:

-- So just as a follow up, are -- are there particular minerals that our government deems us disproportionately reliant on a BRICs or a BRICs Plus as we think about expansion country or countries that need to concern us, whatever the risk threshold might be for a particular mineral? I'll leave it to the government to establish those.

Have we -- have we identified a mineral that could be cartel-ized in a BRICs plus construct and we need to come up with an alternative sourcing or processing capacity in order to address that vulnerability?

KIN MOY:

Well, that's right. You actually put your -- your finger on one of the main issues here, and that is the processing part of this as well. As we know that many countries have these critical minerals, but the experts on the processing, it's in another country, right and we all know what that country is. And so I think it is our priority to, whenever possible, find or develop alternatives to what we've seen.

Again, an over-reliance on one country has put us in a vulnerable position, has put the world in a vulnerable position and that's what we have to address.

TODD YOUNG:

So is there a plan you can point to to address this -- this larger issue? For example, processing?

KIN MOY:

Yeah. I'm personally not overseeing that area, but I can actually ask colleagues who do have an expertise on this area to consult with your team members of this committee.

TODD YOUNG:

Thank you. Thank you, Chairman.

BOB MENENDEZ:

Senator Kaine has one final question.

TIM KAINE:

Secretary Moy, this is a little bit beyond AUKUS, but we've talked a lot about the value of alliances. Talk a little bit about the -- the value of this Camp David Summit that President Biden pulled together with Korea and Japan. I've been waiting for something like this for the entire ten years that I've been in the Senate and I was overjoyed to see it happen.

Talk a little bit about going forward how this will help regional stability.

KIN MOY:

Yeah, I got to tell you, thank you, Mr. Senator, for -- for raising that because we have followed these issues in East Asia, have been waiting for a moment like this for a generation, really. It -- the fact that this was the first time foreign leaders were invited to Camp David, since I think it was 2015 was the last time, tells you about the significance of this.

And to bring together these partners, we know that there are historical, painful -- there's historical painful history here, but we have to applaud the courage of the ROK President Yoon, as well as Prime Minister Kishida in taking up this challenge because they recognize that the -- the geostrategic conditions in East Asia have changed.

And we have to recognize that we have to respond to this. And the best way for this is to unite or to bring together these two democracies that have so much in common with us in terms of values, bring them together in an effort to push back on some of what we've seen out there. And so when we talk about the -- the regional security environment changing, we're not talking about just one country.

We've been talking about Russia's illegal and unprovoked attack on a sovereign nation. We can talk about since 2022, The nearly 100 launches of missiles coming from the DPRK, including four ICBMs just this year. And so this environment has created this opportunity for us to unite like minded countries to protect our security including -- and this is important, but it is about American security as well as the entire East Asia Pacific region.

Absolutely significant and we look forward to more conversations. It's not easy. It's not exactly the most popular thing. It's not going to win a lot of votes in each of these countries because of that shared painful history. But we think it is the first step in -- in a significant change to the future of the security environment in the Indo-Pacific region.

Thank you.

TIM KAINE:

Godspeed. Thank you, Mr Chair.

BOB MENENDEZ:

Thank you. Well, this has been a very helpful robust hearing. With that, the record for this hearing will remain open until the close of business on Friday, September 8th. We'd ask the panelists if they received questions to please respond to it and

respond to it in a substantive way. With the thanks of the Committee for your participation and your insights, this hearing is adjourned.

List of Panel Members

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DEPARTMENT OF DEFENSE ASSISTANT DEFENSE SECRETARY FOR
STRATEGY, PLANS, AND CAPABILITIES MARA E. KARLIN

DEPARTMENT OF STATE PRINCIPAL DEPUTY ASSISTANT SECRETARY
FOR THE BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS KIN MOY

DEPARTMENT OF STATE ASSISTANT SECRETARY FOR THE BUREAU
OF POLITICAL MILITARY AFFAIRS JESSICA LEWIS

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AUKUS: A Generational Opportunity
Senate Foreign Relations Committee Hearing
September 6, 2023

Jessica Lewis, Assistant Secretary for Political-Military Affairs

Chairman Menendez, Ranking Member Risch, Honorable Members of the Committee,

Thank you for the opportunity to testify today. I'm delighted to be joined with my colleagues, Mara Karlin and Kin Moy. I'm excited to talk to you about the role of the State Department in AUKUS, one of the Biden-Harris Administration's hallmark national security and foreign policy initiatives.

One month ago, I was with Secretary Blinken and Secretary Austin as they met with their Australian counterparts in Brisbane. During our time in Australia, our leaders emphasized that AUKUS is poised to be a transformational initiative, perhaps our most consequential Indo-Pacific defense and security partnership in a generation. By modernizing our longstanding partnerships, AUKUS will help us meet the challenges of the future, strengthen our defense, enhance deterrence, and contribute to peace, security, and prosperity in the Indo-Pacific region and beyond. But make no mistake – the success of AUKUS is not predetermined, it must be carefully planned and implemented.

While AUKUS presents us with a generational opportunity, we also have a historic responsibility to get this right. We have already achieved remarkable momentum in the past two years, but there is more we

need to do. Today, I will start by laying out an AUKUS overview before discussing our plan to implement this partnership.

AUKUS Overview

AUKUS, as you know, involves two pillars: Pillar I – supporting Australia in acquiring conventionally armed, nuclear-powered submarines (SSNs), and Pillar II – trilaterally developing and providing joint advanced military capabilities.

Pillar I

Let me start with Pillar I. On March 13, 2023, President Biden, British Prime Minister Sunak, and Australian Prime Minister Albanese announced the optimal pathway to support Australia in acquiring conventionally armed, nuclear-powered submarine (SSN) capability at the earliest possible date. Modernizing Australia's submarine fleet will be a long-term, multi-decade undertaking, and the AUKUS partners are moving full steam ahead to implement this phased approach. This pathway delivers on our commitment to set the highest non-proliferation standard and reflects our longstanding leadership in, and respect for, the global nuclear non-proliferation regime. We continue to consult with the International Atomic Energy Agency (IAEA) to develop a non-proliferation approach that sets the strongest precedent for the acquisition of a nuclear-powered submarine capability.

Pillar I is a clear win for each of our countries – it will strengthen our defense capabilities and our underseas presence, bolster regional deterrence and stability, and create high-skill, high-paying jobs by investing in our submarine industrial bases. While I will let my

Department of Defense colleague elaborate on all we are doing to implement the optimal pathway, I would like to add that we welcome the opportunity to consult with Members on all AUKUS-related legislation and amendments, including the ship transfer legislation now before Congress.

Pillar II

As a historic security partnership, AUKUS will involve not only submarine cooperation, but also advanced and emerging capabilities that have the potential to revolutionize our defense—such as AI, hypersonics, quantum technologies, cyber, and more. Together with the collective power of our industrial bases, we will create a trilateral ecosystem that leverages the competitive and comparative advantages of each nation to strengthen our joint capabilities. The Administration will continue to engage Congress on legislation to meet the goals of Pillar II.

By investing in these alliances and our collective capacity, this partnership will make us all stronger and more stable. As a key line of effort in the Indo-Pacific strategy, AUKUS has the potential to be a transformational partnership that will pay dividends for decades to come, but we need to work together to make this a reality.

For AUKUS to succeed, we need to enable speedy, seamless, and secure technology and information sharing between our countries. Just as we are pooling technical expertise and industrial capacity, we are simultaneously enhancing our collective capacity to secure these technologies. Through AUKUS, the United States, United Kingdom, and Australia are deepening our longstanding cooperation on a range of

security and defense capabilities, and we are actively examining and streamlining our processes to optimize our defense trade and cooperation to make this partnership possible. Our three-part roadmap helps us thread the needle, promoting deeper cooperation while securing these critical technologies.

Our Roadmap for AUKUS

The Bureau of Political-Military Affairs is pursuing a three-part approach to implement AUKUS. First, we have shared a legislative proposal with Congress that would significantly streamline defense trade with the UK and Australia, building a foundation for the success of AUKUS. Second, we are innovating within our existing regulatory system to create an interim measure to accelerate the implementation of AUKUS. In addition, we are also working with our partners to create shared standards and reciprocity on our export controls.

The Administration provided Congress with a legislative proposal that would dramatically increase technology sharing between and among the AUKUS partners, and we are grateful to this Committee for ensuring that the substance of our proposal was included in the version of the National Defense Authorization Act passed by the Senate in July. We look forward to continuing to work with Congress during the upcoming conference process to secure this win for AUKUS.

The Department of State is also implementing a novel use of existing authorities to expedite and optimize technology sharing and defense trade among our AUKUS partners. The State Department's AUKUS Trade Authorization Mechanism, or ATAM, is an interim solution to streamline defense trade while we pursue broader changes. We have

begun engaging with the Committee on our interim mechanism and will continue to consult closely with Congress as we finalize our approach.

In conjunction with proposed legislative changes, the Administration will also work with our AUKUS partners on shared standards and reciprocity for our export controls. Securing our critical technologies is a three-way street, and we have already begun these engagements to move AUKUS forward.

Legislation

Legislation is at the center of our approach and let me start by thanking this committee and stating our strong support for this committee's bipartisan AUKUS export control legislation, which was passed by the Senate as part of the Defense Authorization bill. Let me also note that while my focus today is on the export control aspect of AUKUS, export controls are just one of four legislative proposals put forward by the Administration that are each critical to advancing this strategic partnership, as you will hear from my colleagues today. The Administration's legislative proposal regarding export controls, like AUKUS itself, is groundbreaking. This legislation will support the goals of AUKUS by providing a pathway for a range of license-free defense trade among Australia, the United Kingdom, and the United States, while retaining certain International Traffic in Arms Regulations – ITAR - requirements that help protect our most sensitive defense technology from re-export beyond the AUKUS partnership. It strikes the right balance, ensuring greater cooperation and innovation between our countries.

Let me highlight what this would mean in practice. The language incorporated in the Senate version of the NDAA would enable the license-free transfer of eligible unclassified and classified ITAR-controlled defense articles and defense services to eligible recipients. It would authorize eligible re-exports and re-transfers only between and among Australia, the United Kingdom, and the United States. It will take our scientific collaboration and defense trade to the next level to ensure AUKUS is not simply a security agreement, but a transformative partnership. To put it simply, most defense items will be able to move without needing a license from the State Department, and approved entities within the three countries will be able to move defense items, or re-transfer them, without needing a new authorization.

Building on some of our closest defense cooperation partnerships, we seek to facilitate unprecedented integration and responsible streamlining of our export control laws, regulations, policies, and processes. By clearing a path to new exemptions to licensing requirements for many areas of defense trade with the United Kingdom and Australia, we can open a door to swift and secure defense trade. This statutory language is a bold step forward in this direction, and we hope Congress will enact it in the final version of the NDAA. We look ahead to continuing our conversation with Congress to pass substantive legislation that will help us meet the ambitions of AUKUS.

*The State Department's AUKUS Trade Authorization Mechanism
(ATAM)*

While legislation is at the center of our AUKUS roadmap, we are already moving this partnership ahead. While Congress continues to work on legislation, we are working to implement a novel use of existing

authorities, the AUKUS Trade Authorization Mechanism, or ATAM, to facilitate the implementation of AUKUS. ATAM is an interim measure, allowing us to act in the near-term as we pursue bold changes to streamline defense trade of U.S. origin items between AUKUS partners.

Let me tell you more about the mechanics of this policy. ATAM will provide a more consistent framework for defense trade in support of AUKUS, covering Direct Commercial Sales (DCS) (private sector-to-government or private sector-to-private sector transfers) as well as some items that were previously sold as Foreign Military Sales (FMS) (government-to-government agreements) but will be available as DCS under ATAM. This mechanism relies on existing authorities, both to increase the speed and efficiency of defense trade while doing so in a way that is familiar, and therefore easier, for U.S. exporters and partners. This approach will help accelerate the speed and efficiency of FMS and DCS processes.

Together, the governments of the United States, the United Kingdom, and Australia will take three steps to implement this mechanism:

- First, identify the AUKUS programs. This will optimize operations and compliance, as both government and industry will have a clear understanding of which uses or programs are authorized under this mechanism.
- Second, identify which technologies are not eligible under this mechanism.

- Third, identify which communities or entities are approved within each country to receive or access these technologies. This will help reduce the likelihood of unauthorized diversion of sensitive defense technologies, and, if necessary, help investigations into any potential diversion.

Once finalized, exporters must check proposed transfers against these three basic and transparent criteria (programs, technologies, and authorized communities). Transfers beyond the United Kingdom or Australia, or transfer to a non-AUKUS program or a community not eligible to receive it, would require standard, non-ATAM authorization.

This mechanism will enable AUKUS partners to have many transfers free from the case-by-case approval and license review processes, while preserving the records that are necessary to conduct appropriate compliance checks, to follow up on any concerns of third-party exploitation, and to otherwise abide by the standard requirements for operating under any ITAR exemption.

The ATAM will offer an immediate solution to expedite and secure defense transfers of U.S. defense items for AUKUS projects, leveraging existing authorities to enable nimble defense trade and information sharing. It is a concrete step that will enable the trilateral partners to work together to chart the path forward even as we pursue broader legislative change to advance AUKUS. The legislation currently included in the NDAA would build on this progress, introducing a new authority and offering a transparent, predictable pathway for defense transfers to AUKUS partners without a license.

Developing Shared Standards and Reciprocity

Third, the Administration will also work closely with our AUKUS partners on shared standards for secure defense trade and reciprocity. AUKUS, at every level, involves a greater and deeper partnership between our countries. To meet the ambitions of AUKUS, we are working to synchronize our laws, policies, and processes to ensure that our scientific and industrial bases can collaborate while safeguarding our sensitive technologies.

We cannot do this alone – all three nations have a joint responsibility to safeguard these critical defense and security technologies, so we will work together to ensure that the export control frameworks within each of the three nations are consistent with those implemented by the United States. By increasing confidence in our security frameworks, we can facilitate unprecedented trade and integration with Australia and the United Kingdom. There is no daylight separating us on this issue – all AUKUS partners have agreed that we need to secure the gains of AUKUS to maximize the benefits of this partnership. I welcome Australia's recent announcement that it will be reviewing its existing export control law as part of this process. Developing consistent standards across our three nations is central to this strategy, and it is more important than ever. In this era of strategic competition, a calibrated approach to export controls is vital to ensure we stay ahead and maintain the technological momentum our nations achieve.

We are also working with our Australian and British counterparts to ensure equal opportunity and access for American firms and workers within AUKUS efforts, in alignment with our respective domestic regulations and international trade obligations.

We all have a stake in the success of AUKUS, and we look forward to seeing this through together. Australia and the United Kingdom are two of our closest allies, and we are proud to stand shoulder-to-shoulder as we strengthen our longstanding alliances and implement this historic partnership. And I look ahead to working with this Committee and Congress to promote agile and secure defense trade and cooperation between, and among, the AUKUS partners.

Conclusion

AUKUS is a major step forward in advancing our vision of a free and open Indo-Pacific. By modernizing our partnerships and deepening our diplomatic, security, and defense cooperation, we can promote security and prosperity not just in this critical region, but across the globe. AUKUS is a transformational partnership, but we need to get this right.

For this partnership to achieve seamless and secure defense trade, our cooperation will need to go deeper, including integrating elements of our defense industrial bases, as we research the technologies of the future and build cutting-edge military tools to keep our people safe. This cooperation is a vote of confidence in these relationships and will require concerted work from us and our allies to ensure that our systems enable it to move quickly, while also sustaining security guardrails and protections to safeguard these critical systems and the benefits yielded by this agreement.

There is more work to do, and we are confident that we will succeed. Our approach will help us act swiftly and decisively – by expediting defense trade in the short-term under existing authorities while

simultaneously seeking farther-reaching reforms through legislation and shared standards and reciprocity to streamline our processes.

In closing, AUKUS presents a generational opportunity to bind our countries closer together, reinforcing our collective diplomatic, economic, technological, and military strength and empowering us to meet the challenges of the 21st century. As a critical partnership, AUKUS will benefit our countries, our economic strength, and our national security for generations to come.

I want to thank the Committee for your steadfast, bipartisan support for AUKUS, and for your role in making this partnership possible.

Thank you, and I look forward to your questions.

OPENING STATEMENT

KIN MOY

PRINCIPAL DEPUTY ASSISTANT SECRETARY
BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS
U.S. DEPARTMENT OF STATE
SENATE FOREIGN RELATIONS COMMITTEE
September 6, 2023

Chairman Menendez and Ranking Member Risch, thank you for the opportunity to testify before you today.

Almost two years ago, President Biden, alongside the leaders from Australia and the United Kingdom, announced the creation of an enhanced trilateral security partnership, or “AUKUS.” AUKUS is a modernization of our longstanding partnerships with Australia and the UK to address the security challenges of the future, and support peace, prosperity, and stability in the Indo-Pacific and beyond. AUKUS deepens our diplomatic, security, and defense cooperation in line with President Biden’s vision of working with our partners and allies to solve global challenges. AUKUS enhances the United States’ security, that of our allies and partners, and contributes to global peace and security.

Since its announcement, much work has been done to actualize this commitment. On March 13, President Biden, Australian Prime Minister Albanese and UK Prime Minister Sunak announced the optimal pathway for Australia to acquire conventionally armed, nuclear-powered submarines. AUKUS partners are pursuing a multi-phased approach over the coming decades with the goal to deliver the submarine capability to Australia at the earliest possible date. Under Pillar II of the partnership, we continue to scope a variety of advanced capabilities and ensure that our defense export systems are prepared to meet this challenge. These commitments have critical implications for our foreign policy and national security.

AUKUS is a critical element of our efforts to advance implementation of the U.S. National Security, Defense, and Indo-Pacific strategies, with the goal of

advancing a free and open, connected, secure, resilient, and prosperous Indo-Pacific. AUKUS supports our shared vision of a world that is stable and prosperous, where countries thrive, trade, and collaborate to address shared challenges, and where all countries are empowered to make their own sovereign decisions free from coercion. A free and open Indo-Pacific region is vital to global security and prosperity, which is why we must deepen cooperation now. Like our other partners across the Atlantic and Indo-Pacific, AUKUS partners understand the critical role the region plays in global trade and global prosperity. Economic growth and prosperity require stability, and predictability – conditions that AUKUS seeks to undergird through enhanced deterrence and security.

Our alliances and partnerships have played a foundational role in contributing to peace and prosperity in the Indo-Pacific for the last 70 years. AUKUS is a concrete commitment to strengthening these partnerships by integrating our partners in Europe and Asia together, recognizing that our world is increasingly interconnected and that the security of all the world's regions – and our security here at home – are all inextricably linked. It reflects the critical role that both our European and Indo-Pacific partners will play in supporting our shared vision for enhancing peace and security in the Indo-Pacific and around the world.

AUKUS will bolster the security of the United States, both through the development of cutting-edge defense and security capabilities, but also by ensuring our allies are best positioned to contribute to their own security and our shared interests as they continue to modernize their military capabilities. AUKUS is more than submarines and defense projects. It is a generational commitment to working with two of our closest Allies to strengthen security cooperation to meet the many multifaceted challenges of the future. It is also an unparalleled opportunity to boost the defense capabilities, industrial bases, and economies of all three nations, while increasing investment and economic prosperity here at home. It will bring together our sailors, our scientists, and our industries to showcase the best of American ingenuity and technology, along with that of our allies.

With the optimal pathway now set, the hard work of implementation begins. The size, scope, and complexity of actualizing this partnership cannot be understated or assumed, and work must advance now to deliver a capability to meet the moment as the international security environment continues to rapidly change.

For AUKUS to succeed, it will take the full support of the U.S. government, Congress, and the American worker, working alongside the same constituencies in both Australia and the UK. The continued, bipartisan support of Congress is critical. Passing relevant U.S. AUKUS legislation is not only needed to enable progress, but also to send a critical message that will be received around the world: to U.S. industry to provide assurance to plan and succeed; to our two closest allies, Australia and the UK, to demonstrate that we stand together as we advance an irreversible plan to bolster joint security; to our other allies and partners around the world, demonstrating that the United States delivers on its commitments; and to our adversaries and competitors to demonstrate the seriousness of our intent and resolve to maintain continued international peace and prosperity.

Thank you for your support and consideration.

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STATEMENT BY
DR. MARA E. KARLIN
BEFORE THE 118th CONGRESS
SENATE FOREIGN RELATIONS COMMITTEE
SEPTEMBER 06, 2023

Chairman Menendez, Ranking Member Risch, and distinguished Members of the Committee – thank you for the opportunity to speak with you today on the AUKUS partnership, which is an unprecedented and generational opportunity to deepen our security partnerships with two of our closest allies. I want to thank this Committee for its broad bipartisan support for AUKUS - it is vital to ensure AUKUS delivers on the promise of this opportunity.

I am honored to testify today, as we approach AUKUS' two-year anniversary. In September 2021, the leaders of Australia, the United Kingdom, and the United States announced this enhanced trilateral security partnership. In the two years since that announcement, we identified the Optimal Pathway to support Australia acquiring conventionally-armed, nuclear-powered submarines (SSNs). Beyond this, we are pursuing cooperation under AUKUS on a range of advanced defense capabilities such as artificial intelligence and autonomy, quantum technologies, hypersonic and counter-hypersonic capabilities, and undersea warfare technologies, among others.

Today, I hope to reinforce three main topics as they relate to AUKUS, building on what I conveyed to the House Foreign Affairs Committee in May: (1) how AUKUS fits into the 2022 National Defense Strategy; (2) how we are seizing the generational opportunity AUKUS presents; and (3) why we need to expand defense cooperation with our closest allies and partners.

The 2022 National Defense Strategy describes the People's Republic of China (PRC) as our most consequential strategic competitor for the coming decades and underscores the importance of new and fast-evolving technologies to meet the shifting global security environment.

The National Defense Strategy also describes integrated deterrence as a holistic response to the strategies that our competitors are pursuing and calls for the use of campaigning to gain military advantage. It calls on the Department of Defense to build enduring advantages across the Defense ecosystem to shore up our

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foundations for integrated deterrence and campaigning – and describes allies and partners as a center of gravity for the strategy. I reinforce to you today that we cannot do this alone and AUKUS partners stand with the United States – as they have for decades.

What is needed now more than ever before is an approach that enhances our AUKUS partners' conventional military capabilities, enables a more integrated, capable, and resilient defense industrial base; increases information-sharing, and implements cooperative policies that reflect and realize the concepts laid out in both the National Security Strategy and National Defense Strategy.

Through Pillar I of AUKUS, the United States, United Kingdom, and Australia have committed to conduct naval nuclear propulsion cooperation in a manner that is fully consistent with our respective legal obligations and that sets the highest non-proliferation standard. The Optimal Pathway to deliver on this commitment was announced in March 2023 and is the result of an eighteen-month consultation period. AUKUS partners are building a resilient framework that will benefit future generations and our teams have been clear-eyed from the beginning that this monumental vision requires an accompanying monumental effort. The Optimal Pathway is a blueprint for how we reach those goals, and we are moving out swiftly. Since the announcement of the Optimal Pathway in March of this year, three Australian officers have graduated from U.S. Nuclear Power School and the *USS North Carolina* conducted the first port visit under our commitment to increase rotations of nuclear-powered attack submarines (SSNs) to Australia. These milestones mark our commitment to this effort, but we know there is still much to be done and we look forward to collaborating with Congress to ensure we have the statutory authorities in place to execute this important work.

Through the AUKUS Advanced Capabilities line of effort, also referred to as Pillar II, we are enhancing cooperation in other critical military capabilities. We are also reviewing and revising our policies and processes to enable our defense innovation enterprises and industry to work more closely to deliver cutting-edge military capabilities to each country under a more inter-connected innovation ecosystem.

In April, under the auspices of the Artificial Intelligence Working Group, we trilaterally demonstrated the joint deployment of AI-enabled assets in a collaborative swarm to detect and track military targets in a real-time. Other Working Groups such as those focused on Cyber, Electronic Warfare, Quantum Science, and Undersea Warfare have been making steady progress with an eye

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toward capabilities that will aid current and future warfighters. We have also begun a dialogue with partners in defense industry, both nationally and trilaterally, to identify opportunities to bring together public and private sector expertise to enhance our efforts.

Through collaborative investment in high-end capabilities, we are ensuring our ability to maintain a free and open Indo-Pacific – one where states can choose their own paths free from coercion. Pillar II provides a unique opportunity to strengthen the U.S. defense industrial base while also improving the advanced military capabilities of two countries who have stood shoulder-to-shoulder with the United States for more than 70 years. Let me underscore that over time, the work we do will advance our own capabilities and those of our allies, and will enable us to better address the challenges that we will collectively face.

As I stated before the Senate Foreign Relations Committee last March, the U.S. network of alliances and partnerships is a strategic advantage that competitors cannot match. Preparation for future conflicts – or deterring them from occurring in the first place – will rely on our ability to expand and enhance military partnerships. Maintaining this vital network requires an active, whole of government approach.

AUKUS has provided a lens into not only what military capabilities our closest allies need, but also what barriers exist that hamper pursuit of our national security strategy, and how we need to adapt our approach to meet our national security objectives. U.S. business is one of the strongest and most resilient assets in the national security toolkit, but we need to widen the aperture, foster collaborative defense innovation, advance military interoperability with our closest allies and partners, and leverage our collective strengths as a force multiplier.

Implementing AUKUS requires robust, novel information-sharing and technology cooperation. We are committed to cooperation that will leverage the advancements and expertise within the private sector and create opportunities for greater collaboration and integration while strengthening our security regimes. We have been fortunate to have great partners in the Departments of State and Commerce who are working with us to ensure we create an enabling environment that securely streamlines and promotes deeper cooperation.

We appreciate the continued support of Congress to enable to us accomplish these critical objectives. As you're aware, there are four areas in which the Administration requires Congressional action to facilitate implementation of this

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generational opportunity. First, the Optimal Pathway requires ship transfer legislation to authorize the U.S. to sell Virginia-class submarines to Australia as an interim capability before SSN-AUKUS comes online. Second, we need legislation to allow us to accept Australia's historic investment into the U.S. Submarine Industrial Base through financial contributions. Third, to move out on training Australia's submarine workforce, we require legislation to allow the U.S. Government to coordinate submarine workforce training with Australian private sector entities. Finally, we request legislation to enable export licensing exemptions, supporting defense trade that would facilitate the goals of AUKUS, and raise our collective standards to protect the critical technologies that provide U.S. forces with warfighting advantages. We appreciate the efforts of Congress to advance these efforts.

We have reached a point in the global security environment and technology landscape where there is not only a benefit, but an imperative, to expand our defense technology-sharing practices. AUKUS will lead to a more integrated defense ecosystem among the AUKUS nations that counterbalances the threats of strategic competition by harnessing the strengths of our collective capabilities. We cannot accomplish this without your critical support of these legislative actions.

Mr. Chairman, and distinguished Members of the Committee – thank you for the opportunity to meet with you today and I look forward to answering any questions you may have.

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s 22(1)(a)(ii)

s 22(1)(a)(ii)

Title: United States: Congress - Cardin takes over as Chair of the Senate Foreign Relations Committee
MRN: s 22(1)(a)(ii)
To: Canberra
Cc: RR : Americas Posts, Europe Posts, Indo-Pacific Posts, Middle East Posts
From: Washington
From File:
EDRMS
Files:
References: s 22(1)(a)(ii)
Response: Routine, Information Only

s 22(1)(a)(ii)

Summary

s 33(a)(iii), Senator Ben Cardin (D-Maryland) took over as Chair of the Senate Foreign Relations Committee late on 27 September. Ranking Member Risch welcomed Cardin's appointment in a press statement emphasising SFRC will continue its work to address U national security priorities, including on China, Russia, Iran and human rights globally. s 33(a)(iii)
s 33(a)(iii)

Senator Jeanne Shaheen (D-New Hampshire) will take over Cardin's position as Chair of the Small Business and Entrepreneurship Committee.

Senator Ben Cardin (D-Maryland) took over as Chair of the Senate Foreign Relations Committee (SFRC) on 27 September s 22(1)(a)(ii)

s 33(a)(iii)

s 33(a)(iii), s 33(b)

Comment

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

4. We will follow up with Cardin's office on a meeting with Ambassador Rudd (following on from their introductory call in July) s 33(a)(iii), s 33(b)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

Title: United States: AUKUS: Two-year anniversary wrap-up**MRN:****To:** Canberra**Cc:** RR : London**From:** Washington**From File:****EDRMS****Files:****References:** s 22(1)(a)(ii)

The cable has the following attachment/s -

20230914 - Breaking Defense Bill Greenwalt oped.pdf

20230914 - Gallagher Courtney Celebrate Two Year Anniversary of AUKUS Mission.pdf

20230915 - 2 Years On AUKUS Continues to Raise Questions – The Diplomat.pdf

Response: Routine, Information Only

s 22(1)(a)(ii)

Summary

s 33(a)(iii)

Cable summarises key commentary, publications and activities marking the two-year anniversary of the original AUKUS announcement in the United States.

Administration

2. On 15 September, the White House marked the AUKUS announcement two-year anniversary with the publication of a trilateral leaders' statement which emphasised the role of the three countries' respective legislative branches in delivering AUKUS. Jake Sullivan (White House National Security Advisor) and the State Department International Security and Non-proliferation Bureau shared a link to the statement on X (formerly Twitter).

s
33(
a)
(iii)

3. The Pentagon released a statement from Secretary of Defense Austin, which summarised some key AUKUS milestones from 2023, and a 'hype video' featuring imagery of AUKUS engagements. s 33(a)(i), s 33(a)(iii), s 33(b)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 33(a)(i), s 33(a)(iii), s 33(b)

s 22(1)(a)(ii)

Congress

s 33(a)(iii)

Representatives Mike

Gallagher (R-Wisconsin) and Joe Courtney (D-Connecticut), Co-Chairs of the AUKUS Working Group and Friends of Australia Caucus, issued a press release (attached) on 14 September which noted AUKUS achievements such as increases in shipyard workforce and Australian sailors graduating from the Nuclear Power School in Charleston, South Carolina. The press release also called on Congress to pass AUKUS legislation by the 'earliest possible date' edict to ensure both that the US Navy and the AUKUS mission are prepared to deter the security challenges in the Indo-Pacific.

s 22(1)(a)(ii)

Events

8. On 13 September, the British Embassy in Washington hosted a reception to commemorate the anniversary. The reception was well-attended, including by staffers and members of Congress s 33(a)(iii)

and representatives from the Australian Embassy in Washington. HOM delivered remarks and acknowledged key AUKUS achievements, thanked the Administration and Congress for their work to deliver AUKUS, and called on Congress to pass AUKUS legislation this year. s 33(a)(iii), s 33(b)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 33(a)(iii)

s 22(1)(a)(ii)

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2 Years On, AUKUS Continues to Raise Questions

China obviously has concerns about the security pact, but so do some of Australia's friends and partners – and Australians themselves.



By [Patricia O'Brien](#)

September 15, 2023

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From left: Australian Prime Minister Anthony Albanese, U.S. President Joe Biden, and British Prime Minister Rishi Sunak announce details of the AUKUS deal in San Diego, California, U.S., Mar. 13, 2023.

Credit: [Official White House photo](#)

As the [AUKUS security pact](#) marks its second birthday on September 15, questions continue to surround the agreement between Australia, the United Kingdom, and the United States. Taking stock of the first two years of AUKUS and its impacts entails a wide-ranging survey of developments from the halls of power in Washington D.C., London, Canberra, and beyond.

The genesis for AUKUS happened at an inflection point in mid-2020. Before this moment, Australia had watched China's expanding regional influence while reaping the enormous economic benefits of China's meteoric rise. Australia's military thinkers were planning for the rise of a hostile northern foe, but the sentiment was that time was on Australia's side in this eventuality. This suddenly changed in mid-2020 when China began punishing Australia with trade sanctions in retaliation for Australian calls for an investigation into the origins of the COVID-19 pandemic.

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ominous tone with then [Prime Minister Scott Morrison](#) warning in July 2020 that China's trade sanctions now had urgent military implications too, with the stage being set for a re-run of the Pacific theater of World War II. Behind the scenes, Australia began secretly forging a defense agreement with the U.K. and the U.S. When the AUKUS Agreement was revealed on September 15, 2021, in a [joint press conference](#) with Morrison, U.S. President Joe Biden, and then-U.K. Prime Minister Boris Johnson, the [White House press briefing](#) described it as an agreement that “binds decisively Australia to the United States and Great Britain for generations.”

AUKUS immediately riled China, which felt targeted and contained by the agreement. Two years on, [China's rhetoric](#) remains full-throated in its opposition. Despite this, Australia's new prime minister, Anthony Albanese, recently [announced](#) he will visit China later this year to mark the 50th anniversary of his predecessor Gough Whitlam's historic visit to Beijing. This is a positive development for both sides.

It was not only China that reacted against AUKUS; friends and allies did too. France felt played by Australia, as their longstanding AU\$90 billion submarine deal was jettisoned in favor of AUKUS' signature purpose: to equip Australia with nuclear-powered submarines. France withdrew its ambassadors from both Canberra and Washington in protest. When Australia's government changed in May 2022, relations [began to repair](#) between the two nations, which share considerable interests in the Pacific region. France has endeavored to move beyond AUKUS. Australia's agreement to pay AU\$835 million in compensation for the broken subs contract helped heal these wounds.

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The AUKUS announcement also sparked the [Asia-Pacific region](#), with many regional leaders fearing it would trigger an arms race. Some regional governments still maintain AUKUS is inconsistent with Australia's commitment to the [Nuclear Non-Proliferation Treaty](#), which is of the highest priority for the Pacific region given its history and the ongoing legacies of nuclear weapons testing. To calm the region, the first two years of AUKUS has entailed extensive diplomatic efforts to try to allay these fears.

The security deal between [China and Solomon Islands](#), which came to light in March 2022, six months after the AUKUS announcement, has aided these diplomatic efforts greatly. So too did Beijing's attempt to create a [China bloc](#) throughout the Pacific region that May, with Pacific nations balking at the prospect of an arrangement reminiscent of Imperial Japan's Greater East Asia Co-Prosperity Sphere.

Despite failing to expand on its Solomon Islands security agreement throughout the region, China nonetheless jolted nations near and far into action. In response, the United States upscaled [its presence](#) in the Pacific Islands from March 2022. This first phase of U.S. engagement culminated in the inaugural [U.S.-Pacific Islands Summit](#) at the White House in September 2022; the second summit will take place later this month.

The United States also inked a defense cooperation agreement with Papua New Guinea in May of this year, but it has prompted protests. Opponents questioned the agreement's sovereignty implications, the details of which were kept out of the public domain until the agreement was leaked. Despite the public reaction, U.S. Secretary of Defense [Lloyd Austin](#) visited Port Moresby in July for related talks. The public reaction against the U.S. agreement delayed the signing

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of a security treaty between Australia and Papua New Guinea as questions about sovereignty and the treaty's scope are hammered out in Port Moresby and Canberra.

Over the past two years, existing actors in the Pacific – the United States,, Australia, Japan, New Zealand, and China – have upscaled their Pacific presence. At the same time, numerous new actors have entered the arena. For instance, South Korea, India, Canada, Germany, the European Union, and Saudi Arabia have all substantially increased their involvement in the region. Pacific nations have been struggling to contend with the pace and scale of this new attention. The Pacific region looks very different two years after AUKUS came into existence.

The response to AUKUS within Australia itself has also been also complicated. Widespread public debate about AUKUS has gone through numerous phases since September 2021. As in Papua New Guinea in 2023, the lack of government consultation with its constituents on momentous shifts in national security arrangements could come back to bite future Australian governments as the immense costs and implications of AUKUS become clearer.

An estimated price tag for the submarine program, which is only one part of AUKUS' purpose to harden Australia as a target, meaning a bonanza for U.S. and U.K. defense industries, was not revealed until March of this year. This was when Albanese, Biden, and U.K. Prime Minister Rishi Sunak met in San Diego to unveil additional details about how the AUKUS submarines program was going to work. The Australian government released a [cost estimate](#) of between AU\$268-\$368 billion over the next two decades. Given the money wasted on Australia's previous submarine programs that went nowhere and the fluctuations of the Australian dollar, Australian

LEX 12382 - DFAT - DECLASSIFICATION OF AUKUS BILL 12382 This

will have to be weighed up against the [boost to employment and industry](#) the Australian government is promising that AUKUS will deliver. Australia's "costs versus benefits" deliberations have also covered the merits of the nation undertaking a back-to-the-future move with its "Anglosphere" defense solution.

In addition, there have been questions about the timelines for delivery of these submarines (a decade for the first Virginia-class submarines) and whether this aligns with the urgency of the threats emanating from China and, as the world was recently reminded, North Korea, which [unveiled its first nuclear-armed tactical submarine](#) this month. Critics have also argued that submarine detection technology will outpace the submarine delivery timeline, rendering the vessels obsolete before they are put into service.

Yet due to the bipartisan support for AUKUS these concerns have been set aside. So too have the anti-American voices who cluster on Australia's political left (and have gained political influence in the [Australian Labor Party](#)), which have also been [overridden](#) by ascendant pro-AUKUS political forces. So Australians are locked into AUKUS – for now.

One of the touted strengths of AUKUS is that it is flexible and can "evolve." This point was recently underscored by U.S. Secretary of State Antony Blinken at the end of his visit to New Zealand. Blinken said the "[door remains open](#)" for New Zealand to join AUKUS, a prospect that would require considerable shifts in Wellington's stance against nuclear propulsion and weaponry.

Yet this flexibility might also prove to be a vulnerability. Agreements that can "evolve," as AUKUS and other recent Pacific-centered agreements have been structured, can also

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Despite the powerful rhetoric of ironclad bonds of friendship embedded in AUKUS, [several U.S. congressmen](#) have recently pushed back on AUKUS provisions that require legislative changes to permit sensitive information sharing and they have raised questions about the U.S. capacity to meet the timeline for delivery of the first three Virginia-class submarines to Australia while also meeting U.S. force needs. And this happening is when Australia-U.S. relations are at a peak. Combating [Australian concerns](#) about whether the United States will stay the course, which go [beyond anxiety](#) about another [term in office](#) for former U.S. President Donald Trump, has been a high priority for U.S. representatives.

AUKUS has also prompted a vigorous discussion about how to even conceive of security in today's world, and more specifically, in the Pacific region. Pacific Islands nations have been at the forefront of arguments against security being framed in traditional terms, around geostrategic contests and the acquisition of submarines and other defense materiel. Instead, as Fiji's now opposition leader, [Inia Bakikoto Seruiratu](#), stressed in mid-2022 when he was the nation's minister for defense and policing, Pacific Islanders are "fighting for our lives" – not against a foreign foe but against rising seas, cyclones, and droughts.

A recent [Lowy Institute seminar](#) in Port Moresby on Papua New Guinea security policy also reiterated that defense and security in Oceania needs to be rethought on Pacific Islands' terms. Elias Wohengu, secretary of Papua New Guinea's Department of Foreign Affairs, envisioned a conflation of defense, development, and economic objectives in the newly brokered defense cooperation agreement. He saw U.S. aircraft carriers

LEX 12382 - DFAT - DECLASSIFIED INFORMATION ACT 1982 (Cth) [transferring PNC goods around the Pacific to](#)

U.S. military bases in Hawai'i and beyond. This would augment the important role militaries are already playing in the region, such as through the U.S. ship-rider program, humanitarian aid, and disaster relief work.

Moving forward, the AUKUS grand strategy conception of security and the myriad complex, localized security threats Pacific populations face need to be brought into alignment. While AUKUS might be about deterring another epic clash of militaries, the indescribably tragic destruction of Lahaina, Hawai'i last month speaks to the challenges governments face today in keeping their populations secure from threats that go far beyond an expanding China. If securing the Pacific is the overriding objective, then implementing COP28 measures will need the same level of commitment and resources as AUKUS.

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Australia security China and AUKUS U.S.-Australia alliance



CONGRESS, NAVAL WARFARE, PENTAGON

Two years on, is the AUKUS agreement at the brink of failure?

In a new op-ed, Bill Greenwalt of AEI warns that the Biden administration has not publicly provided workable legislative proposals that would take aim at the ITAR challenges for AUKUS.

By BILL GREENWALT on September 14, 2023 at 11:01 AM



President Joe Biden on Sept. 15, 2021, announced a new national security initiative in partnership with then-Australian Prime Minister Scott Morrison (L) and then-United Kingdom Prime Minister Boris Johnson (R). (Photo by Win McNamee/Getty Images)

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With the AUKUS agreement coming up on its second birthday, the excitement around the idea of sharing nuclear submarine tech to Australia has subsided and the real work has begun. But is the toddler stage of the agreement going to net the benefits the three countries hope it will? In a new op-ed, Bill Greenwalt, a longtime US weapons acquisition expert and the author of a May paper about ITAR obstacles for AUKUS, warns that if changes aren't made quickly, the agreement might end up just a footnote to history.

Two years ago the US, Australia, and the United Kingdom announced the AUKUS arrangement to create an Australian nuclear-powered submarine capability and, perhaps most importantly, enhance defense cooperation between the three countries on a wide range of emerging technologies and capabilities.

What is striking is that despite the fanfare of the deal, AUKUS will not result in any real change in the balance of forces in the South China Sea for almost a decade, with perhaps the exception of the potential ability to base existing US attack submarines in Australia.

Why is that the case? Some of it is simply due to the time it will take Australia to build a nuclear enterprise, especially the skilled workforce required. But the inability to reform US export control policy is encouraging failure in emerging technology cooperation while industrial base constraints leave the submarine segment well on the road to irrelevance.

There now seems to be an understanding in at least parts of Congress that the US submarine industrial base must be fundamentally strengthened and profound reforms made to the International Trafficking in Arms Regulations (ITAR). Sadly, it is questionable whether Congress and the Biden administration will make the long-term commitments in money and legislation needed.

AUKUS is a tremendously good idea that could serve as the foundation of an alliance of democracies that can counter and deter potential adversary states. If successful, lessons learned and practices from AUKUS can be applied to other allied partners across a much broader coalition. The overarching and often unrecognized problem is that, when facing the multitudes of threats on the horizon, the US no longer has sufficient military and industrial scale to go it alone and must augment its capacity by leveraging the capabilities of its allies and the commercial sector. This is as true for increasing the number of submarines on station and the size of munitions stockpiles, as it is for developing future capabilities in autonomy, quantum computing or advanced AI.

- The problem with good ideas though is they have to be implemented; the lesson learned from the last two years is that in the haste to “get a deal” basic issues related to the industrial base and the role of arms export regulations were ignored.

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Document 63

On the Senate Armed Services Committee, Senators Jack Reed, D-RI., and Roger Wicker, R-Miss., have been right to raise concerns about industrial base constraints. The decision made six months ago to transfer Virginia-class submarines to Australia in the 2030s before relying on a yet-to-be designed British-Australian submarine to be deployed sometime in the 2040s has thrown the inadequacies of the US submarine industrial base into the open. Since 2011, the US Navy has been trying to build two Virginia class submarines each year and has only achieved a rate of only 1.2 a year. This is a far cry from what is needed since the US continues to retire boats at a faster rate than that. On top of that problem, the Columbia-class replacement for the Ohio-class SSBN will further strain undersea production capabilities at US shipyards. The AUKUS requirements will undoubtedly go to the back of the line.

Still, the 2030s are a long way off and a lot could change in the meantime. So far, there have been more expectations raised than weapons delivered. That could change if the benefits of emerging technology partnerships in Pillar Two of AUKUS lead to the deployment of new capabilities in the next two to five years. This is a realistic goal as US allies are now capable of being more than just passengers riding on past US technological weapons programs. Our allies are increasingly important sources of innovation and cutting-edge technology in their own right, making advances in hypersonics, missile defense, space systems, ASW, radars and sensors, autonomy, and computing. Their contributions to collective military-technology initiatives can be one the greatest benefits that come from US partnerships with these countries.

ITAR then becomes the primary barrier to the dream of making AUKUS a near term reality. From the notorious “ITAR taint” that sticks to both U.S. commercial and allied goods and services with even the slightest hint of American involvement to its inability to discriminate between countries, both friend and foe, ITAR is a major roadblock to implementing both the submarine and advanced technologies portions of the trilateral partnership. These and other problems that ITAR poses to the hardware and information sharing on which AUKUS depends are well-documented. Unsuccessful attempts to reform the process to encourage allied cooperation go back to the Clinton Administration. The Biden administration has not offered a comprehensive plan to deal with these issues, nor has it publicly

provided workable legislative proposals that would take aim at ITAR's pitfalls. The few reforms the administration has offered so far have not been serious or implementable.

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The House Foreign Affairs Committee (HFAC) provided a glimmer of hope in its recent mark up of legislation to change the applicability of the ITAR for AUKUS. Two of the more interesting ideas are contained in the KOALA Act (HR 4716), that would exempt Australia from ITAR; the second, the BRITS Act (HR 4715), would do the same for the United Kingdom. HFAC's current approach could allow for positive ITAR discrimination to speed the transfer of technologies and knowhow critical to new joint innovations developed in the US, UK, and Australia. The problem is that the House's solutions leave the discretion on how to do this with the US State Department, which has long undermined any flexibility in the exemptions and authorities it has been given.

Expecting State to pave the way for new innovative defense programs is probably a fool's errand. Instead of reform, the Biden Administration's AUKUS legislative proposal recently included a State Department-sponsored poison pill that would undermine the incentives for joint cooperation. While the House dropped the poison pill language in its version of the bill (the Senate made a slight modification), the signal has been sent that State does not trust our allies and is not likely to actually use any new discretion Congress may eventually give it.

There is still time to take a different course. On the industrial base, Congress should seriously consider an alternative capital budgeting mechanism to lock in long-term funding for submarine industrial base investments. The AUKUS partners should also take another look at how best to increase the number of submarines on station in this decade.

This could include

- extending the life of Los Angeles-class submarines while jointly manning them;
- extending production of the UK's Astute line;
- and rapidly developing and deploying unmanned undersea systems.

A new export control regime should be created for the AUKUS nations. Control over this regime should be taken away from the State Department and moved to another agency, which would be directly overseen by the National Security Council. As long as State is the primary arbitrator of technology transfer issues it is

likely that the U.S. will be unable to compete militarily in the future because State's current rules and culture undermine defense innovation. The State

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Document 63

Department has now become a national security problem rather than a source for a solution.

William C. Greenwalt is a nonresident senior fellow at the American Enterprise Institute and a former deputy undersecretary of defense for industrial policy.

Recommended



DIU asks industry about affordable, mass-produced unmanned aerial systems



Navy's Unmanned Task Force to close down with arrival of new Disruptive Capabilities Office



Topics: arms exports, AUKUS, australia, Indo-Pacific, International Traffic in Arms Regulations, op-ed commentary, Senate Armed Services Committee SASC, State Department, united kingdom, us navy, Virginia-class submarines

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Gallagher, Courtney Celebrate Two Year Anniversary of AUKUS Mission

September 14, 2023 [Press Release](#)

Today, Rep. Mike Gallagher and Rep. Joe Courtney (CT-02), Co-Chairs of the AUKUS Working Group and Friends of Australia Caucus, issued the following joint statement to mark the two-year anniversary of the trilateral security agreement between Australia, the United Kingdom, and the United States.

“This week marks two years since the historic announcement of the trilateral AUKUS security agreement and a path to ensuring a free and open Indo-Pacific. Since September of 2021, bipartisan lawmakers in Congress and the Administration have worked together to fulfill the AUKUS mission through record investments in the submarine industrial base, legislation to clear legal roadblocks, development of next-generation technologies, and ongoing engagements with our partners and allies.

*“These efforts are already paying dividends. Shipyards and submarine suppliers across the nation are **aggressively** hiring and working to meet demand; the first wave of Australian sailors graduated from Nuclear Power School in South Carolina, **thanks to our enabling legislation**; and our **Australian** and **British** counterparts are making strategic investments in support of the unbreakable alliance to strengthen maritime security in the Indo-Pacific.”*

“It is time to turbocharge AUKUS to achieve near-term deterrence effects. While we have seen great progress, we have significant work ahead to deliver on AUKUS goals by the ‘earliest possible date’ edict, namely passing and sending Pillar 1 and Pillar 2 enabling legislation to the President’s desk--and adequately resourcing what enables AUKUS’s success. Together, we will continue working expeditiously with our colleagues and partners to achieve that goal, and ensure both our Navy and the AUKUS mission are prepared to deter the security challenges in the Indo-Pacific.”

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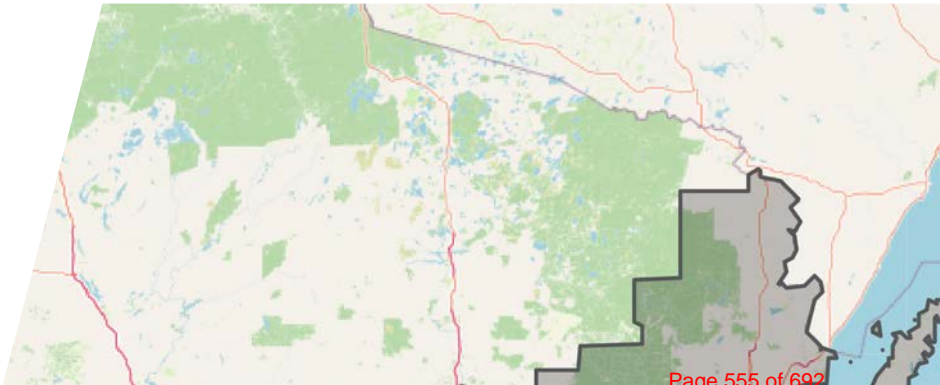
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Congressman
MIKE GALLAGHER
Representing the 8th District of Wisconsin

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Representing the 8th District of Wisconsin

s 33(a)(i), s 33(a)(iii), s 33(b) - this page, together with the following pages (558 to 562) are exempt and have been removed.

s 33(a)(i), s 33(a)(iii), s 33(b) - this page, together with the following pages (564 to 567) are exempt and have been removed.

s 33(a)(i), s 33(a)(iii), s 33(b) - this page, together with the following pages (569 to 572) are exempt and have been removed.

s 33(a)(i), s 33(a)(iii), s 33(b) - this page, together with the following pages (574 to 578) are exempt and have been removed.

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s 33(a)(i), s 33(a)(iii), s 33(b) - this page, together with the following pages (599 to 604) are exempt and have been removed.

s 33(a)(i), s 33(a)(iii), s 33(b) - this page, together with the following pages (606 to 609) are exempt and have been removed.

s 22(1)(a)(ii)

s 22(1)(a)(ii)

Title: United States: Congress: HOM introductory meeting with Senate
Majority Leader Schumer

MRN: s 22(1)(a)(ii)

To: Canberra

Cc: RR Americas Posts, Indo-Pacific Posts, London

Ministers: Prime Minister

From: Washington

From File:

EDRMS

Files:

References: s 22(1)(a)(ii)

Response Routine, Information Only

s 22(1)(a)(ii)

Summary

s 33(a)(iii), s 33(b)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 33(a)(iii), s 33(b)

s 33(a)(iii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 33(a)(i), s 33(a)(iii), s 33(b) - this page, together with the following pages (615 to 620) are exempt and have been removed.

s 33(a)(i), s 33(a)(iii), s 33(b) - this page, together with the following pages (622 to 624) are exempt and have been removed.

s 33(a)(i), s 33(a)(iii), s 33(b) - this page, together with the following pages (626 to 629) are exempt and have been removed.

s 33(a)(i), s 33(a)(iii), s 33(b) - this page, together with the following pages (631 to 636) are exempt and have been removed.

s 33(a)(i), s 33(a)(iii), s 33(b) - this page, together with the following pages (638 to 642) are exempt and have been removed.

s 33(a)(i), s 33(a)(iii), s 33(b) - this page, together with the following pages (644 to 645) are exempt and have been removed.

s 22(1)(a)(ii)

s 22(1)(a)(ii)

Title: United States: AUKUS export controls legislative proposal received and AUKUS Pillar 1 and 2 bill lodged in Congress

MRN: s 22(1)(a)(ii)

To: Canberra

Cc: RR : Indo-Pacific Posts, London, USA Posts

From: Washington

From File:

EDRMS

Files:

References: s 22(1)(a)(ii)
The cable has the following attachment/s -
Administration Pillar II legislative proposal.pdf
Meeks NDAA amendment.pdf

Response: Routine, Information Only

s 22(1)(a)(ii)

Summary

The Administration submitted its AUKUS export control legislative proposal to Congress last night and today it was offered as a proposed amendment to the FY24 NDAA. Representative Meeks’ amendment comprises the legislative proposals offered by the Administration on both pillars of AUKUS. The amendment is now publicly available.s 33(a)(iii)

Late on 28 June, the White House submitted the Administration’s AUKUS export controls legislative proposal to the House Foreign Affairs and Senate Foreign Relations Committees.

2. The Administration’s legislative proposal (attached) s 33(a)(iii), s 33(b)

It authorises the Secretary of State to implement an exemption under the Arms Export Control Act (AECA) for defence trade activities between or amongst the United States, Australia and the United Kingdom. This exemption would be implemented following Secretary of State’s determination that we have implemented export controls satisfactory. It would also exempt subject foreign military sales third party transfers and other commercials re-exports and re-transfers of defence articles and services from certification requirements.

s 33(a)(iii), s 33(b)

s 22(1)(a)(ii)



s 22(1)(a)(ii)

s 33(a)(iii), s 33(b)

5. Meeks’ amendment (attached), co-sponsored by Representatives Courtney and Bera, has been submitted to the Rules Committee in the House of Representatives. This is the first step in the process of it being considered as an NDAA amendment. It is available on their website. Next week the Rules Committee will review all submitted amendments, and early week 10 July will hold a hearing to vote upon which amendments will be considered by the full House.

s 33(a)(iii)

Cable drafted with NPSTF, Post Congressional Branch and CASG.

s 22(1)(a)(ii)



s 22(1)(a)(i) EX 12382 - DFAT - DECLASSIFIED UNDER THE FREEDOM OF INFORMATION ACT 1982 (CTH)

s 22(1)(a)(ii) ~~EX 12382 - DFAT - DECLASSIFIED UNDER THE FREEDOM OF INFORMATION ACT 1982 (CTH)~~

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AMENDMENT TO RULES COMM. PRINT 118-10
OFFERED BY MR. MEEKS OF NEW YORK

At the end of title XIII, add the following:

1 **Subtitle C—AUKUS Undersea**
2 **Defense Act**

3 **SEC. 1321. SHORT TITLE.**

4 This subtitle may be cited as the “AUKUS Undersea
5 Defense Act”.

6 **SEC. 1322. FINDINGS.**

7 Congress finds the following:

8 (1) The new trilateral security partnership be-
9 tween Australia, the United Kingdom, and the
10 United States (in this section referred to as the
11 “AUKUS partnership”) is intended to positively
12 contribute to peace and stability in the Indo-Pacific
13 region through enhanced deterrence.

14 (2) This trilateral security partnership builds
15 on and enhances the United States, Australia, and
16 the United Kingdom’s commitment to a free and
17 open Indo-Pacific, and more broadly to a rules-based
18 international order.

19 (3) Australia has a strong record of leadership
20 in the international nuclear non-proliferation regime

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1 and is fully committed to responsible stewardship of
2 naval nuclear propulsion technology.

3 (4) Pillar 1 of the AUKUS partnership aims to
4 provide Australia with a conventionally-armed, nu-
5 clear-powered submarine capability while upholding
6 the highest non-proliferation standards.

7 (5) In support of this Pillar 1 goal, the United
8 States and the United Kingdom plan to increase
9 port visits to Australia of conventionally-armed, nu-
10 clear-powered submarines then begin forward rota-
11 tions of such submarines to Australia at Submarine
12 Rotational Force-West.

13 (6) In support of these goals, the United States
14 will transfer Virginia-class submarines to Australia
15 to bolster its critical undersea capabilities and en-
16 hance its undersea presence in the Indo-Pacific re-
17 gion.

18 (7) Pillar 1 of the AUKUS partnership will en-
19 hance all three nations' defense industrial capacity
20 to produce and sustain interoperable nuclear-pow-
21 ered submarines, expand collective undersea pres-
22 ence in the Indo-Pacific, and contribute to freedom
23 of navigation, security, and stability in the Indo-Pa-
24 cific region.

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3

1 (8) Trilateral security cooperation that
2 strengthens joint capabilities, enhances the ability to
3 share information and technology safely, and inte-
4 grates defense industrial bases and supply chains
5 will contribute to the security of each nation as well
6 as peace and stability in the Indo-Pacific region.

7 **SEC. 1323. AUSTRALIA, UNITED KINGDOM, AND UNITED**
8 **STATES SUBMARINE SECURITY ACTIVITIES.**

9 (a) AUTHORIZATION TO TRANSFER SUBMARINES.—

10 (1) IN GENERAL.—Subject to paragraph (6),
11 the President may transfer not more than two Vir-
12 ginia class submarines from the inventory of the
13 Navy to the Government of Australia on a sale basis
14 under section 21 of the Arms Export Control Act
15 (22 U.S.C. 2761).

16 (2) COSTS OF TRANSFER.—Any expense in-
17 curred by the United States in connection with the
18 transfer authorized by this subsection shall be
19 charged to the Government of Australia.

20 (3) WAIVER OF CERTIFICATION REQUIRE-
21 MENT.—The requirement for the Chief of Naval Op-
22 erations to make a certification under section 8678
23 of title 10, United States Code, shall not apply to
24 a transfer under this subsection.

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1 (4) USE OF FUNDS.—The Secretary of the
2 Navy may use the proceeds of a transfer under this
3 subsection—

4 (A) for the acquisition of vessels to replace
5 the vessels transferred to the Government of
6 Australia; or

7 (B) to carry out any other authority the
8 use of which the Secretary of the Navy deter-
9 mines would improve the submarine industrial
10 base.

11 (5) CREDITING OF RECEIPTS.—Notwith-
12 standing any provision of law pertaining to the cred-
13 iting of amounts received from a sale under the
14 terms of the Arms Export Control Act (22 U.S.C.
15 2761), any receipt of the United States as a result
16 of a transfer under this section shall—

17 (A) be credited, at the discretion of the
18 Secretary of the Navy to—

19 (i) the appropriation, fund, or account
20 used in incurring the original obligation;

21 (ii) an appropriate appropriation,
22 fund, or account currently available for the
23 purposes for which the expenditures were
24 made; or

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5

1 (iii) any other appropriation, fund, or
2 account available for the purpose specified
3 in paragraph (4)(B); and

4 (B) remain available for obligation until
5 expended for the same purpose as the appro-
6 priation to which the receipt is credited.

7 (6) APPLICABILITY OF EXISTING LAW TO
8 TRANSFER SPECIAL NUCLEAR MATERIAL AND UTILI-
9 ZATION FACILITIES FOR MILITARY APPLICATIONS.—

10 (A) IN GENERAL.—With respect to any
11 special nuclear material for use in utilization fa-
12 cilities or any portion of a vessel transferred
13 under this subsection constituting utilization fa-
14 cilities for military applications under section
15 91 of the Atomic Energy Act of 1954 (42
16 U.S.C. 2121), transfer of such material or such
17 facilities shall only occur in accordance with
18 such section 91.

19 (B) USE OF FUNDS.—The Secretary of
20 Energy may use proceeds from a transfer de-
21 scribed in subparagraph (A) for the acquisition
22 of submarine naval nuclear propulsion plants
23 and the nuclear fuel to replace the propulsion
24 plants and fuel transferred to the Government
25 of Australia.

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1 (b) REPAIR AND REFURBISHMENT OF AUKUS SUB-
2 MARINES.—Section 8680 of title 10, United States Code,
3 is amended—

4 (1) by redesignating subsection (c) as sub-
5 section (d); and

6 (2) by inserting after subsection (b) the fol-
7 lowing:

8 “(c) REPAIR AND REFURBISHMENT OF CERTAIN
9 SUBMARINES.—(1) Notwithstanding any other provision
10 of this section, the Secretary of the Navy shall determine
11 the appropriate shipyard in the United States, Australia,
12 or the United Kingdom to perform any repair or refurbish-
13 ment of a United States submarine involved in submarine
14 security activities between Australia, the United Kingdom,
15 and the United States (in this section referred to as
16 ‘AUKUS’).

17 “(2) Repair or refurbishment described in paragraph
18 (1) may be carried out by personnel of the United States,
19 United Kingdom, or Australia in accordance with the
20 international arrangements governing AUKUS submarine
21 security activities.”.

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1 **SEC. 1324. ACCEPTANCE OF CONTRIBUTIONS IN SUPPORT**
2 **OF AUSTRALIA, UNITED KINGDOM, AND**
3 **UNITED STATES SUBMARINE SECURITY AC-**
4 **TIVITIES.**

5 (a) IN GENERAL.—Chapter 155 of title 10, United
6 States Code, is amended by inserting after section 2608
7 the following new section:

8 **“§ 2609. Acceptance of contributions for Australia,**
9 **United Kingdom, and United States sub-**
10 **marine security activities; Submarine Se-**
11 **curity Activities Account**

12 “(a) ACCEPTANCE AUTHORITY.—The Secretary of
13 Defense may accept from the Government of Australia
14 contributions of money made by the Government of Aus-
15 tralia for use by the Department of Defense in support
16 of non-nuclear related aspects of submarine security ac-
17 tivities between Australia, the United Kingdom, and the
18 United States (in this section referred to as ‘AUKUS’).

19 “(b) ESTABLISHMENT OF SUBMARINE SECURITY AC-
20 TIVITIES ACCOUNT.—(1) There is established in the
21 Treasury of the United States a special account to be
22 known as the ‘Submarine Security Activities Account’.

23 “(2) Contributions of money accepted by the Sec-
24 retary of Defense under subsection (a) shall be credited
25 to the Submarine Security Activities Account.

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1 “(c) USE OF THE SUBMARINE SECURITY ACTIVITIES
2 ACCOUNT.—(1) The Secretary of Defense may use funds
3 in the Submarine Security Activities Account—

4 “(A) for any purpose authorized by law that the
5 Secretary determines would support AUKUS sub-
6 marine security activities; or

7 “(B) to carry out a military construction
8 project that is consistent with the purposes for
9 which the contributions were made and is not other-
10 wise authorized by law.

11 “(2) Funds in the Submarine Security Activities Ac-
12 count may be used as described in this subsection without
13 further specific authorization in law.

14 “(d) TRANSFERS OF FUNDS.—(1) In carrying out
15 subsection (c), the Secretary of Defense may transfer
16 funds available in the Submarine Security Activities Ac-
17 count to appropriations available to the Department of
18 Defense.

19 “(2) In carrying out subsection (c), and in accordance
20 with the Atomic Energy Act of 1954 (42 U.S.C. 2011 et
21 seq.), the Secretary of Defense may transfer funds avail-
22 able in the Submarine Security Activities Account to ap-
23 propriations or funds of the Department of Energy avail-
24 able to carry out activities related to AUKUS submarine
25 security activities.

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1 “(3) Funds transferred under this subsection shall be
2 available for obligation for the same time period and for
3 the same purpose as the appropriation to which trans-
4 ferred.

5 “(4) Upon a determination by the Secretary that all
6 or part of the funds transferred from the Submarine Secu-
7 rity Activities Account are not necessary for the purposes
8 for which such funds were transferred, all or such part
9 of such funds shall be transferred back to the Submarine
10 Security Activities Account.

11 “(e) INVESTMENT OF MONEY.—(1) Upon request by
12 the Secretary of Defense, the Secretary of the Treasury
13 may invest money in the Submarine Security Activities Ac-
14 count in securities of the United States or in securities
15 guaranteed as to principal and interest by the United
16 States.

17 “(2) Any interest or other income that accrues from
18 investment in securities referred to in paragraph (1) shall
19 be deposited to the credit of the Submarine Security Ac-
20 tivities Account.

21 “(f) REPORT.—(1) Not later than 60 days after the
22 date on which contributions of money accepted by the Sec-
23 retary of Defense under subsection (a) are credited to the
24 Submarine Security Activities Account under subsection

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1 (b), the Secretary of Defense shall submit to the appro-
2 priate congressional committees a report on—

3 “(A) the amount of money so transferred;

4 “(B) a description of the intended use of the
5 funds; and

6 “(C) any other matters related to the adminis-
7 tration of the Submarine Security Activities Account
8 as determined necessary by the Secretary.

9 “(2) The report required by this subsection shall be
10 submitted in unclassified form but may include a classified
11 annex.

12 “(3) In this subsection, the term ‘appropriate con-
13 gressional committees’ means—

14 “(A) the congressional defense committees; and

15 “(B) the Committee on Foreign Affairs of the
16 House of Representatives and the Committee on
17 Foreign Relations of the Senate.

18 “(g) RELATIONSHIP TO OTHER LAWS.—The author-
19 ity to accept or transfer funds under this section is in ad-
20 dition to any other authority to accept or transfer funds.”.

21 (b) CLERICAL AMENDMENT.—The table of sections
22 at the beginning of such chapter is amended by inserting
23 after the item relating to section 2608 the following:

“2609. Acceptance of contributions for Australia, United Kingdom, and United
States submarine security activities; Submarine Security Ac-
tivities Account.”.

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11

1 **SEC. 1325. AUSTRALIA, UNITED KINGDOM, AND UNITED**
2 **STATES SUBMARINE SECURITY TRAINING.**

3 (a) IN GENERAL.—The President may transfer or
4 authorize the export of defense services to the Government
5 of Australia under the Arms Export Control Act (22
6 U.S.C. 2751 et seq.) that may also be directly exported
7 to Australian private-sector personnel to support the de-
8 velopment of the Australian submarine industrial base
9 necessary for submarine security activities between Aus-
10 tralia, the United Kingdom, and the United States (in this
11 section referred to as “AUKUS”), including in cases in
12 which such private-sector personnel are not officers, em-
13 ployees, or agents of the Government of Australia.

14 (b) APPLICATION OF REQUIREMENTS FOR FURTHER
15 TRANSFER.—Any transfer of defense services to the Gov-
16 ernment of Australia pursuant to subsection (a) to persons
17 other than those directly provided such defense services
18 pursuant to subsection (a) shall only be made in accord-
19 ance with the requirements of the Arms Export Control
20 Act (22 U.S.C. 2751 et seq.).

21 **SEC. 1326. AUSTRALIA, UNITED KINGDOM, AND UNITED**
22 **STATES DEFENSE TRADE PARTNERSHIP.**

23 Section 38 of the Arms Export Control Act of 1976
24 (22 U.S.C. 2778) is amended by adding at the end the
25 following new subsection:

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1 “(I) AUSTRALIA, UNITED KINGDOM, AND UNITED
2 STATES DEFENSE TRADE COOPERATION.—

3 “(1) EXEMPTION FROM LICENSING AND AP-
4 PROVAL REQUIREMENTS.—Subject to paragraph (2)
5 and notwithstanding any other provision of this sec-
6 tion, the Secretary of State may exempt from the li-
7 censing or other approval requirements of this sec-
8 tion exports and transfers (including reexports, re-
9 transfers, temporary imports, and brokering activi-
10 ties) of defense articles and defense services between
11 or among the United States, the United Kingdom,
12 and Australia that—

13 “(A) are not excluded by those countries;

14 “(B) are not referred to in subsection
15 (j)(1)(C)(ii); and

16 “(C) involve only entities that are approved
17 by relevant authorities within those countries.

18 “(2) REQUIRED STANDARDS OF EXPORT CON-
19 TROLS.—The Secretary of State may only exercise
20 the authority under paragraph (1) with respect to
21 the United Kingdom or Australia after the Secretary
22 submits to Congress a certification that the country
23 concerned has implemented standards for a system
24 of export controls that satisfies the elements of sub-
25 section (j)(2)(A) for defense articles and defense

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1 services, and for controlling the provision of military
2 training, that are at least comparable to those ad-
3 ministered by the United States.

4 “(3) REEXPORTS AND RETRANSFERS.—

5 “(A) EXEMPTION FROM CERTAIN CERTIFI-
6 CATION REQUIREMENTS.—Paragraphs (1)
7 through (3) of section 3(d) shall not apply to
8 transfers (including transfers of United States
9 Government sales or grants, or commercial ex-
10 ports authorized under this chapter) among the
11 United States, the United Kingdom, or Aus-
12 tralia described in paragraph (1).

13 “(B) REPORTS OF TRANSFERS.—The Sec-
14 retary of State shall require all transfers that
15 would be subject to the requirements of para-
16 graphs (1) through (3) of section 3(d) but for
17 the application of subparagraph (A) of this
18 paragraph to be reported to the Secretary on a
19 quarterly basis.”.

☒

PRE-DECISIONAL INTERNAL EXECUTIVE BRANCH DRAFT

1 **SEC. ____ . AUKUS DEFENSE TRADE PARTNERSHIP.**

2 Section 38 of the Arms Export Control Act of 1976 (22 U.S.C. 2778) is amended by adding at
3 the end the following new subsection:

4 “(l) AUKUS DEFENSE TRADE COOPERATION.—

5 “(1) EXEMPTION FROM LICENSING AND APPROVAL REQUIREMENTS.— Subject to
6 paragraph (2) and notwithstanding any other provision of this section, the Secretary of
7 State may exempt from the licensing or other approval requirements of this section
8 exports and transfers (including reexports, retransfers, temporary imports, and brokering
9 activities) of defense articles and defense services between or among the United States,
10 the United Kingdom, and Australia that—

11 “(A) are not excluded by those countries;

12 “(B) are not referred to in subsection (j)(1)(C)(ii); and

13 “(C) involve only entities that are approved by relevant authorities within
14 those countries.

15 “(2) REQUIRED STANDARDS OF EXPORT CONTROLS.—The Secretary of State may
16 only exercise the authority under paragraph (1) with respect to the United Kingdom or
17 Australia after the Secretary submits to Congress a certification that the country
18 concerned has implemented standards for a system of export controls that satisfies the
19 elements of subsection (j)(2)(A) for defense articles and defense services, and for
20 controlling the provision of military training, that are at least comparable to those
21 administered by the United States.

22 “(3) REEXPORTS AND RETRANSFERS.—

PRE-DECISIONAL INTERNAL EXECUTIVE BRANCH DRAFT

- 1 “(A) EXEMPTION FROM CERTAIN CERTIFICATION REQUIREMENTS.—
- 2 Paragraphs (1) through (3) of section 3(d) shall not apply to transfers (including
- 3 transfers of U.S. government sales or grants, or commercial exports authorized
- 4 under this chapter) among the United States, the United Kingdom, or Australia
- 5 described in paragraph (1).
- 6 “(B) REPORTS OF TRANSFERS.—The Secretary of State shall require all
- 7 transfers that would be subject to the requirements of paragraphs (1) through (3)
- 8 of section 3(d) but for the application of subparagraph (A) of this paragraph to be
- 9 reported to the Secretary on a quarterly basis.”

[Please note: The “Changes to Existing Law” section below sets out in red-line format how the legislative text would amend existing law.]

Section-by-Section Analysis

This proposal allows the Secretary of State to implement an exemption under the Arms Export Control Act (AECA) for defense trade activities between or among the United States, Australia, and the United Kingdom. The exemption would be implemented with respect to each of Australia and the United Kingdom upon the Secretary of State’s determination that the respective country has implemented systems of export controls that satisfy elements of section 38(j)(2)(A) of the AECA (22 U.S.C. 2278(j)(2)(A)) and protect defense articles and defense services in a manner that is at least comparable to those of the United States. This proposal would also exempt subject Foreign Military Sales Third Party Transfers and other commercial reexports and retransfers of defense articles and services from the certification requirements of section 3(d) of the AECA, while requiring quarterly reporting to the Secretary of State of any such transfers.

Resource Information: This proposal has no impact on the use of resources requested within the Fiscal Year (FY) 2024 President’s Budget.

Resubmission Information: This proposal is being submitted for the first time.

Component Subject Matter Expert: Sarah Heidema, PM/DTCP

Reviewing Legal Counsel: Stephen Migala, L/PM, Migalasj@state.gov

Component Contact for OMB:

PRE-DECISIONAL INTERNAL EXECUTIVE BRANCH DRAFT

Changes to Existing Law: This proposal would amend section 38 of the Arms Export Control Act (22 U.S.C. 2778), as follows:

SEC. 38. CONTROL OF ARMS EXPORTS AND IMPORTS.—(a)(1) In furtherance of world peace and the security and foreign policy of the United States, the President is authorized to control the import and the export of defense articles and defense services and to provide foreign policy guidance to persons of the United States involved in the export and import of such articles and services. The President is authorized to designate those items which shall be considered as defense articles and defense services for the purposes of this section and to promulgate regulations for the import and export of such articles and services. The items so designated shall constitute the United States Munitions List.

(2) Decisions on issuing export licenses under this section shall take into account whether the export of an article would contribute to an arms race, aid in the development of weapons of mass destruction, support international terrorism, increase the possibility of outbreak or escalation of conflict, or prejudice the development of bilateral or multilateral arms control or nonproliferation agreements or other arrangements.

(3) In exercising the authorities conferred by this section, the President may require that any defense article or defense service be sold under this Act as a condition of its eligibility for export, and may require that persons engaged in the negotiation for the export of defense articles and services keep the President fully and currently informed of the progress and future prospects of such negotiations.

* * * * *

(1) AUKUS DEFENSE TRADE COOPERATION.—

(1) EXEMPTION FROM LICENSING AND APPROVAL REQUIREMENTS.— Subject to paragraph (2) and notwithstanding any other provision of this section, the Secretary of State may exempt from the licensing or other approval requirements of this section exports and transfers (including reexports, retransfers, temporary imports, and brokering activities) of defense articles and defense services between or among the United States, the United Kingdom, and Australia that—

(A) are not excluded by those countries;

(B) are not referred to in subsection (j)(1)(C)(ii); and

(C) involve only entities that are approved by relevant authorities within those countries.

(2) REQUIRED STANDARDS OF EXPORT CONTROLS.—The Secretary of State may only exercise the authority under paragraph (1) with respect to the United Kingdom or Australia after the Secretary submits to Congress a certification that the country concerned has implemented standards for a system of export controls that satisfies the elements of subsection (j)(2)(A) for defense articles and defense services, and for controlling the provision of military training, that are at least comparable to those administered by the United States.

(3) REEXPORTS AND RETRANSFERS.—

(A) EXEMPTION FROM CERTAIN CERTIFICATION REQUIREMENTS.—

Paragraphs (1) through (3) of section 3(d) shall not apply to transfers (including transfers of U.S. government sales or grants, or commercial exports authorized

PRE-DECISIONAL INTERNAL EXECUTIVE BRANCH DRAFT

under this chapter) among the United States, the United Kingdom, or Australia described in paragraph (1).

(B) REPORTS OF TRANSFERS.—The Secretary of State shall require all transfers that would be subject to the requirements of paragraphs (1) through (3) of section 3(d) but for the application of subparagraph (A) of this paragraph to be reported to the Secretary on a quarterly basis.

s 33(a)(i), s 33(a)(iii), s 33(b) - this page, together with the following pages (668 to 671) are exempt and have been removed.

s 33(a)(i), s 33(a)(iii), s 33(b) - this page, together with the following pages (674 to 677) are exempt and have been removed.

s 22(1)(a)(ii)

s 22(1)(a)(ii)

Title: United States: Congress^{s 22(1)(a)(ii)}

MRN: s 22(1)(a)(ii)

To: Canberra

Cc: RR : Americas Posts, Europe Posts, Indo-Pacific Posts, Middle East Posts

From: Washington

From File:

EDRMS

Files:

References: s 22(1)(a)(ii)

Response: **Routine, Information Only**

s 22(1)(a)(ii)

Summary

s 22(1)(a)(ii)

s 33(a)(iii), s 33(b)

s 22(1)(a)(ii)
s 33(a)(iii)

s 22(1)(a)(ii)

Page 1 of 6

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 33(a)(i), s 33(a)(iii),
s 33(b)

s 22(1)(a)(ii)

s 22(1)(a)(ii) 

s 22(1)(a)(ii)

s 22(1)(a)(ii)



Page 3 of 6

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 33(a)(iii), s 33(b)

s 22(1)(a)(ii)

Comment
s 22(1)(a)(ii)

s 33(a)(iii)

s 22(1)(a)(ii)

17. Drafted in consultation with Defence, and DFAT Political and Trade.

s 22(1)(a)(ii)



BRIEF FOR AMBASSADOR RUDD

UNITED STATES HOUSE OF REPRESENTATIVES

s 22(1)(a)(ii)

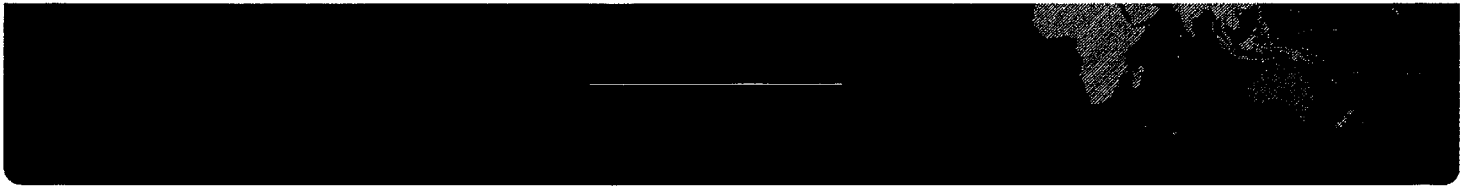
Talking points:

s 22(1)(a)(ii)



s 22(1)(a)(ii)

s 22(1)(a)(ii) - this page, together with the following pages (686 to 687) are irrelevant and have been removed.

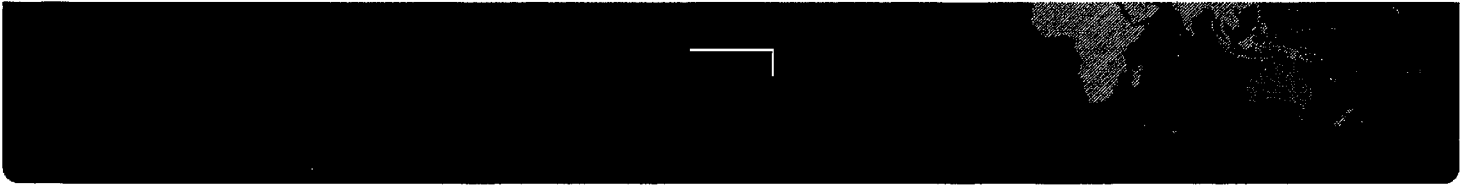


s 22(1)(a)(ii)

s 22(1)(a)(ii) AUKUS

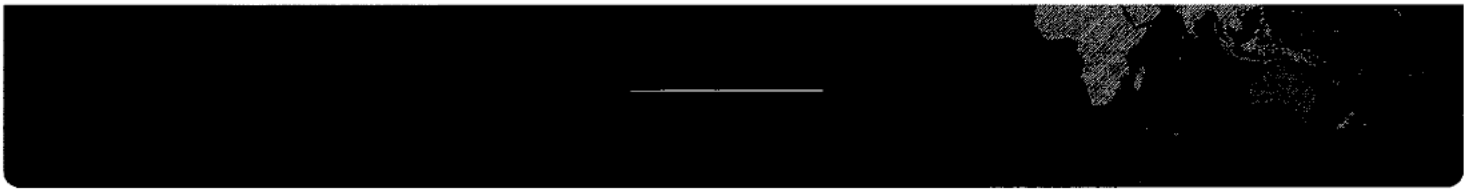
- Our foreign and defence policies are essential and interdependent elements of Australia’s effort to preserve a strategic equilibrium
 - Australia’s approach to AUKUS s 22(1)(a)(ii) reflect this.
- Our enhanced defence capabilities make Australia a more capable security partner for the region

s 33(a)(i), s 33(a)(iii)



— contributing to collective security through being a more capable defence partner.
s 33(a)(iii)

s 22(1)(a)(ii)



s 22(1)(a)(ii)

this page, together with the following pages (690 to 692) are irrelevant and have been removed.